

STATE OF MINNESOTA

NINETIETH SESSION — 2018

EIGHTY-THIRD DAY

SAINT PAUL, MINNESOTA, THURSDAY, APRIL 19, 2018

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

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

A quorum was present.

Applebaum; Considine; Drazkowski; Flanagan; Johnson, S.; Lesch; Omar; Slocum and Smith were excused.

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

REPORTS OF STANDING COMMITTEES AND DIVISIONS

Johnson, B., from the Committee on Public Safety and Security Policy and Finance to which was referred:

H. F. No. 2856, A bill for an act relating to public safety; expanding the list of prior offenses that support a conviction of first-degree driving while impaired; amending Minnesota Statutes 2016, section 169A.24, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1 APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the column under "Appropriations" are added to the appropriations in Laws 2017, chapter 95, article 1, to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2018" and "2019" used in this article mean that the addition to the appropriation listed under them is available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively. "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. Appropriations for the fiscal year ending June 30, 2018, are effective the day following final enactment.

	<u>APPROPRIATIONS</u> <u>Available for the Year</u> <u>Ending June 30</u>	
	<u>2018</u>	<u>2019</u>
Sec. 2. <u>SUPREME COURT</u>		
Subdivision 1. <u>Total Appropriation</u>	<u>\$182,000</u>	<u>\$0</u>
Subd. 2. <u>Stays of Adjudication Implementation</u>		
<u>\$182,000 in fiscal year 2018 is for case management system development.</u>		
<u>Any unencumbered balance remaining in the first year does not cancel and is available in the second year.</u>		
Sec. 3. <u>DISTRICT COURTS</u>	<u>\$0</u>	<u>\$618,000</u>
<u>Ignition Interlock Implementation. \$618,000 in fiscal year 2019 is for one judge unit and two additional court administrative clerks. The general fund base for this appropriation shall be \$585,000 beginning in fiscal year 2020.</u>		

Sec. 4. **GUARDIAN AD LITEM BOARD****\$0****\$3,667,000**

To hire additional guardians ad litem to comply with federal and state mandates and court orders for representing the best interests of children in juvenile and family court proceedings.

Sec. 5. **BOARD OF PUBLIC DEFENSE****\$0****\$850,000**

Additional Staff. \$850,000 is for additional staffing. The general fund base for this appropriation shall be \$2,966,000 beginning in fiscal year 2020.

Sec. 6. **PUBLIC SAFETY**Subdivision 1. **Total Appropriation****\$0****\$253,000**Appropriations by Fund

	<u>2018</u>	<u>2019</u>
<u>General</u>	<u>0</u>	<u>118,000</u>
<u>Driver Services Fund</u>	<u>0</u>	<u>135,000</u>

Subd. 2. **Vulnerable Adults Working Group**

\$39,000 in fiscal year 2019 is appropriated from the general fund to the commissioner of public safety for purposes of the working group examining crimes against vulnerable adults.

Subd. 3. **Funding for the Task Force on Missing and Murdered Indigenous Women**

\$79,000 in fiscal year 2019 is appropriated from the general fund to the commissioner of public safety to implement Minnesota Statutes, section 299A.90, relating to the Task Force on Missing and Murdered Indigenous Women. The general fund base for this appropriation shall be \$70,000 in fiscal year 2020 and \$0 in fiscal year 2021.

Subd. 4. **Ignition Interlock**

\$135,000 in fiscal year 2019 is appropriated from the driver services fund for increased use of ignition interlock. The base for this appropriation shall be \$125,000 beginning in fiscal year 2020.

Sec. 7. **CORRECTIONS**Subdivision 1. **Total Appropriation****\$0****\$1,500,000**Subd. 2. **Department of Corrections Intensive Supervision**

\$500,000 in fiscal year 2019 is to fund the Department of Corrections intensive supervised release agents needed to supervise offenders placed on intensive probation pursuant to Minnesota Statutes, section 609.3455, subdivision 8a.

Subd. 3. **Community Corrections Act Intensive Probation**

\$1,000,000 in fiscal year 2019 is for county probation officer reimbursement, as described in Minnesota Statutes, section 401.10, to provide supervision to offenders placed on intensive probation pursuant to Minnesota Statutes, section 609.3455, subdivision 8a.

The general fund base for this program shall be increased by \$915,000 in fiscal year 2020 and \$2,885,000 in fiscal year 2021 for ongoing intensive probation costs.

Sec. 8. **DEPARTMENT OF HUMAN SERVICES****\$0****\$12,000**

Nonpaternity Action. \$12,000 in fiscal year 2019 is appropriated to the commissioner for state costs to update a paternity training video.

ARTICLE 2
COURTS

Section 1. Minnesota Statutes 2016, section 257.57, subdivision 1, is amended to read:

Subdivision 1. **Actions under section 257.55, subdivision 1, paragraph (a), (b), or (c).** A child, the child's biological mother, or a man presumed to be the child's father under section 257.55, subdivision 1, paragraph (a), (b), or (c) may bring an action:

(1) at any time for the purpose of declaring the existence of the father and child relationship presumed under section 257.55, subdivision 1, paragraph (a), (b), or (c); or

(2) for the purpose of declaring the nonexistence of the father and child relationship presumed under section 257.55, subdivision 1, paragraph (a), (b), or (c), only if the action is brought within ~~two~~ three years after the person bringing the action has reason to believe that the presumed father is not the father of the child, ~~but in no event later than three years after the child's birth.~~ However, if the presumed father was divorced from the child's mother and if, on or before the 280th day after the judgment and decree of divorce or dissolution became final, he did not know that the child was born during the marriage or within 280 days after the marriage was terminated, the action is not barred until ~~one year after the child reaches the age of majority or one year~~ three years after the presumed father knows or reasonably should have known of the birth of the child, ~~whichever is earlier.~~ After the presumption has been rebutted, paternity of the child by another man may be determined in the same action, if he has been made a party.

Sec. 2. Minnesota Statutes 2016, section 257.57, subdivision 2, is amended to read:

Subd. 2. **Actions under other paragraphs of section 257.55, subdivision 1.** The child, the mother, or personal representative of the child, the public authority chargeable by law with the support of the child, the personal representative or a parent of the mother if the mother has died or is a minor, a man alleged or alleging himself to be the father, or the personal representative or a parent of the alleged father if the alleged father has died or is a minor may bring an action:

(1) at any time for the purpose of declaring the existence of the father and child relationship presumed under sections 257.55, subdivision 1, paragraph (d), (e), (g), or (h), and 257.62, subdivision 5, paragraph (b), ~~or the nonexistence of the father and child relationship presumed under section 257.55, subdivision 1, clause (d);~~

(2) for the purpose of declaring the nonexistence of the father and child relationship presumed under section 257.55, subdivision 1, paragraph (d), only if the action is brought within three years from when the presumed father began holding the child out as his own;

(3) for the purpose of declaring the nonexistence of the father and child relationship presumed under section 257.55, subdivision 1, paragraph (e) or (g), only if the action is brought within ~~six months~~ three years after the person bringing the action obtains the results of blood or genetic tests that indicate that the presumed father is not the father of the child has reason to believe that the presumed father is not the biological father;

~~(3)~~ (4) for the purpose of declaring the nonexistence of the father and child relationship presumed under section 257.62, subdivision 5, paragraph (b), only if the action is brought within three years after the party bringing the action, or the party's attorney of record, has been provided the blood or genetic test results; or

(4) (5) for the purpose of declaring the nonexistence of the father and child relationship presumed under section 257.75, subdivision 9, only if the action is brought by the minor signatory within ~~six months~~ three years after the youngest minor signatory reaches the age of 18 or three years after the person bringing the action has reason to believe that the father is not the biological father of the child, whichever is later. In the case of a recognition of parentage executed by two minor signatories, the action to declare the nonexistence of the father and child relationship must be brought within six months after the youngest signatory reaches the age of 18.

Sec. 3. Minnesota Statutes 2016, section 257.57, is amended by adding a subdivision to read:

Subd. 7. **Nonexistence of father-child relationship.** (a) An action to declare the nonexistence of the father-child relationship must be personally served on all parties and meet the requirements of either subdivision 1 or 2. An action must be brought by a petition, except that a motion may be filed in an underlying action regarding parentage, custody, or parenting time.

(b) An action to declare the nonexistence of the father-child relationship cannot proceed if the court finds that in a previous proceeding;

(1) the father-child relationship was contested and a court order determined the existence of the father-child relationship; or

(2) the father-child relationship was determined based upon a court order as a result of a stipulation or joint petition of the parties.

(c) Nothing in this subdivision precludes a party from relief under section 518.145, subdivision 2, clauses (1) to (3), if applicable, or the Minnesota Rules of Civil Procedure.

(d) In evaluating whether or not to declare the nonexistence of the father-child relationship, the court must consider, evaluate, and make written findings on the following factors:

(1) the length of time between the paternity adjudication or presumption of paternity and the time that the moving party knew or should have known that the presumed or adjudicated father might not be the biological father;

(2) the length of time during which the presumed or adjudicated father has assumed the role of father of the child;

(3) the facts surrounding the moving party's discovery of the presumed or adjudicated father's possible nonpaternity;

(4) the nature of the relationship between the child and the presumed or adjudicated father;

(5) the current age of the child;

(6) the harm or benefit that may result to the child if the court ends the father-child relationship of the current presumed or adjudicated father;

(7) the nature of the relationship between the child and any presumed or adjudicated father;

(8) the parties' agreement to the nonexistence of the father-child relationship and adjudication of paternity in the same action;

(9) the extent to which the passage of time reduces the chances of establishing paternity of another man and a child support order for that parent;

(10) the likelihood of adjudication of the biological father if not already joined in this action; and

(11) any additional factors deemed to be relevant by the court.

(e) The burden of proof shall be on the petitioner to show by clear and convincing evidence that, after consideration of the factors in paragraph (d), declaring the nonexistence of the father-child relationship is in the child's best interests.

(f) The court may grant the relief in the petition or motion upon finding that:

(1) the moving party has met the requirements of this section;

(2) the genetic testing results were properly conducted in accordance with section 257.62;

(3) the presumed or adjudicated father has not adopted the child;

(4) the child was not conceived by artificial insemination that meets the requirements under section 257.56 or that the presumed or adjudicated father voluntarily agreed to the artificial insemination; and

(5) the presumed or adjudicated father did not act to prevent the biological father of the child from asserting his parental rights with respect to the child.

(g) Upon granting the relief sought in the petition or motion, the court shall order the following:

(1) the father-child relationship has ended and the presumed or adjudicated father's parental rights and responsibilities end upon the granting of the petition;

(2) the presumed or adjudicated father's name shall be removed from the minor child's birth record and a new birth certificate shall be issued upon the payment of any fees;

(3) the presumed or adjudicated father's obligation to pay ongoing child support shall be terminated, effective on the first of the month after the petition or motion was served;

(4) any unpaid child support due prior to service of the petition or motion remains due and owing absent an agreement of all parties including the public authority, or the court determines other relief is appropriate under the Rules of Civil Procedure; and

(5) the presumed or adjudicated father has no right to reimbursement of past child support paid to the mother, the public authority, or any other assignee of child support.

The order must include the provisions of section 257.66 if another party to the action is adjudicated as the father of the child.

Sec. 4. Minnesota Statutes 2016, section 257.75, subdivision 4, is amended to read:

Subd. 4. **Action to vacate recognition.** (a) An action to vacate a recognition of paternity may be brought by the mother, father, husband or former husband who executed a joinder, or the child. An action to vacate a recognition of parentage may be brought by the public authority. A mother, father, or husband or former husband who executed a joinder must bring the action within ~~one year of the execution of the recognition or within six months after the person bringing the action obtains the results of blood or genetic tests that indicate that the man who executed the recognition is not the father of the child~~ three years after the person bringing the action has reason to believe that the father is not the biological father of the child. A child must bring an action to vacate within ~~six months~~ three years after the child ~~obtains the result of blood or genetic tests that indicate that~~ has reason to believe the man who executed the recognition is not the biological father of the child, or within one year of reaching the age of majority, whichever is later. If the court finds a prima facie basis for vacating the recognition, the court shall order the child, mother, father, and husband or former husband who executed a joinder to submit to ~~blood genetic~~ tests. If the court issues an order for the taking of ~~blood genetic~~ tests, the court shall require the party seeking to vacate the recognition to make advance payment for the costs of the ~~blood genetic~~ tests, unless the parties agree and the court finds that the previous genetic test results exclude the man who executed the recognition as the biological father of the child. If the party fails to pay for the costs of the ~~blood genetic~~ tests, the court shall dismiss the action to vacate with prejudice. The court may also order the party seeking to vacate the recognition to pay the other party's reasonable attorney fees, costs, and disbursements. If the results of the ~~blood genetic~~ tests establish that the man who executed the recognition is not the father, the court shall vacate the recognition. Notwithstanding the vacation of the recognition, the court may adjudicate the man who executed the recognition under any other applicable paternity presumption under section 257.55. If a recognition is vacated, any joinder in the recognition under subdivision 1a is also vacated. The court shall terminate the obligation of a party to pay ongoing child support based on the recognition. A modification of child support based on a recognition may be made retroactive with respect to any period during which the moving party has pending a motion to vacate the recognition but only from the date of service of notice of the motion on the responding party.

(b) The burden of proof in an action to vacate the recognition is on the moving party. The moving party must request the vacation on the basis of fraud, duress, or material mistake of fact. The legal responsibilities in existence at the time of an action to vacate, including child support obligations, may not be suspended during the proceeding, except for good cause shown.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to recognition of parentage signed on or after that date.

Sec. 5. Minnesota Statutes 2017 Supplement, section 260C.163, subdivision 3, is amended to read:

Subd. 3. **Appointment of counsel.** (a) The child, parent, guardian or custodian has the right to effective assistance of counsel in connection with a proceeding in juvenile court as provided in this subdivision.

(b) Except in proceedings where the sole basis for the petition is habitual truancy, if the child desires counsel but is unable to employ it, the court shall appoint counsel to represent the child who is ten years of age or older under section 611.14, clause (4), or other counsel at public expense.

(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 to represent the parent, guardian, or custodian in any case in which it feels that such an appointment is appropriate if the person would be financially unable to obtain counsel under the guidelines set forth in section 611.17. Court appointed counsel shall be at county expense as outlined in paragraph (h).

(d) In any proceeding where the subject of a petition for a child in need of protection or services is ten years of age or older, the responsible social services agency shall, ~~within 14 days after filing the petition or at the emergency removal hearing under section 260C.178, subdivision 1, if the child is present, fully and effectively or no later than the admit-deny hearing pursuant to Rule 34 of the Minnesota Rules of Juvenile Protection Procedure,~~ inform the child of the child's right to be represented by appointed counsel ~~upon request~~ and shall notify the court as to whether the child ~~desired~~ does or does not desire counsel. The agency is not required to inform the child of the right to be represented by appointed counsel if the court has already appointed counsel to represent the child. Information provided to the child shall include, at a minimum, the fact that counsel will be provided without charge to the child, that the child's communications with counsel are confidential, and that the child has the right to participate in all proceedings on a petition, including the opportunity to personally attend all hearings. The responsible social services agency shall also, ~~within 14 days of the child's tenth birthday, fully and effectively~~ inform the child of the child's right to be represented by counsel no later than the first court hearing after the child's tenth birthday, if the child reaches the age of ten years while the child is the subject of a petition for a child in need of protection or services or is a child under the guardianship of the commissioner.

(e) In any proceeding where the sole basis for the petition is habitual truancy, the child, parent, guardian, and custodian do not have the right to appointment of a public defender or other counsel at public expense. However, before any out-of-home placement, including foster care or inpatient treatment, can be ordered, the court must appoint a public defender or other counsel at public expense in accordance with this subdivision.

(f) Counsel for the child shall not also act as the child's guardian ad litem.

(g) In any proceeding where the subject of a petition for a child in need of protection or services is not represented by an attorney, the court shall determine the child's preferences regarding the proceedings, including informing the child of the right to appointed counsel and asking whether the child desires counsel, if the child is of suitable age to express a preference.

(h) Court-appointed counsel for the parent, guardian, or custodian under this subdivision is at county expense. If the county has contracted with counsel meeting qualifications under paragraph (i), the court shall appoint the counsel retained by the county, unless a conflict of interest exists. If a conflict exists, after consulting with the chief judge of the judicial district or the judge's designee, the county shall contract with competent counsel to provide the necessary representation. The court may appoint only one counsel at public expense for the first court hearing to represent the interests of the parents, guardians, and custodians, unless, at any time during the proceedings upon petition of a party, the court determines and makes written findings on the record that extraordinary circumstances exist that require counsel to be appointed to represent a separate interest of other parents, guardians, or custodians subject to the jurisdiction of the juvenile court.

(i) Counsel retained by the county under paragraph (h) must meet the qualifications established by the Judicial Council in at least one of the following: (1) has a minimum of two years' experience handling child protection cases; (2) has training in handling child protection cases from a course or courses approved by the Judicial Council; or (3) is supervised by an attorney who meets the minimum qualifications under clause (1) or (2).

Sec. 6. Minnesota Statutes 2017 Supplement, section 260C.163, subdivision 10, is amended to read:

Subd. 10. **Waiver.** (a) Waiver of any right which a child has under this chapter must be an express waiver made voluntarily, intelligently, and in writing by the child after the child has been fully and effectively informed of the right to counsel and after consulting with an appointed attorney.

(b) Waiver of a child's right to be represented by counsel provided ~~under the juvenile court rules in subdivision 3, paragraph (b),~~ must be an express waiver made voluntarily, intelligently, and on the record or in writing by the child after the child has been ~~fully and effectively~~ informed of the right being waived by the responsible social services agency ~~and in accordance with subdivision 3, paragraph (d),~~ or after consultation with an appointed attorney. In determining whether a child has voluntarily and intelligently waived the right to counsel, the court shall look to the totality of the circumstances which includes but is not limited to the child's age, maturity, intelligence, education, experience, and ability to comprehend, and the presence and competence of the child's parents, guardian, or guardian ad litem. The court shall not permit the child's parent, other person legally responsible for the child's care, or the child's guardian ad litem to waive the child's right to be represented by counsel. If the court accepts the child's waiver, it shall state on the record the findings and conclusions that form the basis for its decision to accept the waiver.

(c) A child may revoke a waiver under this section at any time in any juvenile protection proceeding listed in section 260C.001, subdivision 1, paragraph (b).

Sec. 7. Minnesota Statutes 2017 Supplement, section 357.021, subdivision 2, is amended to read:

Subd. 2. **Fee amounts.** The fees to be charged and collected by the court administrator shall be as follows:

(1) In every civil action or proceeding in said court, including any case arising under the tax laws of the state that could be transferred or appealed to the Tax Court, the plaintiff, petitioner, or other moving party shall pay, when the first paper is filed for that party in said action, a fee of \$285, except in: (i) marriage dissolution actions the fee is \$315; and (ii) an action to renew a judgment on a consumer credit transaction as defined in section 491A.01 the fee is \$40 when the judgment has not been satisfied and is begun within ten years after the entry of the judgment and the action is brought by the original creditor and not a subsequent assignee of the creditor.

The defendant or other adverse or intervening party, or any one or more of several defendants or other adverse or intervening parties appearing separately from the others, shall pay, when the first paper is filed for that party in said action, a fee of \$285, except in: (i) marriage dissolution actions the fee is \$315; and (ii) an action to renew a judgment on a consumer credit transaction as defined in section 491A.01 the fee is \$40 when the judgment has not

been satisfied and is begun within ten years after the entry of the judgment and the action is brought by the original creditor and not a subsequent assignee of the creditor. This subdivision does not apply to the filing of an Application for Discharge of Judgment. Section 548.181 applies to an Application for Discharge of Judgment.

The party requesting a trial by jury shall pay \$100.

The fees above stated shall be the full trial fee chargeable to said parties irrespective of whether trial be to the court alone, to the court and jury, or disposed of without trial, and shall include the entry of judgment in the action, but does not include copies or certified copies of any papers so filed or proceedings under chapter 103E, except the provisions therein as to appeals.

- (2) Certified copy of any instrument from a civil or criminal proceeding, \$14, and \$8 for an uncertified copy.
- (3) Issuing a subpoena, \$16 for each name.
- (4) Filing a motion or response to a motion in civil, family, excluding child support, and guardianship cases, \$75.
- (5) Issuing an execution and filing the return thereof; issuing a writ of attachment, injunction, habeas corpus, mandamus, quo warranto, certiorari, or other writs not specifically mentioned, \$55.
- (6) Issuing a transcript of judgment, or for filing and docketing a transcript of judgment from another court, \$40.
- (7) Filing and entering a satisfaction of judgment, partial satisfaction, or assignment of judgment, \$5.
- (8) Certificate as to existence or nonexistence of judgments docketed, \$5 for each name certified to.
- (9) Filing and indexing trade name; or recording basic science certificate; or recording certificate of physicians, osteopathic physicians, chiropractors, veterinarians, or optometrists, \$5.
- (10) For the filing of each partial, final, or annual account in all trusteeships, \$55.
- (11) For the deposit of a will, \$27.
- (12) For recording notary commission, \$20.
- (13) Filing a motion or response to a motion for modification of child support, a fee of \$50.
- (14) All other services required by law for which no fee is provided, such fee as compares favorably with those herein provided, or such as may be fixed by rule or order of the court.
- (15) In addition to any other filing fees under this chapter, a surcharge in the amount of \$75 must be assessed in accordance with section 259.52, subdivision 14, for each adoption petition filed in district court to fund the fathers' adoption registry under section 259.52.

The fees in clauses (3) and (5) need not be paid by a public authority or the party the public authority represents.

Sec. 8. Minnesota Statutes 2016, section 518.145, subdivision 2, is amended to read:

Subd. 2. **Reopening.** On motion and upon terms as are just, the court may relieve a party from a judgment and decree, order, or proceeding under this chapter, except for provisions dissolving the bonds of marriage, annulling the marriage, or directing that the parties are legally separated, and may order a new trial or grant other relief as may be just for the following reasons:

- (1) mistake, inadvertence, surprise, or excusable neglect;
- (2) newly discovered evidence which by due diligence could not have been discovered in time to move for a new trial under the Rules of Civil Procedure, rule 59.03;
- (3) fraud, whether denominated intrinsic or extrinsic, misrepresentation, or other misconduct of an adverse party;
- (4) the judgment and decree or order is void; or
- (5) the judgment has been satisfied, released, or discharged, or a prior judgment and decree or order upon which it is based has been reversed or otherwise vacated, or it is no longer equitable that the judgment and decree or order should have prospective application.

The motion must be made within a reasonable time, and for a reason under clause (1), (2), or (3), other than a motion to declare the nonexistence of the father-child relationship, not more than one year after the judgment and decree, order, or proceeding was entered or taken. An action to declare the nonexistence of the father-child relationship must be made within a reasonable time under clause (1), (2), or (3), and not more than three years after the person bringing the action has reason to believe that the father is not the father of the child. A motion under this subdivision does not affect the finality of a judgment and decree or order or suspend its operation. This subdivision does not limit the power of a court to entertain an independent action to relieve a party from a judgment and decree, order, or proceeding or to grant relief to a party not actually personally notified as provided in the Rules of Civil Procedure, or to set aside a judgment for fraud upon the court.

Sec. 9. Minnesota Statutes 2016, section 549.09, subdivision 1, is amended to read:

Subdivision 1. **When owed; rate.** (a) When a judgment or award is for the recovery of money, including a judgment for the recovery of taxes, interest from the time of the verdict, award, or report until judgment is finally entered shall be computed by the court administrator or arbitrator as provided in paragraph (c), clause (1), regardless of the amount and added to the judgment or award.

(b) Except as otherwise provided by contract or allowed by law, preverdict, preaward, or prereport interest on pecuniary damages shall be computed as provided in paragraph (c), clause (1), regardless of the amount from the time of the commencement of the action or a demand for arbitration, or the time of a written notice of claim, whichever occurs first, except as provided herein. The action must be commenced within two years of a written notice of claim for interest to begin to accrue from the time of the notice of claim. If either party serves a written offer of settlement, the other party may serve a written acceptance or a written counteroffer within 30 days. After that time, interest on the judgment or award shall be calculated by the judge or arbitrator in the following manner. The prevailing party shall receive interest on any judgment or award from the time of commencement of the action or a demand for arbitration, or the time of a written notice of claim, or as to special damages from the time when special damages were incurred, if later, until the time of verdict, award, or report only if the amount of its offer is closer to the judgment or award than the amount of the opposing party's offer. If the amount of the losing party's offer was closer to the judgment or award than the prevailing party's offer, the prevailing party shall receive interest only on the amount of the settlement offer or the judgment or award, whichever is less, and only from the time of commencement of the action or a demand for arbitration, or the time of a written notice of claim, or as to special damages from when the special damages were incurred, if later, until the time the settlement offer was made. Subsequent offers and counteroffers supersede the legal effect of earlier offers and counteroffers. For the purposes of clause (2), the amount of settlement offer must be allocated between past and future damages in the same proportion as determined by the trier of fact. Except as otherwise provided by contract or allowed by law, preverdict, preaward, or prereport interest shall not be awarded on the following:

- (1) judgments, awards, or benefits in workers' compensation cases, but not including third-party actions;

- (2) judgments or awards for future damages;
- (3) punitive damages, fines, or other damages that are noncompensatory in nature;
- (4) judgments or awards not in excess of the amount specified in section 491A.01; and

(5) that portion of any verdict, award, or report which is founded upon interest, or costs, disbursements, attorney fees, or other similar items added by the court or arbitrator.

(c)(1)(i) For interest that accrues before a judgment is final, a judgment or award of \$50,000 or less, or a judgment or award for or against the state or a political subdivision of the state, regardless of the amount, or a judgment or award in a family court action, regardless of the amount, the interest shall be computed as simple interest per annum. The rate of interest shall be based on the secondary market yield of one year United States Treasury bills, calculated on a bank discount basis as provided in this section.

On or before the 20th day of December of each year the state court administrator shall determine the rate from the one-year constant maturity treasury yield for the most recent calendar month, reported on a monthly basis in the latest statistical release of the board of governors of the Federal Reserve System. This yield, rounded to the nearest one percent, or four percent, whichever is greater, shall be the annual interest rate during the succeeding calendar year. The state court administrator shall communicate the interest rates to the court administrators and sheriffs for use in computing the interest on verdicts and shall make the interest rates available to arbitrators.

This item applies to any section that references section 549.09 by citation for the purposes of computing an interest rate on any amount owed to or by the state or a political subdivision of the state, regardless of the amount.

(ii) The court, in a family court action, may order a lower interest rate or no interest rate if the parties agree or if the court makes findings explaining why application of a lower interest rate or no interest rate is necessary to avoid causing an unfair hardship to the debtor. This item does not apply to child support or spousal maintenance judgments subject to section 548.091.

(2) For a judgment or award over \$50,000, other than a judgment or award for or against the state or a political subdivision of the state or a judgment or award in a family court action, the interest rate shall be ten percent per year until paid.

(3) When a judgment creditor, or the judgment creditor's attorney or agent, has received a payment after entry of judgment, whether the payment is made voluntarily by or on behalf of the judgment debtor, or is collected by legal process other than execution levy where a proper return has been filed with the court administrator, the judgment creditor, or the judgment creditor's attorney, before applying to the court administrator for an execution shall file with the court administrator an affidavit of partial satisfaction. The affidavit must state the dates and amounts of payments made upon the judgment after the most recent affidavit of partial satisfaction filed, if any; the part of each payment that is applied to taxable disbursements and to accrued interest and to the unpaid principal balance of the judgment; and the accrued, but the unpaid interest owing, if any, after application of each payment.

(d) This section does not apply to arbitrations between employers and employees under chapter 179 or 179A. An arbitrator is neither required to nor prohibited from awarding interest under chapter 179 or under section 179A.16 for essential employees.

(e) For purposes of this subdivision:

(1) "state" includes a department, board, agency, commission, court, or other entity in the executive, legislative, or judicial branch of the state; and

(2) "political subdivision" includes a town, statutory or home rule charter city, county, school district, or any other political subdivision of the state.

(f) This section does not apply to a judgment or award upon which interest is entitled to be recovered under section 60A.0811.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to judgments and awards entered on or after that date.

Sec. 10. Minnesota Statutes 2016, section 590.11, subdivision 1, is amended to read:

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

(b) "Exonerated" means that:

(1) a court of this state:

(i) vacated or, reversed, or set aside a judgment of conviction on grounds consistent with innocence and there are no remaining felony charges in effect against the petitioner from the same behavioral incident, or if there are remaining felony charges against the petitioner from the same behavioral incident, the prosecutor dismissed the dismisses those remaining felony charges; or

(ii) ordered a new trial on grounds consistent with innocence and the prosecutor dismissed the charges or the petitioner was found not guilty at the new trial all felony charges against the petitioner arising from the same behavioral incident or the petitioner was found not guilty of all felony charges arising from the same behavioral incident at the new trial; and

(2) the time for appeal of the order resulting in exoneration has expired or the order has been affirmed and is final; and

(3) 60 days has passed since the judgment of conviction was reversed or vacated, and the prosecutor has not filed any felony charges against the petitioner from the same behavioral incident, or if the prosecutor did file felony charges against the petitioner from the same behavioral incident, those felony charges were dismissed or the defendant was found not guilty of those charges at the new trial.

(c) "On grounds consistent with innocence" means either:

(1) exonerated, through a pardon or sentence commutation, based on factual innocence; or

(2) exonerated because the judgment of conviction was vacated or reversed and there is any evidence of factual innocence whether it was available at the time of investigation or trial or is newly discovered evidence.

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 11. Minnesota Statutes 2016, section 590.11, subdivision 2, is amended to read:

Subd. 2. **Procedure.** A petition for an order declaring eligibility for compensation based on exoneration under sections 611.362 to 611.368 must be brought before the district court where the original conviction was obtained. The state must be represented by the office of the prosecutor that obtained the conviction or the prosecutor's successor. Within 60 days after the filing of the petition, the prosecutor must respond to the petition. A petition

must be brought within two years, but no less than 60 days after the petitioner is exonerated. ~~Persons released from custody after being exonerated before July 1, 2014, must commence an action under this section within two years of July 1, 2014. If, before July 1, 2018, a person did not meet both requirements of Minnesota Statutes 2016, section 590.11, subdivision 1, paragraph (b), clause (1), item (i), and did not file a petition or the petition was denied, that person may commence an action meeting the requirements under section 10, subdivision 1, paragraph (b), clause (1), item (i), on or after July 1, 2018, and before July 1, 2020.~~

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 12. Minnesota Statutes 2016, section 590.11, subdivision 5, is amended to read:

Subd. 5. **Elements.** (a) A claim for compensation arises if a person is eligible for compensation under subdivision 3 and:

- (1) the person was convicted of a felony and served any part of the imposed sentence ~~in prison~~;
 - (2) in cases where the person was convicted of multiple charges arising out of the same behavioral incident, the person was exonerated for all of those charges;
 - (3) the person did not commit or induce another person to commit perjury or fabricate evidence to cause or bring about the conviction; and
 - (4) the person was not serving a term of ~~imprisonment~~ incarceration for another crime at the same time, ~~provided that except:~~
 - (i) if the person served additional time in prison due to the conviction that is the basis of the claim, the person may make a claim for that portion of time served in prison during which the person was serving no other sentence; or
 - (ii) if the person served additional executed sentences that had been previously stayed, and the reason the additional stayed sentences were executed was due to the conviction that is the basis for the claim.
- (b) A claimant may make a claim only for that portion of time served in prison during which the claimant was serving no other sentence.
- (c) A confession or admission later found to be false or a guilty plea to a crime the claimant did not commit does not constitute bringing about the claimant's conviction for purposes of paragraph (a), clause (3).

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 13. Minnesota Statutes 2016, section 590.11, subdivision 7, is amended to read:

Subd. 7. **Order.** If, after considering all the files and records admitted and any evidence admitted at a hearing held pursuant to subdivision 4, the court determines that the petitioner is eligible for compensation, the court shall issue an order containing its findings and, if applicable, indicate the portion of the term of ~~imprisonment~~ incarceration for which the petitioner is entitled to make a claim. The court shall notify the petitioner of the right to file a claim for compensation under sections 611.362 to 611.368 and provide the petitioner with a copy of those sections. The petitioner must acknowledge receipt of the notice and a copy of those sections in writing or on the record before the court.

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 14. Minnesota Statutes 2016, section 609.015, subdivision 1, is amended to read:

Subdivision 1. **Common law crimes abolished.** Common law crimes are abolished and no act or omission is a crime unless made so by this chapter or by other applicable statute, ~~but~~. This does not prevent the use of common law rules in the construction or interpretation of the provisions of this chapter or other statute except that a law reducing a sentence does not apply to crimes committed prior to the date on which the change takes effect unless the statute specifically states otherwise. Crimes committed prior to September 1, 1963, are not affected thereby.

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

Sec. 15. Minnesota Statutes 2016, section 611.365, subdivision 2, is amended to read:

Subd. 2. **Reimbursement; monetary damages; attorney fees.** (a) The claimant is entitled to reimbursement for all restitution, assessments, fees, court costs, and other sums paid by the claimant as required by the judgment and sentence. In addition, the claimant is entitled to monetary damages of not less than \$50,000 or more than \$100,000 for each year of ~~imprisonment~~ incarceration, and not less than \$25,000 for each year served on supervised release or as a registered predatory offender, to be prorated for partial years served. In calculating additional monetary damages, the panel shall consider:

(1) economic damages, including reasonable attorney fees, lost wages, reimbursement for costs associated with the claimant's criminal defense;

(2) reimbursement for medical and dental expenses that the claimant already incurred and future unpaid expenses expected to be incurred as a result of the claimant's ~~imprisonment~~ incarceration;

(3) noneconomic damages for personal physical injuries or sickness and any nonphysical injuries or sickness incurred as a result of ~~imprisonment~~ incarceration;

(4) reimbursement for any tuition and fees paid for each semester successfully completed by the claimant in an educational program or for employment skills and development training, up to the equivalent value of a four-year degree at a public university, and reasonable payment for future unpaid costs for education and training, not to exceed the anticipated cost of a four-year degree at a public university;

(5) reimbursement for paid or unpaid child support payments owed by the claimant that became due, and interest on child support arrearages that accrued, during the time served in prison provided that there shall be no reimbursement for any child support payments already owed before the claimant's incarceration; and

(6) reimbursement for reasonable costs of paid or unpaid reintegrative expenses for immediate services secured by the claimant upon exoneration and release, including housing, transportation and subsistence, reintegrative services, and medical and dental health care costs.

(b) The panel shall award the claimant reasonable attorney fees incurred in bringing a claim under sections 611.362 to 611.368 and in obtaining an order of eligibility for compensation based on exoneration under chapter 590.

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 16. Minnesota Statutes 2016, section 611.365, subdivision 3, is amended to read:

Subd. 3. **Limits on damages.** There is no limit on the aggregate amount of damages that may be awarded under this section. Damages that may be awarded under subdivision 2, paragraph (a), clauses (1) and (4) to (6), are limited to \$100,000 per year of ~~imprisonment~~ incarceration and \$50,000 per year served on supervised release or as a registered predatory offender.

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 17. Minnesota Statutes 2016, section 611.367, is amended to read:

611.367 COMPENSATING EXONERATED PERSONS; APPROPRIATIONS PROCESS.

The compensation panel established in section 611.363 shall forward an award of damages under section 611.365 to the commissioner of management and budget. The commissioner shall submit the amount of the award to the legislature for consideration as an appropriation ~~during the next session of the legislature.~~

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 18. Minnesota Statutes 2016, section 611.368, is amended to read:

611.368 SHORT TITLE.

Sections 611.362 to 611.368 shall be cited as the "~~Imprisonment~~ Incarceration and Exoneration Remedies Act."

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 19. Minnesota Statutes 2016, section 626A.08, subdivision 2, is amended to read:

Subd. 2. **Application and orders.** (a) Applications made and warrants issued under this chapter shall be sealed by the judge. Custody of the applications and orders shall be wherever the judge directs. Such applications and orders shall be disclosed only upon a showing of good cause before a judge of the district court and shall not be destroyed except on order of the issuing or denying judge, and in any event shall be kept for ten years.

(b) Notwithstanding paragraph (a), the filing, sealing, and reporting requirements for applications made and warrants issued under this chapter that involve location information of electronic devices, as defined in section 626A.42, are governed by section 626A.42, subdivision 4. However, applications and warrants, or portions of applications and warrants, that do not involve location information of electronic devices continue to be governed by paragraph (a).

Sec. 20. Minnesota Statutes 2016, section 626A.37, subdivision 4, is amended to read:

Subd. 4. **Nondisclosure of existence of pen register, trap and trace device, or mobile tracking device.** (a) An order authorizing or approving the installation and use of a pen register, trap and trace device, or a mobile tracking device must direct that:

(1) the order be sealed until otherwise ordered by the court; and

(2) the person owning or leasing the line to which the pen register or a trap and trace device is attached, or who has been ordered by the court to provide assistance to the applicant, not disclose the existence of the pen register, trap and trace device, mobile tracking device, or the existence of the investigation to the listed subscriber, or to any other person, unless or until otherwise ordered by the court.

(b) Paragraph (a) does not apply to an order that involves location information of electronic devices, as defined in section 626A.42. Instead, the filing, sealing, and reporting requirements for those orders are governed by section 626A.42, subdivision 4. However, any portion of an order that does not involve location information of electronic devices continues to be governed by paragraph (a).

Sec. 21. **[631.011] LIMITATIONS ON RECORDING OR BROADCASTING CRIMINAL PROCEEDINGS.**

Except as otherwise provided in this subdivision, no person may record or broadcast any criminal matter, including a trial, hearing, motion, or argument, absent the express consent of the defendant and the victim. This prohibition applies to the use of television, radio, audio, photographic, or other recording equipment. This prohibition does not apply to the use of electronic, photographic, or other recording equipment approved by the court for purposes of making the court record, including closed-circuit interactive television.

ARTICLE 3
PUBLIC SAFETY AND CORRECTIONS

Section 1. Minnesota Statutes 2016, section 168B.16, is amended to read:

168B.16 FLASHING LIGHT ON TOW TRUCK.

(a) A tow truck or towing vehicle must be equipped with flashing or intermittent red and amber lights of a type approved by the commissioner of public safety. A tow truck or towing vehicle may be equipped with a blue light, subject to the limitations under section 169.64, subdivision 4, paragraphs (a) and (b). The lights must be placed on the dome of the vehicle at the highest practicable point visible from a distance of 500 feet.

(b) The flashing red light, blue light, or both must be displayed only when the tow truck or towing vehicle is stopped and engaged in emergency service on or near the traveled portion of a highway. The flashing amber light may be displayed when the tow truck or towing vehicle is moving a disabled vehicle.

Sec. 2. Minnesota Statutes 2016, section 169.64, subdivision 4, is amended to read:

Subd. 4. **Blue light.** (a) Except as provided in paragraphs (b) to (d), blue lights are prohibited on all vehicles except road maintenance equipment ~~and~~ snow removal equipment, or a tow truck or towing vehicle operated by or under contract to the state or a political subdivision thereof.

(b) Authorized emergency vehicles may display flashing blue lights to the rear of the vehicle as a warning signal in combination with other lights permitted or required by this chapter. In addition, authorized emergency vehicles may display, mounted on the passenger side only, flashing blue lights to the front of the vehicle as a warning signal in combination with other lights permitted or required by this chapter.

(c) A motorcycle may display a blue light of up to one-inch diameter as part of the motorcycle's rear brake light.

(d) A motor vehicle may display a blue light of up to one-inch diameter as part of the vehicle's rear brake light if:

(1) the vehicle is a collector vehicle, as described in section 168.10; or

(2) the vehicle is eligible to display a collector plate under section 168.10.

Sec. 3. Minnesota Statutes 2016, section 169.92, subdivision 4, is amended to read:

Subd. 4. **Suspension of driver's license.** (a) Upon receiving a report from the court, or from the driver licensing authority of a state, district, territory, or possession of the United States or a province of a foreign country which has an agreement in effect with this state pursuant to section 169.91, that a resident of this state or a person licensed as a driver in this state did not appear in court in compliance with the terms of a citation, the commissioner of public safety shall notify the driver that the driver's license will be suspended unless the commissioner receives notice within 30 days that the driver has appeared in the appropriate court ~~or, if the offense is a petty misdemeanor for which a guilty plea was entered under section 609.491, that the person has paid any fine imposed by the court.~~ If the commissioner does not receive notice of the appearance in the appropriate court ~~or payment of the fine~~ within 30 days of the date of the commissioner's notice to the driver, the commissioner may suspend the driver's license, subject to the notice requirements of section 171.18, subdivision 2. Notwithstanding the requirements in this section, the commissioner is prohibited from suspending the driver's license of a person based solely on the fact that the person did not appear in court in compliance with the terms of a citation for a petty misdemeanor or for a violation of section 171.24, subdivision 1.

(b) The order of suspension shall indicate the reason for the order and shall notify the driver that the driver's license shall remain suspended until the driver has furnished evidence, satisfactory to the commissioner, of compliance with any order entered by the court.

(c) Suspension shall be ordered under this subdivision only when the report clearly identifies the person arrested; describes the violation, specifying the section of the traffic law, ordinance or rule violated; indicates the location and date of the offense; and describes the vehicle involved and its registration number.

Sec. 4. Minnesota Statutes 2016, section 171.16, subdivision 2, is amended to read:

Subd. 2. **Commissioner shall suspend.** (a) The court may recommend the suspension of the driver's license of the person so convicted, and the commissioner shall suspend such license as recommended by the court, without a hearing ~~as provided herein.~~

(b) The commissioner is prohibited from suspending a person's driver's license if the person was convicted only under section 171.24, subdivision 1 or 2.

Sec. 5. Minnesota Statutes 2016, section 171.16, subdivision 3, is amended to read:

Subd. 3. ~~**Suspension for Failure to pay fine.** When any court reports to~~ The commissioner must not suspend a person's driver's license based solely on the fact that a person: (1) has been convicted of violating a law of this state or an ordinance of a political subdivision which regulates the operation or parking of motor vehicles, (2) has been sentenced to the payment of a fine or had a surcharge levied against that person, or sentenced to a fine upon which a surcharge was levied, and (3) has refused or failed to comply with that sentence or to pay the surcharge; ~~notwithstanding the fact that the court has determined that the person has the ability to pay the fine or surcharge, the commissioner shall suspend the driver's license of such person for 30 days for a refusal or failure to pay or until notified by the court that the fine or surcharge, or both if a fine and surcharge were not paid, has been paid.~~

Sec. 6. Minnesota Statutes 2016, section 171.18, subdivision 1, is amended to read:

Subdivision 1. **Offenses.** (a) The commissioner may suspend the license of a driver without preliminary hearing upon a showing by department records or other sufficient evidence that the licensee:

(1) has committed an offense for which mandatory revocation of license is required upon conviction;

(2) has been convicted by a court for violating a provision of chapter 169 or an ordinance regulating traffic, other than a conviction for a petty misdemeanor, and department records show that the violation contributed in causing an accident resulting in the death or personal injury of another, or serious property damage;

(3) is an habitually reckless or negligent driver of a motor vehicle;

(4) is an habitual violator of the traffic laws;

(5) is incompetent to drive a motor vehicle as determined in a judicial proceeding;

(6) has permitted an unlawful or fraudulent use of the license;

(7) has committed an offense in another state that, if committed in this state, would be grounds for suspension;

(8) has committed a violation of section 169.444, subdivision 2, paragraph (a), within five years of a prior conviction under that section;

(9) has committed a violation of section 171.22, except that the commissioner may not suspend a person's driver's license based solely on the fact that the person possessed a fictitious or fraudulently altered Minnesota identification card;

(10) has failed to appear in court as provided in section 169.92, subdivision 4;

(11) has failed to report a medical condition that, if reported, would have resulted in cancellation of driving privileges;

(12) has been found to have committed an offense under section 169A.33; or

(13) has paid or attempted to pay a fee required under this chapter for a license or permit by means of a dishonored check issued to the state or a driver's license agent, which must be continued until the registrar determines or is informed by the agent that the dishonored check has been paid in full.

However, an action taken by the commissioner under clause (2) or (5) must conform to the recommendation of the court when made in connection with the prosecution of the licensee.

(b) The commissioner ~~may not suspend~~ is prohibited from suspending the driver's license of an individual under paragraph (a) who was convicted of a violation of section 171.24, subdivision 1, ~~whose license was under suspension at the time solely because of the individual's failure to appear in court or failure to pay a fine or 2.~~

Sec. 7. Minnesota Statutes 2017 Supplement, section 171.3215, subdivision 2, is amended to read:

Subd. 2. **Cancellation for disqualifying and other offenses.** Within ten days of receiving notice under section 631.40, subdivision 1a, or otherwise receiving notice for a nonresident driver, that a school bus driver has been convicted of, or received a stay of adjudication for, a disqualifying offense, the commissioner shall permanently cancel the school bus driver's endorsement on the offender's driver's license and in the case of a nonresident, the driver's privilege to operate a school bus in Minnesota. A school bus driver whose endorsement or privilege to operate a school bus in Minnesota has been permanently canceled may not apply for reinstatement. Within ten days of receiving notice under section 631.40, subdivision 1a, or otherwise receiving notice for a nonresident driver, that a school bus driver has been convicted of a violation of section 169A.20, or a similar statute or ordinance from another state, and within ten days of revoking a school bus driver's license under section 169A.52 or 171.177, the commissioner shall cancel the school bus driver's endorsement on the offender's driver's license or the nonresident's

privilege to operate a school bus in Minnesota for five years. After five years, a school bus driver may apply to the commissioner for reinstatement. Even after five years, cancellation of a school bus driver's endorsement or a nonresident's privilege to operate a school bus in Minnesota for a violation under section 169A.20, sections 169A.50 to 169A.53, section 171.177, or a similar statute or ordinance from another state, shall remain in effect until the driver provides proof of successful completion of an alcohol or controlled substance treatment program. For a first offense, proof of completion is required only if treatment was ordered as part of a chemical use assessment. Within ten days of receiving notice under section 631.40, subdivision 1a, or otherwise receiving notice for a nonresident driver, that a school bus driver has been convicted of a fourth moving violation in the last three years, the commissioner shall cancel the school bus driver's endorsement on the offender's driver's license or the nonresident's privilege to operate a school bus in Minnesota until one year has elapsed since the last conviction. A school bus driver who has no new convictions after one year may apply for reinstatement. Upon canceling the offender's school bus driver's endorsement, the commissioner shall immediately notify the licensed offender of the cancellation in writing, by depositing in the United States post office a notice addressed to the licensed offender at the licensed offender's last known address, with postage prepaid thereon.

Sec. 8. Minnesota Statutes 2017 Supplement, section 171.3215, subdivision 3, is amended to read:

Subd. 3. **Background check.** Before issuing or renewing a driver's license with a school bus driver's endorsement, the commissioner shall conduct an investigation to determine if the applicant has been convicted of, or received a stay of adjudication for, committing a disqualifying offense, four moving violations in the previous three years, a violation of section 169A.20 or a similar statute or ordinance from another state, a gross misdemeanor, or if the applicant's driver's license has been revoked under section 169A.52 or 171.177. The commissioner shall not issue a new bus driver's endorsement and shall not renew an existing bus driver's endorsement if the applicant has been convicted of committing a disqualifying offense. The commissioner shall not issue a new bus driver's endorsement and shall not renew an existing bus driver's endorsement if, within the previous five years, the applicant has been convicted of committing a violation of section 169A.20, or a similar statute or ordinance from another state, a gross misdemeanor, or if the applicant's driver's license has been revoked under section 169A.52 or 171.177, or if, within the previous three years, the applicant has been convicted of four moving violations. An applicant who has been convicted of violating section 169A.20, or a similar statute or ordinance from another state, or who has had a license revocation under section 169A.52 or 171.177 within the previous ten years must show proof of successful completion of an alcohol or controlled substance treatment program in order to receive a bus driver's endorsement. For a first offense, proof of completion is required only if treatment was ordered as part of a chemical use assessment. A school district or contractor that employs a nonresident school bus driver must conduct a background check of the employee's driving record and criminal history in both Minnesota and the driver's state of residence. Convictions for disqualifying offenses, gross misdemeanors, a fourth moving violation within the previous three years, or violations of section 169A.20, or a similar statute or ordinance in another state, must be reported to the Department of Public Safety.

Sec. 9. Minnesota Statutes 2016, section 242.192, is amended to read:

242.192 CHARGES TO COUNTIES.

The commissioner shall charge counties or other appropriate jurisdictions 65 percent of the per diem cost of confinement, excluding educational costs and nonbillable service, of juveniles at the Minnesota Correctional Facility-Red Wing and of juvenile females committed to the commissioner of corrections. This charge applies to juveniles committed to the commissioner of corrections and juveniles admitted to the Minnesota Correctional Facility-Red Wing under established admissions criteria. This charge applies to both counties that participate in the Community Corrections Act and those that do not. The commissioner shall determine the per diem cost of confinement based on projected population, pricing incentives, and market conditions, ~~and the requirement that expense and revenue balance out over a period of two years.~~ All money received under this section must be deposited in the state treasury and credited to the general fund.

Sec. 10. **[243.521] ADMINISTRATIVE AND DISCIPLINARY SEGREGATION REPORT.**

By January 15, 2019, and by January 15 each year thereafter, the commissioner of corrections shall report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over public safety and judiciary on administrative and disciplinary segregation. This report shall include, but not be limited to, data regarding:

- (1) the number of inmates in each institution placed in segregation during the past year;
- (2) the ages of inmates placed in segregation during the past year;
- (3) the number of inmates transferred from segregation to the mental health treatment unit;
- (4) the nature of the infractions leading to the use of segregation;
- (5) the lengths of terms served in segregation, including terms served consecutively;
- (6) any incidents of inmates not receiving at least five hours a week out of cell; and
- (7) the number of inmates convicted of assault while confined and the number of this group of inmates who receive consecutive sentences, as required under section 609.2232.

Sec. 11. **[299A.90] TASK FORCE ON MISSING AND MURDERED INDIGENOUS WOMEN.**

Subdivision 1. **Creation and duties.** (a) By September 1, 2018, the commissioner, in consultation with the Minnesota Indian Affairs Council, shall appoint members to the Task Force on Missing and Murdered Indigenous Women to advise the commissioner and report to the legislature on recommendations to reduce and end violence against indigenous women and girls in Minnesota. The task force shall also serve as a liaison between the commissioner and agencies and nongovernmental organizations that provide services to victims, victims' families, and victims' communities. The members must receive expense reimbursement as specified in section 15.059, subdivision 6.

(b) The Task Force on Missing and Murdered Indigenous Women must examine and report on the following:

- (1) the systemic causes behind violence that indigenous women and girls experience, including patterns and underlying factors that explain why higher levels of violence occur against indigenous women and girls, including underlying historical, social, economic, institutional, and cultural factors which may contribute to the violence;
- (2) appropriate methods for tracking and collecting data on violence against indigenous women and girls, including data on missing and murdered indigenous women and girls;
- (3) policies and institutions such as policing, child welfare, coroner practices, and other governmental practices that impact violence against indigenous women and girls and the investigation and prosecution of crimes of gender violence against indigenous people;
- (4) measures necessary to address and reduce violence against indigenous women and girls; and
- (5) measures to help victims, victims' families, and victims' communities to prevent and heal from violence that occurs against indigenous women and girls.

(c) For the purposes of this section, "commissioner" means the commissioner of public safety and "nongovernmental organizations" means nonprofit, nongovernmental organizations that provide legal, social, or other community services.

Subd. 2. **Membership.** (a) To the extent practicable, the Task Force on Missing and Murdered Indigenous Women shall consist of the following individuals, or their designees, who are knowledgeable in crime victims' rights or violence protection:

- (1) two members of the senate, one appointed by the majority leader and one appointed by the minority leader;
- (2) two members of the house of representatives, one appointed by the speaker of the house and one appointed by the minority leader;
- (3) a representative from the Minnesota Chiefs of Police Association;
- (4) a representative of the Bureau of Criminal Apprehension;
- (5) a representative of the United States Attorney's Office;
- (6) a peace officer who works and resides in the seven-county metropolitan area, composed of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington Counties;
- (7) a peace officer who works and resides in the nonmetropolitan area;
- (8) two peace officers who work for and reside on a federally recognized American Indian reservation in Minnesota;
- (9) a county attorney or representative from the Minnesota County Attorneys Association;
- (10) a judge or attorney working in juvenile court;
- (11) a representative from an Indian health organization or agency;
- (12) a county coroner or a representative from a statewide coroner's association;
- (13) a representative of the Department of Health;
- (14) four or more representatives for tribal governments, with a focus on individuals who work with victims of violence or their families;
- (15) two or more representatives from nongovernmental organizations, community volunteers, or advocacy organizations, who should include representatives from organizations working inside the seven-county metropolitan area, outside the seven-county metropolitan area, and on reservations, and may include:
 - (i) a tribal, statewide, or local organization that provides legal services to indigenous women and girls;
 - (ii) a tribal, statewide, or local organization that provides advocacy or counseling for indigenous women and girls who have been victims of violence; and
 - (iii) a tribal, statewide, or local organization that provides services to indigenous women and girls;

(16) a representative from the Minnesota Indian Women's Sexual Assault Coalition;

(17) a representative from Mending the Sacred Hoop;

(18) two indigenous women who are survivors of gender violence; and

(19) a representative from the Minnesota Sheriffs' Association.

(b) Members of the task force serve at the pleasure of the appointing authority or until the task force expires. Vacancies shall be filled by the commissioner of public safety consistent with the qualifications of the vacating member required by this subdivision.

Subd. 3. **Officers; meetings.** (a) The task force shall annually elect a chair and vice-chair from among its members, and may elect other officers as necessary. The task force shall meet at least quarterly, or upon the call of its chair. The task force shall meet sufficiently enough to accomplish the tasks identified in this section. Meetings of the task force are subject to chapter 13D. The task force shall seek out and enlist the cooperation and assistance of nongovernmental organizations, community and advocacy organizations working with the American Indian community, and academic researchers and experts, specifically those specializing in violence against indigenous women and girls, representing diverse communities disproportionately affected by violence against women and girls, or focusing on issues related to gender violence and violence against indigenous women and girls.

(b) The commissioner of public safety shall convene the first meeting of the task force no later than October 1, 2018, and shall provide meeting space and administrative assistance as necessary for the task force to conduct its work.

Subd. 4. **Report.** The task force shall annually report to the chairs and ranking members of the legislative committees with jurisdiction over public safety, human services, and state government on the work of the task force, including but not limited to the issues to be examined in subdivision 1, and shall include in the annual report institutional policies and practices or proposed institutional policies and practices that are effective in reducing gender violence and increasing the safety of indigenous women and girls. The report shall include recommendations to reduce and end violence against indigenous women and girls and help victims and communities heal from gender violence and violence against indigenous women and girls. The first annual report shall be submitted to the legislative committees on February 15, 2019, and on February 15 each year after.

Subd. 5. **Expiration.** Notwithstanding section 15.059, the task force expires June 30, 2020.

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 12. Minnesota Statutes 2016, section 299C.091, subdivision 5, is amended to read:

Subd. 5. **Removal of data from system.** Notwithstanding section 138.17, the bureau shall destroy data entered into the system when three years have elapsed since the data were entered into the system, except as otherwise provided in this subdivision. If the bureau has information that the individual has been convicted as an adult, or has been adjudicated or has a stayed adjudication as a juvenile for an offense that would be a crime if committed by an adult, since entry of the data into the system, the data must be maintained until three years have elapsed since the last record of a conviction or adjudication or stayed adjudication of the individual, except that if the individual is committed to the custody of the commissioner of corrections and the commissioner documents activities meeting the criminal gang identification criteria that take place while the individual is confined in a state correctional facility, the three-year period begins after release from incarceration. Upon request of the law enforcement agency that submitted data to the system, the bureau shall destroy the data regardless of whether three years have elapsed since the data were entered into the system.

Sec. 13. Minnesota Statutes 2016, section 299C.17, is amended to read:

299C.17 REPORT BY COURT ADMINISTRATOR.

The superintendent shall require the court administrator of every court ~~which~~ that (1) sentences a defendant for a felony, gross misdemeanor, or targeted misdemeanor, or (2) grants a stay of adjudication pursuant to section 609.095, paragraph (b), clause (2), for an offense that, if convicted of, would require predatory offender registration under section 243.166, to electronically transmit within 24 hours of the disposition of the case a report, in a form prescribed by the superintendent providing information required by the superintendent with regard to the prosecution and disposition of criminal cases. A copy of the report shall be kept on file in the office of the court administrator.

Sec. 14. **299C.77] BACKGROUND CHECKS; ADDITIONAL DISCLOSURE.**

The superintendent shall disclose to each applicant for a statutorily mandated or authorized background check or background study all records of stays of adjudication granted to the subject of the background check or background study that the superintendent receives pursuant to section 299C.17, clause (2). The data required to be disclosed under this section is in addition to other data on the subject of the background check or background study that the superintendent is mandated to disclose.

Sec. 15. Minnesota Statutes 2016, section 357.021, subdivision 7, is amended to read:

Subd. 7. **Disbursement of surcharges by commissioner of management and budget.** (a) Except as provided in paragraphs (b), (c), and (d), the commissioner of management and budget shall disburse surcharges received under subdivision 6 and section 97A.065, subdivision 2, as follows:

(1) one percent shall be credited to the peace officer training account in the game and fish fund to provide peace officer training for employees of the Department of Natural Resources who are licensed under sections 626.84 to 626.863, and who possess peace officer authority for the purpose of enforcing game and fish laws;

(2) ~~39~~ 41 percent shall be credited to the peace officers training account in the special revenue fund; and

(3) ~~60~~ 58 percent shall be credited to the general fund.

(b) The commissioner of management and budget shall credit \$3 of each surcharge received under subdivision 6 and section 97A.065, subdivision 2, to the general fund.

(c) In addition to any amounts credited under paragraph (a), the commissioner of management and budget shall credit \$47 of each surcharge received under subdivision 6 and section 97A.065, subdivision 2, and the \$12 parking surcharge, to the general fund.

(d) If the Ramsey County Board of Commissioners authorizes imposition of the additional \$1 surcharge provided for in subdivision 6, paragraph (a), the court administrator in the Second Judicial District shall transmit the surcharge to the commissioner of management and budget. The \$1 special surcharge is deposited in a Ramsey County surcharge account in the special revenue fund and amounts in the account are appropriated to the trial courts for the administration of the petty misdemeanor diversion program operated by the Second Judicial District Ramsey County Violations Bureau.

EFFECTIVE DATE. This section is effective July 1, 2018, and applies to surcharges collected on or after July 1, 2018.

Sec. 16. Minnesota Statutes 2016, section 388.23, subdivision 1, is amended to read:

Subdivision 1. **Authority.** (a) The county attorney, or any deputy or assistant county attorney whom the county attorney authorizes in writing, has the authority to subpoena and require the production of any records of:

- (1) telephone companies, cellular phone companies, and paging companies;
- (2) subscribers of private computer networks including but not limited to Internet service providers or computer bulletin board systems;
- (3) subscribers of electronic communication services, private computer networks, online social media, e-mail domain hosts, Voice over Internet Protocol services, Internet messaging systems, and remote computing services as defined in United States Code Title 18, section 2711 as amended through April 1, 2018;
- (4) electric companies, gas companies, and water utilities;
- (5) chemical suppliers;
- (6) hotels and motels;
- (7) pawn shops;
- (8) airlines, buses, taxis, and other entities engaged in the business of transporting people, ~~and~~;
- (9) freight companies, warehousing companies, self-service storage facilities, package delivery companies, and other entities engaged in the businesses of transport, storage, or delivery, ~~and records of~~;
- (10) the existence of safe deposit box account numbers and customer savings and checking account numbers maintained by financial institutions and safe deposit companies;
- (11) insurance records relating to the monetary payment or settlement of claims;
- (12) the banking, credit card, and financial records of a subject of an identity theft investigation or a vulnerable adult, whether held in the name of the vulnerable adult or a third party, including but not limited to safe deposit, loan and account applications and agreements, signature cards, statements, checks, transfers, account authorizations, safe deposit access records and documentation of fraud; and
- (13) wage and employment records of an applicant or recipient of public assistance who is the subject of a welfare fraud investigation relating to eligibility information for public assistance programs.

(b) Subpoenas may only be issued for records that are relevant to an ongoing legitimate law enforcement investigation.

(c) Administrative subpoenas may only be issued in welfare fraud and identity theft cases if there is probable cause to believe a crime has been committed. This provision applies only to the records of business entities and does not extend to private individuals or their dwellings.

Sec. 17. Minnesota Statutes 2016, section 609.095, is amended to read:

609.095 LIMITS OF SENTENCES.

(a) The legislature has the exclusive authority to define crimes and offenses and the range of the sentences or punishments for their violation. No other or different sentence or punishment shall be imposed for the commission of a crime than is authorized by this chapter or other applicable law.

(b) Except as provided in: (1) section 152.18 or 609.375; or (2) upon agreement of the parties, a court may not refuse to adjudicate the guilt of a defendant who tenders a guilty plea in accordance with Minnesota Rules of Criminal Procedure, rule 15, or who has been found guilty by a court or jury following a trial.

A stay of adjudication granted under clause (2) must be reported to the superintendent of the Bureau of Criminal Apprehension pursuant to section 299C.17.

(c) Paragraph (b) does not supersede Minnesota Rules of Criminal Procedure, rule 26.04.

Sec. 18. Minnesota Statutes 2016, section 626.8452, is amended by adding a subdivision to read:

Subd. 6. **Prohibition on disarming local law enforcement officers.** Unless expressly authorized under another section of law, a mayor, city council, county board, or chief law enforcement officer may not disarm a peace officer who is in good standing and not currently under investigation or subject to disciplinary action.

Sec. 19. Minnesota Statutes 2016, section 631.40, subdivision 1a, is amended to read:

Subd. 1a. **Certified copy of disqualifying offense convictions sent to public safety and school districts.** When a person is convicted of, or receives a stay of adjudication for, committing a disqualifying offense, as defined in section 171.3215, subdivision 1, a gross misdemeanor, a fourth moving violation within the previous three years, or a violation of section 169A.20, or a similar statute or ordinance from another state, the court shall determine whether the offender is a school bus driver as defined in section 171.3215, subdivision 1, whether the offender possesses a school bus driver's endorsement on the offender's driver's license and in what school districts the offender drives a school bus. If the offender is a school bus driver or possesses a school bus driver's endorsement, the court administrator shall send a certified copy of the conviction to the Department of Public Safety and to the school districts in which the offender drives a school bus within ten days after the conviction.

Sec. 20. **WORKING GROUP EXAMINING CRIMES AGAINST VULNERABLE ADULTS.**

Subdivision 1. **Establishment; membership.** (a) A working group examining crimes against vulnerable adults is established.

(b) The commissioner of public safety shall appoint the following members of the working group:

(1) two attorneys practicing elder law, one who practices primarily in the seven-county metropolitan area and one who practices primarily outside the seven-county metropolitan area;

(2) two county attorneys, one from a county in the seven-county metropolitan area and one from a county outside the seven-county metropolitan area;

(3) two city attorneys, one from a city in the seven-county metropolitan area and one from a city outside the seven-county metropolitan area;

(4) one representative from the Office of the Public Defender;

(5) one representative from the Minnesota Elder Justice Center;

(6) one representative from the Minnesota Home Care Association;

(7) one representative from Care Providers of Minnesota;

(8) one representative from LeadingAge Minnesota;

(9) one representative from AARP Minnesota;

(10) one caregiver of a person who has been diagnosed with Alzheimer's disease;

(11) one peace officer, as defined in Minnesota Statutes, section 626.84; and

(12) any additional representatives from groups or organizations that the commissioner of public safety determines would help the working group perform its duties.

(c) The following individuals shall also be members of the working group:

(1) two members of the senate, one appointed by the majority leader and one appointed by the minority leader;

(2) two members of the house of representatives, one appointed by the speaker of the house and one appointed by the minority leader;

(3) the commissioner of public safety or a designee;

(4) the commissioner of human services or a designee;

(5) the commissioner of health or a designee;

(6) the attorney general or a designee;

(7) a representative of the judicial branch, appointed by the chief justice of the Supreme Court;

(8) the ombudsman for mental health and developmental disabilities;

(9) one member of the Minnesota Board on Aging, selected by the board; and

(10) one member of the Minnesota Council on Disability or a designee, selected by the council.

(d) The appointing authorities under this subdivision must complete their appointments no later than July 1, 2018.

Subd. 2. Duties; recommendations. The working group shall review existing laws establishing crimes against vulnerable adults, review whether these laws appropriately identify these crimes and apply appropriate penalties, and recommend any changes necessary to better protect vulnerable adults. The working group shall also examine and make recommendations regarding whether, in the interest of protecting vulnerable adults from maltreatment and crime, adequate laws, rules, procedures, and protections are in place to determine whether current or prospective long-term care employees are or have been subject to investigation for maltreatment of a vulnerable adult or a crime against a vulnerable adult.

Subd. 3. **Meetings.** The commissioner of public safety or a designee shall convene the first meeting of the working group no later than August 1, 2018. Members of the working group shall elect a chair from among the group's members at the first meeting, and the commissioner of public safety or a designee shall serve as the working group's chair until a chair is elected. Meetings of the working group are open to the public.

Subd. 4. **Compensation.** Members of the working group shall serve without compensation or reimbursement for expenses.

Subd. 5. **Administrative support.** The commissioner of public safety shall provide administrative support for the working group and arrange meeting space.

Subd. 6. **Report.** By January 15, 2019, the working group must submit a report with findings, recommendations, and draft legislation to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and criminal justice policy. The report must include a discussion of the benefits, problems, and costs associated with any proposed changes to laws.

Subd. 7. **Expiration.** The working group expires January 16, 2019, or the day after the working group submits the report required under subdivision 6, whichever is later.

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

Sec. 21. **RETROACTIVE DRIVER'S LICENSE REINSTATEMENT.**

(a) The commissioner of public safety must make an individual's driver's license eligible for reinstatement if the license is solely suspended pursuant to:

(1) Minnesota Statutes 2016, section 171.16, subdivision 2, if the person was convicted only under Minnesota Statutes, section 171.24, subdivision 1 or 2;

(2) Minnesota Statutes 2016, section 171.16, subdivision 3; or

(3) both clauses (1) and (2).

(b) By May 1, 2019, the commissioner must provide written notice to an individual whose license has been made eligible for reinstatement under paragraph (a), addressed to the licensee at the licensee's last known address.

(c) Before the license is reinstated, an individual whose driver's license is eligible for reinstatement under paragraph (a) must pay the reinstatement fee under Minnesota Statutes, section 171.20, subdivision 4.

(d) The following applies for an individual who is eligible for reinstatement under paragraph (a), clause (1), (2), or (3), and whose license was suspended, revoked, or canceled under any other provision in Minnesota Statutes:

(1) the suspension, revocation, or cancellation under any other provision in Minnesota Statutes remains in effect;

(2) subject to clause (1), the individual may become eligible for reinstatement under paragraph (a), clause (1), (2), or (3); and

(3) the commissioner is not required to send the notice described in paragraph (b).

(e) Paragraph (a) applies notwithstanding Minnesota Statutes 2016, sections 169.92, subdivision 4; 171.16, subdivision 2 or 3; or any other law to the contrary.

EFFECTIVE DATE. This section is effective April 1, 2019.

Sec. 22. **REPEALER.**

Minnesota Statutes 2016, section 401.13, is repealed.

ARTICLE 4
GENERAL CRIME

Section 1. Minnesota Statutes 2016, section 609.2112, subdivision 1, is amended to read:

Subdivision 1. **Criminal vehicular homicide.** (a) Except as provided in paragraph (b), a person is guilty of criminal vehicular homicide and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both, if the person causes the death of a human being not constituting murder or manslaughter as a result of operating a motor vehicle:

(1) in a grossly negligent manner;

(2) in a negligent manner while under the influence of:

(i) alcohol;

(ii) a controlled substance; or

(iii) any combination of those elements;

(3) while having an alcohol concentration of 0.08 or more;

(4) while having an alcohol concentration of 0.08 or more, as measured within two hours of the time of driving;

(5) in a negligent manner while knowingly under the influence of a hazardous substance;

(6) in a negligent manner while any amount of a controlled substance listed in Schedule I or II, or its metabolite, other than marijuana or tetrahydrocannabinols, is present in the person's body;

(7) where the driver who causes the collision leaves the scene of the collision in violation of section 169.09, subdivision 1 or 6; ~~or~~

(8) where the driver had actual knowledge that a peace officer had previously issued a citation or warning that the motor vehicle was defectively maintained, the driver had actual knowledge that remedial action was not taken, the driver had reason to know that the defect created a present danger to others, and the death was caused by the defective maintenance; ~~or~~

(9) in a reckless manner while the driver is in violation of section 169.475.

(b) If a person is sentenced under paragraph (a) for a violation under paragraph (a), clauses (2) to (6), occurring within ten years of a qualified prior driving offense, the statutory maximum sentence of imprisonment is 15 years.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

Sec. 2. Minnesota Statutes 2016, section 609.2113, subdivision 1, is amended to read:

Subdivision 1. **Great bodily harm.** A person is guilty of criminal vehicular operation resulting in great bodily harm and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if the person causes great bodily harm to another not constituting attempted murder or assault as a result of operating a motor vehicle:

- (1) in a grossly negligent manner;
- (2) in a negligent manner while under the influence of:
 - (i) alcohol;
 - (ii) a controlled substance; or
 - (iii) any combination of those elements;
- (3) while having an alcohol concentration of 0.08 or more;
- (4) while having an alcohol concentration of 0.08 or more, as measured within two hours of the time of driving;
- (5) in a negligent manner while knowingly under the influence of a hazardous substance;
- (6) in a negligent manner while any amount of a controlled substance listed in Schedule I or II, or its metabolite, other than marijuana or tetrahydrocannabinols, is present in the person's body;
- (7) where the driver who causes the accident leaves the scene of the accident in violation of section 169.09, subdivision 1 or 6; ~~or~~
- (8) where the driver had actual knowledge that a peace officer had previously issued a citation or warning that the motor vehicle was defectively maintained, the driver had actual knowledge that remedial action was not taken, the driver had reason to know that the defect created a present danger to others, and the injury was caused by the defective maintenance; or
- (9) in a reckless manner while the driver is in violation of section 169.475.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

Sec. 3. Minnesota Statutes 2016, section 609.2113, subdivision 2, is amended to read:

Subd. 2. **Substantial bodily harm.** A person is guilty of criminal vehicular operation resulting in substantial bodily harm and may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than \$10,000, or both, if the person causes substantial bodily harm to another as a result of operating a motor vehicle:

- (1) in a grossly negligent manner;
- (2) in a negligent manner while under the influence of:
 - (i) alcohol;

(ii) a controlled substance; or

(iii) any combination of those elements;

(3) while having an alcohol concentration of 0.08 or more;

(4) while having an alcohol concentration of 0.08 or more, as measured within two hours of the time of driving;

(5) in a negligent manner while knowingly under the influence of a hazardous substance;

(6) in a negligent manner while any amount of a controlled substance listed in Schedule I or II, or its metabolite, other than marijuana or tetrahydrocannabinols, is present in the person's body;

(7) where the driver who causes the accident leaves the scene of the accident in violation of section 169.09, subdivision 1 or 6; ~~or~~

(8) where the driver had actual knowledge that a peace officer had previously issued a citation or warning that the motor vehicle was defectively maintained, the driver had actual knowledge that remedial action was not taken, the driver had reason to know that the defect created a present danger to others, and the injury was caused by the defective maintenance; or

(9) in a reckless manner while the driver is in violation of section 169.475.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

Sec. 4. Minnesota Statutes 2016, section 609.2113, subdivision 3, is amended to read:

Subd. 3. **Bodily harm.** A person is guilty of criminal vehicular operation resulting in bodily harm and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the person causes bodily harm to another as a result of operating a motor vehicle:

(1) in a grossly negligent manner;

(2) in a negligent manner while under the influence of:

(i) alcohol;

(ii) a controlled substance; or

(iii) any combination of those elements;

(3) while having an alcohol concentration of 0.08 or more;

(4) while having an alcohol concentration of 0.08 or more, as measured within two hours of the time of driving;

(5) in a negligent manner while knowingly under the influence of a hazardous substance;

(6) in a negligent manner while any amount of a controlled substance listed in Schedule I or II, or its metabolite, other than marijuana or tetrahydrocannabinols, is present in the person's body;

(7) where the driver who causes the accident leaves the scene of the accident in violation of section 169.09, subdivision 1 or 6; ~~or~~

(8) where the driver had actual knowledge that a peace officer had previously issued a citation or warning that the motor vehicle was defectively maintained, the driver had actual knowledge that remedial action was not taken, the driver had reason to know that the defect created a present danger to others, and the injury was caused by the defective maintenance; ~~or~~

(9) in a reckless manner while the driver is in violation of section 169.475.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

Sec. 5. Minnesota Statutes 2016, section 609.2114, subdivision 1, is amended to read:

Subdivision 1. **Death to an unborn child.** (a) Except as provided in paragraph (b), a person is guilty of criminal vehicular operation resulting in death to an unborn child and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both, if the person causes the death of an unborn child as a result of operating a motor vehicle:

(1) in a grossly negligent manner;

(2) in a negligent manner while under the influence of:

(i) alcohol;

(ii) a controlled substance; or

(iii) any combination of those elements;

(3) while having an alcohol concentration of 0.08 or more;

(4) while having an alcohol concentration of 0.08 or more, as measured within two hours of the time of driving;

(5) in a negligent manner while knowingly under the influence of a hazardous substance;

(6) in a negligent manner while any amount of a controlled substance listed in Schedule I or II, or its metabolite, other than marijuana or tetrahydrocannabinols, is present in the person's body;

(7) where the driver who causes the accident leaves the scene of the accident in violation of section 169.09, subdivision 1 or 6; ~~or~~

(8) where the driver had actual knowledge that a peace officer had previously issued a citation or warning that the motor vehicle was defectively maintained, the driver had actual knowledge that remedial action was not taken, the driver had reason to know that the defect created a present danger to others, and the injury was caused by the defective maintenance; ~~or~~

(9) in a reckless manner while the driver is in violation of section 169.475.

(b) If a person is sentenced under paragraph (a) for a violation under paragraph (a), clauses (2) to (6), occurring within ten years of a qualified prior driving offense, the statutory maximum sentence of imprisonment is 15 years.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

Sec. 6. Minnesota Statutes 2016, section 609.2114, subdivision 2, is amended to read:

Subd. 2. **Injury to an unborn child.** A person is guilty of criminal vehicular operation resulting in injury to an unborn child and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if the person causes the great bodily harm to an unborn child subsequently born alive as a result of operating a motor vehicle:

- (1) in a grossly negligent manner;
- (2) in a negligent manner while under the influence of:
 - (i) alcohol;
 - (ii) a controlled substance; or
 - (iii) any combination of those elements;
- (3) while having an alcohol concentration of 0.08 or more;
- (4) while having an alcohol concentration of 0.08 or more, as measured within two hours of the time of driving;
- (5) in a negligent manner while knowingly under the influence of a hazardous substance;
- (6) in a negligent manner while any amount of a controlled substance listed in Schedule I or II, or its metabolite, other than marijuana or tetrahydrocannabinols, is present in the person's body;
- (7) where the driver who causes the accident leaves the scene of the accident in violation of section 169.09, subdivision 1 or 6; ~~or~~
- (8) where the driver had actual knowledge that a peace officer had previously issued a citation or warning that the motor vehicle was defectively maintained, the driver had actual knowledge that remedial action was not taken, the driver had reason to know that the defect created a present danger to others, and the injury was caused by the defective maintenance; or
- (9) in a reckless manner while the driver is in violation of section 169.475.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

Sec. 7. Minnesota Statutes 2016, section 609.2231, subdivision 1, is amended to read:

Subdivision 1. **Peace officers.** (a) As used in this subdivision, "peace officer" means a person who is licensed under section 626.845, subdivision 1, and effecting a lawful arrest or executing any other duty imposed by law.

(b) Whoever physically assaults a peace officer is guilty of a ~~gross misdemeanor~~ felony and may be sentenced to imprisonment for not more than two years or to payment of a fine of not more than \$4,000, or both.

(c) Whoever commits either of the following acts against a peace officer is guilty of a felony and may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than \$6,000, or both: (1) physically assaults the officer if the assault inflicts demonstrable bodily harm; or (2) intentionally throws or otherwise transfers bodily fluids or feces at or onto the officer.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

Sec. 8. Minnesota Statutes 2016, section 609.2231, subdivision 2, is amended to read:

Subd. 2. **Firefighters and emergency medical personnel.** ~~(a) Whoever physically assaults any of the following persons and inflicts demonstrable bodily harm is guilty of a felony and may be sentenced to imprisonment for not more than two years or to payment of a fine of not more than \$4,000, or both gross misdemeanor:~~

(1) a member of a municipal or volunteer fire department or emergency medical services personnel unit in the performance of the member's duties; or

(2) a physician, nurse, or other person providing health care services in a hospital ~~emergency department.~~

(b) Whoever commits either of the following acts against a person identified in paragraph (a), clause (1) or (2), is guilty of a felony and may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than \$6,000, or both:

(1) physically assaults the person and the assault inflicts demonstrable bodily harm; or

(2) intentionally throws or otherwise transfers bodily fluids or feces at or onto the person.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

Sec. 9. Minnesota Statutes 2016, section 609.2231, subdivision 3a, is amended to read:

Subd. 3a. **Secure treatment facility personnel.** (a) As used in this subdivision, "secure treatment facility" includes facilities listed in sections 253B.02, subdivision 18a, and 253D.02, subdivision 13.

(b) Whoever, while committed under chapter 253D, Minnesota Statutes 2012, section 253B.185, or Minnesota Statutes 1992, section 526.10, commits either of the following acts against an employee or other individual who provides care or treatment at a secure treatment facility while the person is engaged in the performance of a duty imposed by law, policy, or rule is guilty of a felony and may be sentenced to imprisonment for not more than two years or to payment of a fine of not more than \$4,000, or both:

(1) assaults the person and inflicts demonstrable bodily harm; or

(2) intentionally throws or otherwise transfers bodily fluids or feces at or onto the person.

(c) Whoever, while committed under section 253B.18, or admitted under the provision of section 253B.10, subdivision 1, commits either of the following acts against an employee or other individual who supervises and works directly with patients at a secure treatment facility while the person is engaged in the performance of a duty imposed by law, policy, or rule, is guilty of a felony and may be sentenced to imprisonment for not more than two years or to payment of a fine of not more than \$4,000, or both:

(1) assaults the person and inflicts demonstrable bodily harm; or

(2) intentionally throws or otherwise transfers ~~urine, blood, semen,~~ bodily fluids or feces at or onto the person.

(d) The court shall commit a person convicted of violating paragraph (b) to the custody of the commissioner of corrections for not less than one year and one day. The court may not, on its own motion or the prosecutor's motion, sentence a person without regard to this paragraph. A person convicted and sentenced as required by this paragraph is not eligible for probation, parole, discharge, work release, or supervised release, until that person has served the full term of imprisonment as provided by law, notwithstanding the provisions of sections 241.26, 242.19, 243.05, 244.04, 609.12, and 609.135.

(e) Notwithstanding the statutory maximum sentence provided in paragraph (b), when a court sentences a person to the custody of the commissioner of corrections for a violation of paragraph (b), the court shall provide that after the person has been released from prison, the commissioner shall place the person on conditional release for five years. The terms of conditional release are governed by sections 244.05 and 609.3455, subdivision 6, 7, or 8; and Minnesota Statutes 2004, section 609.109.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

Sec. 10. Minnesota Statutes 2016, section 609.324, subdivision 3, is amended to read:

Subd. 3. **General prostitution crimes; penalties for patrons.** ~~(a)~~ Whoever, while acting as a patron, intentionally does any of the following is guilty of a misdemeanor:

(1) engages in prostitution with an individual 18 years of age or older; or

(2) hires, offers to hire, or agrees to hire an individual 18 years of age or older to engage in sexual penetration or sexual contact. Except as otherwise provided in subdivision 4, a person who is convicted of violating this paragraph must, at a minimum, be sentenced to pay a fine of at least ~~\$500~~ \$750.

~~(b) Whoever violates the provisions of this subdivision within two years of a previous prostitution conviction for violating this section or section 609.322 is guilty of a gross misdemeanor. Except as otherwise provided in subdivision 4, a person who is convicted of violating this paragraph must, at a minimum, be sentenced as follows:~~

~~(1) to pay a fine of at least \$1,500; and~~

~~(2) to serve 20 hours of community work service.~~

~~The court may waive the mandatory community work service if it makes specific, written findings that the community work service is not feasible or appropriate under the circumstances of the case.~~

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

Sec. 11. Minnesota Statutes 2016, section 609.324, is amended by adding a subdivision to read:

Subd. 3a. **Penalties for patrons; repeat offenders.** Whoever violates the provisions of subdivision 2 or 3 within ten years of a previous prostitution conviction for violating this section or section 609.322 is guilty of a felony. Except as otherwise provided in subdivision 4, a person who is convicted of violating this paragraph must, at a minimum, be sentenced as follows:

(1) to pay a fine of at least \$3,000; and

(2) to serve 100 hours of community work service in addition to any period of incarceration in a local jail or workhouse imposed as an intermediate sanction.

The court may waive the mandatory community work service if it makes specific, written findings that the community work service is not feasible or appropriate under the circumstances of the case.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

Sec. 12. Minnesota Statutes 2016, section 609.324, subdivision 4, is amended to read:

Subd. 4. **Community service in lieu of minimum fine.** The court may order a person convicted of violating subdivision 2 ~~or 3~~, 3a to perform community work service in lieu of all or a portion of the minimum fine required under those subdivisions if the court makes specific, written findings that the convicted person is indigent or that payment of the fine would create undue hardship for the convicted person or that person's immediate family. Community work service ordered under this subdivision is in addition to any mandatory community work service ordered under subdivision ~~3~~ 3a.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

Sec. 13. Minnesota Statutes 2016, section 609.52, subdivision 3, is amended to read:

Subd. 3. **Sentence.** Whoever commits theft may be sentenced as follows:

(1) to imprisonment for not more than 20 years or to payment of a fine of not more than \$100,000, or both, if the property is a firearm, or the value of the property or services stolen is more than \$35,000 and the conviction is for a violation of subdivision 2, clause (3), (4), (15), or (16), or section 609.2335, subdivision 1, clause (1) or (2), item (i); or

(2) to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both, if the value of the property or services stolen exceeds \$5,000, or if the property stolen was an article representing a trade secret, an explosive or incendiary device, or a controlled substance listed in Schedule I or II pursuant to section 152.02 with the exception of marijuana; or

(3) to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if any of the following circumstances exist:

(a) the value of the property or services stolen is more than \$1,000 but not more than \$5,000; or

(b) the property stolen was a controlled substance listed in Schedule III, IV, or V pursuant to section 152.02; or

(c) the value of the property or services stolen is more than \$500 but not more than \$1,000 and the person has been convicted within the preceding five years for an offense under this section, section 256.98; 268.182; 609.24; 609.245; 609.53; 609.582, subdivision 1, 2, or 3; 609.625; 609.63; 609.631; or 609.821, or a statute from another state, the United States, or a foreign jurisdiction, in conformity with any of those sections, and the person received a felony or gross misdemeanor sentence for the offense, or a sentence that was stayed under section 609.135 if the offense to which a plea was entered would allow imposition of a felony or gross misdemeanor sentence; or

(d) the value of the property or services stolen is not more than \$1,000, and any of the following circumstances exist:

(i) the property is taken from the person of another or from a corpse, or grave or coffin containing a corpse; or

(ii) the property is a record of a court or officer, or a writing, instrument or record kept, filed or deposited according to law with or in the keeping of any public officer or office; or

(iii) the property is taken from a burning, abandoned, or vacant building or upon its removal therefrom, or from an area of destruction caused by civil disaster, riot, bombing, or the proximity of battle; or

(iv) the property consists of public funds belonging to the state or to any political subdivision or agency thereof; or

(v) the property stolen is a motor vehicle; or

(e) the value of the property or services stolen is \$500 or less and the person violates this section within five years of the first of 24 prior convictions for an offense under this section; section 176.178; 256.98; 268.182; 609.24; 609.245; 609.53; 609.582, subdivision 1, 2, or 3; 609.625; 609.63; 609.631; or 609.821; or a statute from another state, the United States, or a foreign jurisdiction in conformity with any of those sections; or

(4) to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if ~~the value of the property or services stolen is more than \$500 but not more than \$1,000; or~~ any of the following circumstances exist:

(a) the value of the property or services stolen is more than \$500 but not more than \$1,000; or

(b) the value of the property or services stolen is \$500 or less and the person violates this section within five years of the first of two prior convictions for an offense under this section; section 176.178; 256.98; 268.182; 609.24; 609.245; 609.53; 609.582, subdivision 1, 2, or 3; 609.625; 609.63; 609.631; or 609.821; or a statute from another state, the United States, or a foreign jurisdiction in conformity with any of those sections; or

(5) in all other cases where the value of the property or services stolen is \$500 or less, to imprisonment for not more than 90 days or to payment of a fine of not more than \$1,000, or both, provided, however, in any prosecution under subdivision 2, clauses (1), (2), (3), (4), and (13), the value of the money or property or services received by the defendant in violation of any one or more of the above provisions within any six-month period may be aggregated and the defendant charged accordingly in applying the provisions of this subdivision; provided that when two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this paragraph.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

Sec. 14. Minnesota Statutes 2016, section 609.74, is amended to read:

609.74 PUBLIC NUISANCE.

(a) Whoever by an act or failure to perform a legal duty intentionally does any of the following is guilty of maintaining a public nuisance, which is a misdemeanor:

(1) maintains or permits a condition which unreasonably annoys, injures or endangers the safety, health, morals, comfort, or repose of any considerable number of members of the public; or

(2) except as provided in paragraph (b), interferes with, obstructs, or renders dangerous for passage, any public highway or right-of-way, or waters used by the public; or

(3) is guilty of any other act or omission declared by law to be a public nuisance and for which no sentence is specifically provided.

(b) It is a gross misdemeanor for a person to interfere with or obstruct traffic that is entering, exiting, or on a freeway or entering, exiting, or on a public roadway within the boundaries of airport property with the intent to interfere with, obstruct, or otherwise disrupt traffic. This paragraph does not apply to the actions of law enforcement or other emergency responders, road or airport authorities, or utility officials, or their agents, employees, or

contractors when carrying out duties imposed by law or contract. For purposes of this paragraph: (1) "airport" means an airport that has a control tower and airline service; and (2) "freeway" means any section of a divided highway where the only access and egress for vehicular traffic is from entrance and exit ramps.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

Sec. 15. Minnesota Statutes 2016, section 609.855, subdivision 2, is amended to read:

Subd. 2. **Unlawful interference with transit operator.** (a) Whoever intentionally commits an act that interferes with or obstructs, or tends to interfere with or obstruct, the operation of a transit vehicle is guilty of ~~unlawful interference with a transit operator a crime~~ and may be sentenced as provided in paragraph (c).

(b) An act ~~that is~~ committed on a transit vehicle that distracts the driver from the safe operation of the vehicle, restricts passenger access to the transit vehicle, or ~~that~~ endangers passengers is a violation of this subdivision if an authorized transit representative has clearly warned the person once to stop the act.

(c) A person who violates this subdivision may be sentenced as follows:

(1) to imprisonment for not more than three years or to payment of a fine of not more than \$5,000, or both, if the violation was accompanied by force or violence or a communication of a threat of force or violence; or

(2) to imprisonment for not more than ~~90 days~~ one year or to payment of a fine of not more than ~~\$1,000~~ \$3,000, or both, if the violation was not accompanied by force or violence or a communication of a threat of force or violence.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

ARTICLE 5 SEX OFFENDERS

Section 1. Minnesota Statutes 2016, section 609.095, is amended to read:

609.095 LIMITS OF SENTENCES.

(a) The legislature has the exclusive authority to define crimes and offenses and the range of the sentences or punishments for their violation. No other or different sentence or punishment shall be imposed for the commission of a crime than is authorized by this chapter or other applicable law.

(b) Except as provided in section 152.18 or 609.375, or upon agreement of the parties, a court may not refuse to adjudicate the guilt of a defendant who tenders a guilty plea in accordance with Minnesota Rules of Criminal Procedure, rule 15, or who has been found guilty by a court or jury following a trial. A decision by the court to issue a stay of adjudication under this paragraph for a charge of violating section 243.166, 609.342, 609.343, 609.344, 609.345, 609.3451, subdivision 3, or 609.3453, must be justified in writing and on the record.

(c) Paragraph (b) does not supersede Minnesota Rules of Criminal Procedure, rule 26.04.

(d) The rules promulgated by the Supreme Court shall provide for remote access, searchable by defendant name, to the publicly accessible portions of the district court register of actions, orders, notices prepared by the court, and any other documents in a case:

(1) that includes a charge for violating section 243.166, 609.342, 609.343, 609.344, 609.345, 609.3451, subdivision 3, or 609.3453; and

(2) in which a court did not adjudicate the guilt of a defendant who tendered a guilty plea in accordance with Minnesota Rules of Criminal Procedure, rule 15, or who has been found guilty by a court or jury following a trial.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

Sec. 2. Minnesota Statutes 2016, section 609.341, subdivision 10, is amended to read:

Subd. 10. **Current or recent position of authority.** "Current or recent position of authority" includes but is not limited to any person who is a parent or acting in the place of a parent and charged with or assumes any of a parent's rights, duties or responsibilities to a child, or a person who is charged with or assumes any duty or responsibility for the health, welfare, or supervision of a child, either independently or through another, no matter how brief, at the time of or within 120 days immediately preceding the act. For the purposes of subdivision 11, "position of authority" includes a psychotherapist. For the purposes of sections 609.344, subdivision 1, paragraph (e), clause (2), and 609.345, subdivision 1, paragraph (e), clause (2), the term extends to a person having the described authority over a student in a secondary school who is at least 16 but less than 21 years of age under the circumstances described in those two clauses.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

Sec. 3. Minnesota Statutes 2016, section 609.341, is amended by adding a subdivision to read:

Subd. 24. **Secondary school.** "Secondary school" means any public or private school meeting the standards established by the commissioner of education that enrolls students in grades 7 through 12 or that provides special education services to students who have completed grade 12 including charter schools, alternative learning centers, schools with classes that are held off campus or school grounds, special school districts, universities, colleges, vocational or technical colleges, or other postsecondary educational institutions that provide educational courses or programs for public or private schools that enroll students in grades 7 through 12 or that provide special educational services to students who have completed grade 12.

Sec. 4. Minnesota Statutes 2016, section 609.341, is amended by adding a subdivision to read:

Subd. 25. **Independent contractor.** For purposes of sections 609.344, subdivision 1, paragraph (e), and 609.345, subdivision 1, paragraph (e), "independent contractor" means any person who contracts with a secondary school or any person employed by a business that contracts with a secondary school.

Sec. 5. Minnesota Statutes 2016, section 609.342, subdivision 1, is amended to read:

Subdivision 1. **Crime defined.** A person who engages in sexual penetration with another person, or in sexual contact with a person under 13 years of age as defined in section 609.341, subdivision 11, paragraph (c), is guilty of criminal sexual conduct in the first degree if any of the following circumstances exists:

(a) the complainant is under 13 years of age and the actor is more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(b) the complainant is at least 13 years of age but less than 16 years of age and the actor is more than 48 months older than the complainant and in a current or recent position of authority over the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(c) circumstances existing at the time of the act cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant or another;

(d) the actor is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and uses or threatens to use the weapon or article to cause the complainant to submit;

(e) the actor causes personal injury to the complainant, and either of the following circumstances exist:

(i) the actor uses force or coercion to accomplish sexual penetration; or

(ii) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(f) the actor is aided or abetted by one or more accomplices within the meaning of section 609.05, and either of the following circumstances exists:

(i) an accomplice uses force or coercion to cause the complainant to submit; or

(ii) an accomplice is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant reasonably to believe it to be a dangerous weapon and uses or threatens to use the weapon or article to cause the complainant to submit;

(g) the actor has a significant relationship to the complainant and the complainant was under 16 years of age at the time of the sexual penetration. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense; or

(h) the actor has a significant relationship to the complainant, the complainant was under 16 years of age at the time of the sexual penetration, and:

(i) the actor or an accomplice used force or coercion to accomplish the penetration;

(ii) the complainant suffered personal injury; or

(iii) the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

Sec. 6. Minnesota Statutes 2016, section 609.342, subdivision 2, is amended to read:

Subd. 2. **Penalty.** (a) Except as otherwise provided in section 609.3455; or Minnesota Statutes 2004, section 609.109, a person convicted under subdivision 1 may be sentenced to imprisonment for not more than 30 years or to a payment of a fine of not more than \$40,000, or both.

(b) Unless a longer mandatory minimum sentence is otherwise required by law or the Sentencing Guidelines provide for a longer presumptive executed sentence, the court shall presume that an executed sentence of 144 months must be imposed on an offender convicted of violating this section. Sentencing a person in a manner other than that described in this paragraph is a departure from the Sentencing Guidelines.

(c) A person convicted under this section is also subject to conditional release, extended probation, and intensive probation under section 609.3455.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

Sec. 7. Minnesota Statutes 2016, section 609.343, subdivision 1, is amended to read:

Subdivision 1. **Crime defined.** A person who engages in sexual contact with another person is guilty of criminal sexual conduct in the second degree if any of the following circumstances exists:

(a) the complainant is under 13 years of age and the actor is more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense. In a prosecution under this clause, the state is not required to prove that the sexual contact was coerced;

(b) the complainant is at least 13 but less than 16 years of age and the actor is more than 48 months older than the complainant and in a current or recent position of authority over the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(c) circumstances existing at the time of the act cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant or another;

(d) the actor is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and uses or threatens to use the dangerous weapon to cause the complainant to submit;

(e) the actor causes personal injury to the complainant, and either of the following circumstances exist:

(i) the actor uses force or coercion to accomplish the sexual contact; or

(ii) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(f) the actor is aided or abetted by one or more accomplices within the meaning of section 609.05, and either of the following circumstances exists:

(i) an accomplice uses force or coercion to cause the complainant to submit; or

(ii) an accomplice is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and uses or threatens to use the weapon or article to cause the complainant to submit;

(g) the actor has a significant relationship to the complainant and the complainant was under 16 years of age at the time of the sexual contact. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense; or

(h) the actor has a significant relationship to the complainant, the complainant was under 16 years of age at the time of the sexual contact, and:

- (i) the actor or an accomplice used force or coercion to accomplish the contact;
- (ii) the complainant suffered personal injury; or
- (iii) the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

Sec. 8. Minnesota Statutes 2016, section 609.343, subdivision 2, is amended to read:

Subd. 2. **Penalty.** (a) Except as otherwise provided in section 609.3455; or Minnesota Statutes 2004, section 609.109, a person convicted under subdivision 1 may be sentenced to imprisonment for not more than 25 years or to a payment of a fine of not more than \$35,000, or both.

(b) Unless a longer mandatory minimum sentence is otherwise required by law or the Sentencing Guidelines provide for a longer presumptive executed sentence, the court shall presume that an executed sentence of 90 months must be imposed on an offender convicted of violating subdivision 1, clause (c), (d), (e), (f), or (h). Sentencing a person in a manner other than that described in this paragraph is a departure from the Sentencing Guidelines.

(c) A person convicted under this section is also subject to conditional release, extended probation, and intensive probation under section 609.3455.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

Sec. 9. Minnesota Statutes 2016, section 609.344, subdivision 1, is amended to read:

Subdivision 1. **Crime defined.** A person who engages in sexual penetration with another person is guilty of criminal sexual conduct in the third degree if any of the following circumstances exists:

(a) the complainant is under 13 years of age and the actor is no more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant shall be a defense;

(b) the complainant is at least 13 but less than 16 years of age and the actor is more than 24 months older than the complainant. In any such case if the actor is no more than 120 months older than the complainant, it shall be an affirmative defense, which must be proved by a preponderance of the evidence, that the actor reasonably believes the complainant to be 16 years of age or older. In all other cases, mistake as to the complainant's age shall not be a defense. Consent by the complainant is not a defense;

(c) the actor uses force or coercion to accomplish the penetration;

(d) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(e) the complainant is;

(1) at least 16 but less than 18 years of age and the actor is more than 48 months older than the complainant and in a current or recent position of authority over the complainant; or

(2) at least 16 but less than 21 years of age and a student in a secondary school who has not graduated and received a diploma and the actor is an employee, volunteer, or independent contractor of the secondary school and in a current or recent position of authority over the complainant.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(f) the actor has a significant relationship to the complainant and the complainant was at least 16 but under 18 years of age at the time of the sexual penetration. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(g) the actor has a significant relationship to the complainant, the complainant was at least 16 but under 18 years of age at the time of the sexual penetration, and:

(i) the actor or an accomplice used force or coercion to accomplish the penetration;

(ii) the complainant suffered personal injury; or

(iii) the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(h) the actor is a psychotherapist and the complainant is a patient of the psychotherapist and the sexual penetration occurred:

(i) during the psychotherapy session; or

(ii) outside the psychotherapy session if an ongoing psychotherapist-patient relationship exists.

Consent by the complainant is not a defense;

(i) the actor is a psychotherapist and the complainant is a former patient of the psychotherapist and the former patient is emotionally dependent upon the psychotherapist;

(j) the actor is a psychotherapist and the complainant is a patient or former patient and the sexual penetration occurred by means of therapeutic deception. Consent by the complainant is not a defense;

(k) the actor accomplishes the sexual penetration by means of deception or false representation that the penetration is for a bona fide medical purpose. Consent by the complainant is not a defense;

(l) the actor is or purports to be a member of the clergy, the complainant is not married to the actor, and:

(i) the sexual penetration occurred during the course of a meeting in which the complainant sought or received religious or spiritual advice, aid, or comfort from the actor in private; or

(ii) the sexual penetration occurred during a period of time in which the complainant was meeting on an ongoing basis with the actor to seek or receive religious or spiritual advice, aid, or comfort in private. Consent by the complainant is not a defense;

(m) the actor is an employee, independent contractor, or volunteer of a state, county, city, or privately operated adult or juvenile correctional system, or secure treatment facility, or treatment facility providing services to clients civilly committed as mentally ill and dangerous, sexually dangerous persons, or sexual psychopathic personalities, including, but not limited to, jails, prisons, detention centers, or work release facilities, and the complainant is a resident of a facility or under supervision of the correctional system. Consent by the complainant is not a defense;

(n) the actor provides or is an agent of an entity that provides special transportation service, the complainant used the special transportation service, and the sexual penetration occurred during or immediately before or after the actor transported the complainant. Consent by the complainant is not a defense; ~~or~~

(o) the actor performs massage or other bodywork for hire, the complainant was a user of one of those services, and nonconsensual sexual penetration occurred during or immediately before or after the actor performed or was hired to perform one of those services for the complainant; or

(p) the actor is a peace officer, as defined in section 626.84, subdivision 1, paragraph (c), or a part-time peace officer, as defined in section 626.84, subdivision 1, paragraph (d), and the officer physically or constructively restrains the complainant or the complainant does not reasonably feel free to leave the officer's presence. Consent by the complainant is not a defense. This paragraph does not apply to any penetration of the mouth, genitals, or anus during a lawful search.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

Sec. 10. Minnesota Statutes 2016, section 609.344, subdivision 2, is amended to read:

Subd. 2. **Penalty.** Except as otherwise provided in section 609.3455, a person convicted under subdivision 1 may be sentenced:

(1) to imprisonment for not more than 15 years or to a payment of a fine of not more than \$30,000, or both; or

(2) if the person was convicted under subdivision 1, paragraph (b), and if the actor was no more than 48 months but more than 24 months older than the complainant, to imprisonment for not more than five years or a fine of not more than \$30,000, or both.

A person convicted under this section is also subject to conditional release, extended probation, and intensive probation under section 609.3455.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

Sec. 11. Minnesota Statutes 2016, section 609.345, subdivision 1, is amended to read:

Subdivision 1. **Crime defined.** A person who engages in sexual contact with another person is guilty of criminal sexual conduct in the fourth degree if any of the following circumstances exists:

(a) the complainant is under 13 years of age and the actor is no more than 36 months older than the complainant. Neither mistake as to the complainant's age or consent to the act by the complainant is a defense. In a prosecution under this clause, the state is not required to prove that the sexual contact was coerced;

(b) the complainant is at least 13 but less than 16 years of age and the actor is more than 48 months older than the complainant or in a current or recent position of authority over the complainant. Consent by the complainant to the act is not a defense. In any such case, if the actor is no more than 120 months older than the complainant, it shall

be an affirmative defense which must be proved by a preponderance of the evidence that the actor reasonably believes the complainant to be 16 years of age or older. In all other cases, mistake as to the complainant's age shall not be a defense;

(c) the actor uses force or coercion to accomplish the sexual contact;

(d) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(e) the complainant is;

(1) at least 16 but less than 18 years of age and the actor is more than 48 months older than the complainant and in a current or recent position of authority over the complainant; or

(2) at least 16 but less than 21 years of age and a student in a secondary school who has not graduated and received a diploma and the actor is an employee, volunteer, or independent contractor of the secondary school and in a current or recent position of authority over the complainant.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(f) the actor has a significant relationship to the complainant and the complainant was at least 16 but under 18 years of age at the time of the sexual contact. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(g) the actor has a significant relationship to the complainant, the complainant was at least 16 but under 18 years of age at the time of the sexual contact, and:

(i) the actor or an accomplice used force or coercion to accomplish the contact;

(ii) the complainant suffered personal injury; or

(iii) the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(h) the actor is a psychotherapist and the complainant is a patient of the psychotherapist and the sexual contact occurred:

(i) during the psychotherapy session; or

(ii) outside the psychotherapy session if an ongoing psychotherapist-patient relationship exists. Consent by the complainant is not a defense;

(i) the actor is a psychotherapist and the complainant is a former patient of the psychotherapist and the former patient is emotionally dependent upon the psychotherapist;

(j) the actor is a psychotherapist and the complainant is a patient or former patient and the sexual contact occurred by means of therapeutic deception. Consent by the complainant is not a defense;

(k) the actor accomplishes the sexual contact by means of deception or false representation that the contact is for a bona fide medical purpose. Consent by the complainant is not a defense;

(1) the actor is or purports to be a member of the clergy, the complainant is not married to the actor, and:

(i) the sexual contact occurred during the course of a meeting in which the complainant sought or received religious or spiritual advice, aid, or comfort from the actor in private; or

(ii) the sexual contact occurred during a period of time in which the complainant was meeting on an ongoing basis with the actor to seek or receive religious or spiritual advice, aid, or comfort in private. Consent by the complainant is not a defense;

(m) the actor is an employee, independent contractor, or volunteer of a state, county, city, or privately operated adult or juvenile correctional system, or secure treatment facility, or treatment facility providing services to clients civilly committed as mentally ill and dangerous, sexually dangerous persons, or sexual psychopathic personalities, including, but not limited to, jails, prisons, detention centers, or work release facilities, and the complainant is a resident of a facility or under supervision of the correctional system. Consent by the complainant is not a defense;

(n) the actor provides or is an agent of an entity that provides special transportation service, the complainant used the special transportation service, the complainant is not married to the actor, and the sexual contact occurred during or immediately before or after the actor transported the complainant. Consent by the complainant is not a defense; ~~or~~

(o) the actor performs massage or other bodywork for hire, the complainant was a user of one of those services, and nonconsensual sexual contact occurred during or immediately before or after the actor performed or was hired to perform one of those services for the complainant; or

(p) the actor is a peace officer, as defined in section 626.84, subdivision 1, paragraph (c), or a part-time peace officer, as defined in section 626.84, subdivision 1, paragraph (d), and the officer physically or constructively restrains the complainant or the complainant does not reasonably feel free to leave the officer's presence. Consent by the complainant is not a defense.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

Sec. 12. Minnesota Statutes 2016, section 609.345, subdivision 2, is amended to read:

Subd. 2. **Penalty.** Except as otherwise provided in section 609.3455, a person convicted under subdivision 1 may be sentenced to imprisonment for not more than ten years or to a payment of a fine of not more than \$20,000, or both. A person convicted under this section is also subject to conditional release, extended probation, and intensive probation under section 609.3455.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

Sec. 13. Minnesota Statutes 2016, section 609.3451, subdivision 1, is amended to read:

Subdivision 1. **Crime defined.** A person is guilty of criminal sexual conduct in the fifth degree:

(1) if the person engages in nonconsensual sexual contact; or

(2) the person engages in masturbation or lewd exhibition of the genitals in the presence of a minor under the age of 16, knowing or having reason to know the minor is present.

For purposes of this section, "sexual contact" has the meaning given in section 609.341, subdivision 11, paragraph (a), clauses (i), (iv), and (v), ~~but does not include the intentional touching of the clothing covering the immediate area of the buttocks.~~ Sexual contact also includes the intentional removal or attempted removal of clothing covering the complainant's intimate parts or undergarments, and the nonconsensual touching by the complainant of the actor's intimate parts, effected by the actor, if the action is performed with sexual or aggressive intent.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

Sec. 14. Minnesota Statutes 2016, section 609.3451, subdivision 3, is amended to read:

Subd. 3. **Felony.** (a) A person is guilty of a felony and may be sentenced to imprisonment for not more than seven years or to payment of a fine of not more than \$14,000, or both, if the person violates this section within seven years of:

(1) a previous conviction for violating subdivision 1, clause (2), a crime described in paragraph (b), or a statute from another state in conformity with any of these offenses; or

(2) the first of two or more previous convictions for violating subdivision 1, clause (1), or a statute from another state in conformity with this offense.

(b) A previous conviction for violating section 609.342; 609.343; 609.344; 609.345; 609.3453; 617.23, subdivision 2, clause (2), or subdivision 3; or 617.247 may be used to enhance a criminal penalty as provided in paragraph (a).

(c) A person convicted under this subdivision is also subject to conditional release, extended probation, and intensive probation under section 609.3455.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

Sec. 15. Minnesota Statutes 2016, section 609.3455, subdivision 6, is amended to read:

Subd. 6. **Mandatory ~~ten-year~~ 25-year conditional release term.** (a) Notwithstanding the statutory maximum sentence otherwise applicable to the offense and unless a longer conditional release term is required in subdivision 7, when a court commits an offender to the custody of the commissioner of corrections for a violation of section 609.342, 609.343, 609.344, 609.345, or 609.3453, the court shall provide that, after the offender has been released from prison, the commissioner shall place the offender on conditional release for ~~ten~~ at least 25 years.

(b) An offender on conditional release pursuant to paragraph (a) may petition the sentencing court for an order terminating the conditional release term. The petition can be filed no sooner than ten years after the commissioner places the offender on conditional release, the offender has been convicted of a crime, or the commissioner has revoked the offender's conditional release, whichever is later. A copy of the petition must be served on the prosecuting attorney. The prosecuting attorney must provide notice of a petition to terminate conditional release to victims who requested notification under section 611A.06. The court must hold a hearing on a petition. Terminating conditional release is an extraordinary remedy to be granted only upon clear and convincing evidence that terminating the offender's conditional release is consistent with public safety. The court must consider the testimony of the offender's victims before ruling on the offender's petition. If the court denies an offender's petition to terminate conditional release, the offender may not file a new petition for five years from the date of the court's order.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

Sec. 16. Minnesota Statutes 2016, section 609.3455, is amended by adding a subdivision to read:

Subd. 7a. **Extended probation.** (a) Notwithstanding the statutory maximum sentence otherwise applicable to the offense and otherwise provided in section 609.135, subdivision 2, paragraph (a), when the court does not commit an offender to the commissioner of corrections for a felony violation of section 609.342, 609.343, 609.344, 609.345, 609.3451, or 609.3453, the court shall, after the offender has been released from any term of confinement imposed by the court, place the offender on probation for at least 25 years.

(b) An offender on extended probation pursuant to paragraph (a) may petition the sentencing court for an order terminating the extended probation term. The petition can be filed no sooner than ten years after the court places the offender on extended probation, the offender has been convicted of a crime, or the court has revoked the offender's extended probation, whichever is later. A copy of the petition must be served on the prosecuting attorney. The prosecuting attorney must provide notice of a petition to terminate extended probation to victims who requested notification under section 611A.06. The court must hold a hearing on a petition. Terminating extended probation is an extraordinary remedy to be granted only upon clear and convincing evidence that terminating the offender's extended probation is consistent with public safety. The court must consider the testimony of the offender's victims before ruling on the offender's petition. If the court denies an offender's petition to terminate extended probation, the offender may not file a new petition for five years from the date of the court's order.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

Sec. 17. Minnesota Statutes 2016, section 609.3455, subdivision 8, is amended to read:

Subd. 8. Terms of conditional release; applicable to all sex offenders. (a) The provisions of this subdivision relating to conditional release apply to all sex offenders sentenced to prison for a violation of section 609.342, 609.343, 609.344, 609.345, 609.3451, or 609.3453. Except as provided in this subdivision, conditional release of sex offenders is governed by provisions relating to supervised release. The commissioner of corrections may not dismiss an offender on conditional release from supervision until the offender's conditional release term expires.

(b) The conditions of release may include successful completion of treatment and aftercare in a program approved by the commissioner, satisfaction of the release conditions specified in section 244.05, subdivision 6, and any other conditions the commissioner considers appropriate. The commissioner shall develop a plan to pay the cost of treatment of a person released under this subdivision. The plan may include co-payments from offenders, third-party payers, local agencies, or other funding sources as they are identified. This section does not require the commissioner to accept or retain an offender in a treatment program. Before the offender is placed on conditional release, the commissioner shall notify the sentencing court and the prosecutor in the jurisdiction where the offender was sentenced of the terms of the offender's conditional release. The commissioner also shall make reasonable efforts to notify the victim of the offender's crime of the terms of the offender's conditional release.

(c) If the offender fails to meet any condition of release, the commissioner may revoke the offender's conditional release and order that the offender serve all or a part of the remaining portion of the conditional release term in prison. An offender, while on supervised release, is not entitled to credit against the offender's conditional release term for time served in confinement for a violation of release.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

Sec. 18. Minnesota Statutes 2016, section 609.3455, is amended by adding a subdivision to read:

Subd. 8a. **Intensive probation.** (a) When the court does not commit an offender to the commissioner of corrections after a conviction for a felony violation of section 609.342, 609.343, 609.344, 609.345, 609.3451, or 609.3453, the court shall place the offender on intensive probation as provided in this subdivision.

(b) Phase I of intensive probation is six months and begins after the offender is released from confinement, if ordered by the court. Phase II lasts for at least one-third of the time remaining in the offender's imposed sentence at the beginning of phase II. Phase III lasts for at least one-third of the time remaining in the offender's imposed sentence at the beginning of phase III. Phase IV continues until the offender's imposed sentence expires.

(c) During phase I, the offender will be under house arrest in a residence approved by the offender's probation agent and may not move to another residence without permission. "House arrest" means that the offender's movements will be severely restricted and continually monitored by the assigned agent. During phase II, modified house arrest is imposed. During phases III and IV, the offender is subjected to a daily curfew instead of house arrest.

(d) During phase I, the assigned probation agent shall have at least four face-to-face contacts with the offender each week. During phase II, two face-to-face contacts a week are required. During phase III, one face-to-face contact a week is required. During phase IV, two face-to-face contacts a month are required. When an offender is an inmate of a jail or a resident of a facility that is staffed full time, at least one face-to-face contact a week is required.

(e) During phases I, II, III, and IV, the offender must spend at least 40 hours a week performing approved work, undertaking constructive activity designed to obtain employment, or attending a treatment or education program as directed by the agent. An offender may not spend more than six months in a residential treatment program that does not require the offender to spend at least 40 hours a week performing approved work or undertaking constructive activity designed to obtain employment.

(f) During any phase, the offender may be placed on electronic surveillance if the probation agent so directs. If electronic surveillance is directed during phase I, the court must require that the offender be kept in custody, or that the offender's probation agent or the agent's designee directly supervise the offender, until electronic surveillance is activated. It is the responsibility of the offender placed on electronic surveillance to ensure that the offender's residence is properly equipped and the offender's telecommunications system is properly configured to support electronic surveillance prior to being released from custody or the direct supervision of a probation agent. It is a violation of an offender's probation to fail to comply with this paragraph.

(g) Throughout all phases of intensive probation, the offender shall submit at any time to an unannounced search of the offender's person, vehicle, computer and other devices that access the Internet or store data, or premises by a probation agent.

(h) The court may include any other conditions in the various phases of intensive probation that the court finds necessary and appropriate.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

Sec. 19. Minnesota Statutes 2016, section 617.246, subdivision 2, is amended to read:

Subd. 2. **Use of minor.** It is unlawful for a person to promote, employ, use or permit a minor to engage in or assist others to engage minors in posing or modeling alone or with others in any sexual performance or pornographic work if the person knows or has reason to know that the conduct intended is a sexual performance or a pornographic work.

Any person who violates this subdivision is guilty of a felony and may be sentenced to imprisonment for not more than ~~ten~~ 15 years or to payment of a fine of not more than \$20,000 for the first offense and \$40,000 for a second or subsequent offense, or both.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

Sec. 20. Minnesota Statutes 2016, section 617.246, subdivision 3, is amended to read:

Subd. 3. **Operation or ownership of business.** A person who owns or operates a business in which a pornographic work, as defined in this section, is disseminated to an adult or a minor or is reproduced, and who knows the content and character of the pornographic work disseminated or reproduced, is guilty of a felony and may be sentenced to imprisonment for not more than ~~ten~~ 15 years, or to payment of a fine of not more than \$20,000 for the first offense and \$40,000 for a second or subsequent offense, or both.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

Sec. 21. Minnesota Statutes 2016, section 617.246, subdivision 4, is amended to read:

Subd. 4. **Dissemination.** A person who, knowing or with reason to know its content and character, disseminates for profit to an adult or a minor a pornographic work, as defined in this section, is guilty of a felony and may be sentenced to imprisonment for not more than ~~ten~~ 15 years, or to payment of a fine of not more than \$20,000 for the first offense and \$40,000 for a second or subsequent offense, or both.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

Sec. 22. Minnesota Statutes 2016, section 617.246, subdivision 7, is amended to read:

Subd. 7. **Conditional release term.** Notwithstanding the statutory maximum sentence otherwise applicable to the offense or any provision of the sentencing guidelines, when a court commits a person to the custody of the commissioner of corrections for violating this section, the court shall provide that after the person has been released from prison, the commissioner shall place the person on conditional release for ~~five~~ ten years. If the person has previously been convicted of a violation of this section, section 609.342, 609.343, 609.344, 609.345, 609.3451, 609.3453, or 617.247, or any similar statute of the United States, this state, or any state, the commissioner shall place the person on conditional release for ~~ten~~ at least 25 years. The terms of conditional release are governed by section 609.3455, subdivision 8.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

Sec. 23. Minnesota Statutes 2016, section 617.246, is amended by adding a subdivision to read:

Subd. 8. **Mandatory minimum sentence.** A person convicted under this section must serve a minimum of six months of incarceration. If the person (1) has a prior conviction under this section or section 617.247, or (2) is required to register as a predatory offender, the person must serve a minimum of 12 months of incarceration.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

Sec. 24. Minnesota Statutes 2016, section 617.247, subdivision 3, is amended to read:

Subd. 3. **Dissemination prohibited.** (a) A person who disseminates pornographic work to an adult or a minor, knowing or with reason to know its content and character, is guilty of a felony and may be sentenced to imprisonment for not more than ~~seven~~ ten years and a fine of not more than \$10,000 for a first offense and for not more than ~~15~~ 20 years and a fine of not more than \$20,000 for a second or subsequent offense.

(b) A person who violates paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than ~~15~~ 20 years if the violation occurs when the person is a registered predatory offender under section 243.166.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

Sec. 25. Minnesota Statutes 2016, section 617.247, subdivision 4, is amended to read:

Subd. 4. **Possession prohibited.** (a) A person who possesses a pornographic work or a computer disk or computer or other electronic, magnetic, or optical storage system or a storage system of any other type, containing a pornographic work, knowing or with reason to know its content and character, is guilty of a felony and may be sentenced to imprisonment for not more than ~~five~~ seven years and a fine of not more than ~~\$5,000~~ \$7,500 for a first offense and for not more than ~~ten~~ 15 years and a fine of not more than ~~\$10,000~~ \$15,000 for a second or subsequent offense.

(b) A person who violates paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than ~~ten~~ 15 years if the violation occurs when the person is a registered predatory offender under section 243.166.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

Sec. 26. Minnesota Statutes 2016, section 617.247, subdivision 9, is amended to read:

Subd. 9. **Conditional release term.** Notwithstanding the statutory maximum sentence otherwise applicable to the offense or any provision of the sentencing guidelines, when a court commits a person to the custody of the commissioner of corrections for violating this section, the court shall provide that after the person has been released from prison, the commissioner shall place the person on conditional release for ~~five~~ ten years. If the person has previously been convicted of a violation of this section, section 609.342, 609.343, 609.344, 609.345, 609.3451, 609.3453, or 617.246, or any similar statute of the United States, this state, or any state, the commissioner shall place the person on conditional release for ~~ten~~ at least 25 years. The terms of conditional release are governed by section 609.3455, subdivision 8.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

Sec. 27. Minnesota Statutes 2016, section 617.247, is amended by adding a subdivision to read:

Subd. 10. **Mandatory minimum sentence.** A person convicted under this section must serve a minimum of six months of incarceration. If the person (1) has a prior conviction under this section or section 617.246, or (2) is required to register as a predatory offender, the person must serve a minimum of 12 months of incarceration.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

Sec. 28. **SENTENCING GUIDELINES MODIFICATION.**

The Sentencing Guidelines Commission shall modify the sex offender grid by ranking violations of Minnesota Statutes, section 617.247, subdivision 3 (dissemination of child pornography - subsequent or by predatory offender), in severity level C; violations of Minnesota Statutes, sections 617.246 (use of minors in sexual performance), 617.247, subdivision 3 (dissemination of child pornography - first time, nonpredatory offender), and 617.247, subdivision 4 (possession of child pornography - subsequent or by predatory offender), in severity level D; and violations of Minnesota Statutes, section 617.247, subdivision 4 (possession of child pornography - first time, nonpredatory offender), in severity level E.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

Sec. 29. **REPEALER.**

Minnesota Statutes 2016, section 609.349, is repealed.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

ARTICLE 6 PREDATORY OFFENDERS

Section 1. Minnesota Statutes 2016, section 171.07, subdivision 1a, is amended to read:

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

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

(2) to criminal justice agencies, as defined in section 299C.46, subdivision 2, for the investigation and prosecution of crimes, service of process, enforcement of no contact orders, location of missing persons, investigation and preparation of cases for criminal, juvenile, and traffic court, location of individuals required to register under section 243.166 or 243.167, and supervision of offenders;

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

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

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

Sec. 2. Minnesota Statutes 2016, section 243.166, subdivision 1a, is amended to read:

Subd. 1a. **Definitions.** (a) As used in this section, unless the context clearly indicates otherwise, the following terms have the meanings given them.

(b) "Bureau" means the Bureau of Criminal Apprehension.

(c) "Dwelling" means the building where the person lives under a formal or informal agreement to do so. However, dwelling does not include a supervised publicly or privately operated shelter or facility designed to provide temporary living accommodations for homeless individuals as defined in section 116L.361, subdivision 5.

(d) "Incarceration" and "confinement" do not include electronic home monitoring.

(e) "Law enforcement authority" or "authority" means, with respect to a home rule charter or statutory city, the chief of police, and with respect to an unincorporated area, the county sheriff.

(f) "Motor vehicle" has the meaning given in section 169.011, subdivision 92.

(g) "Primary address" means the mailing address of the person's dwelling. If the mailing address is different from the actual location of the dwelling, primary address also includes the physical location of the dwelling described with as much specificity as possible.

(h) "School" includes any public or private educational institution, including any secondary school, trade, or professional institution, or institution of higher education, that the person is enrolled in on a full-time or part-time basis.

(i) "Secondary address" means the mailing address of any place where the person regularly or occasionally stays overnight when not staying at the person's primary address. If the mailing address is different from the actual location of the place, secondary address also includes the physical location of the place described with as much specificity as possible. However, the location of a supervised publicly or privately operated shelter or facility designated to provide temporary living accommodations for homeless individuals as defined in section 116L.361, subdivision 5, does not constitute a secondary address.

(j) "Social media" means any electronic medium, including an interactive computer service, telephone network, or data network that allows users to create, share, and view user-generated content.

(k) "Treatment facility" means a residential facility, as defined in section 244.052, subdivision 1, and residential chemical dependency treatment programs and halfway houses licensed under chapter 245A, including, but not limited to, those facilities directly or indirectly assisted by any department or agency of the United States.

(l) "Watercraft" has the meaning given in section 86B.005, subdivision 18.

~~(k)~~ (m) "Work" includes employment that is full time or part time for a period of time exceeding 14 days or for an aggregate period of time exceeding 30 days during any calendar year, whether financially compensated, volunteered, or for the purpose of government or educational benefit.

Sec. 3. Minnesota Statutes 2016, section 243.166, subdivision 1b, is amended to read:

Subd. 1b. **Registration required.** (a) A person shall register under this section if:

(1) the person was charged with or petitioned for a felony violation of or attempt to violate, or aiding, abetting, or conspiracy to commit, any of the following, and convicted of or adjudicated delinquent for that offense or another offense arising out of the same set of circumstances:

(i) murder under section 609.185, paragraph (a), clause (2);

(ii) kidnapping under section 609.25;

(iii) criminal sexual conduct under section 609.342; 609.343; 609.344; 609.345; 609.3451, subdivision 3; or 609.3453; or

(iv) indecent exposure under section 617.23, subdivision 3;

(2) the person was charged with or petitioned for a violation of, or attempt to violate, or aiding, abetting, or conspiring to commit:

(i) criminal abuse in violation of section 609.2325, subdivision 1, paragraph (b);

(ii) false imprisonment in violation of section 609.255, subdivision 2;

(iii) solicitation, inducement, or promotion of the prostitution of a minor or engaging in the sex trafficking of a minor in violation of section 609.322;

(iv) a prostitution offense in violation of section 609.324, subdivision 1, paragraph (a);

(v) soliciting a minor to engage in sexual conduct in violation of section 609.352, subdivision 2 or 2a, clause (1);

(vi) using a minor in a sexual performance in violation of section 617.246; ~~or~~

(vii) possessing pornographic work involving a minor in violation of section 617.247; ~~or~~

(viii) nonconsensual dissemination of private sexual images in violation of section 617.261; and

convicted of or adjudicated delinquent for that offense or another offense arising out of the same set of circumstances;

(3) the person was sentenced as a patterned sex offender under section 609.3455, subdivision 3a; or

(4) the person was charged with or petitioned for, including pursuant to a court martial, violating a law of the United States, including the Uniform Code of Military Justice, similar to the offenses described in clause (1), (2), or (3), or violations of United States Code, title 18, section 1801, 2423, or 2425, and convicted of or adjudicated delinquent for that offense or another offense arising out of the same set of circumstances.

(b) A person also shall register under this section if:

(1) the person was charged with or petitioned for an offense in another state that would be a violation of a law described in paragraph (a) if committed in this state and convicted of or adjudicated delinquent for that offense or another offense arising out of the same set of circumstances;

(2) the person enters this state to reside, work, or attend school, or enters this state and remains for 14 days or longer; and

(3) ten years have not elapsed since the person was released from confinement or, if the person was not confined, since the person was convicted of or adjudicated delinquent for the offense that triggers registration, unless the person is subject to a longer registration period under the laws of another state in which the person has been convicted or adjudicated, or is subject to lifetime registration.

If a person described in this paragraph is subject to a longer registration period in another state or is subject to lifetime registration, the person shall register for that time period regardless of when the person was released from confinement, convicted, or adjudicated delinquent.

(c) A person also shall register under this section if the person was committed pursuant to a court commitment order under Minnesota Statutes 2012, section 253B.185, chapter 253D, Minnesota Statutes 1992, section 526.10, or a similar law of another state or the United States, regardless of whether the person was convicted of any offense.

(d) A person also shall register under this section if:

(1) the person was charged with or petitioned for a felony violation or attempt to violate any of the offenses listed in paragraph (a), clause (1), or a similar law of another state or the United States, or the person was charged with or petitioned for a violation of any of the offenses listed in paragraph (a), clause (2), or a similar law of another state or the United States;

(2) the person was found not guilty by reason of mental illness or mental deficiency after a trial for that offense, or found guilty but mentally ill after a trial for that offense, in states with a guilty but mentally ill verdict; and

(3) the person was committed pursuant to a court commitment order under section 253B.18 or a similar law of another state or the United States.

(e) A person also shall register under this section if the person received a stay of adjudication under section 609.095, paragraph (b), for a charge of violating section 243.166, 609.342, 609.343, 609.344, 609.345, 609.3451, subdivision 3, or 609.3453, unless the offender is a juvenile and the court finds, on the record, that there is good cause to waive the registration requirement.

Sec. 4. Minnesota Statutes 2016, section 243.166, subdivision 2, is amended to read:

Subd. 2. **Notice.** When a person who is required to register under subdivision 1b, paragraph (a), is sentenced or becomes subject to a juvenile court disposition order, the court shall tell the person of the duty to register under this section and that, if the person fails to comply with the registration requirements, information about the offender may be made available to the public through electronic, computerized, or other accessible means. The court may not modify the person's duty to register in the pronounced sentence or disposition order. The court shall require the person to read and sign a form stating that the duty of the person to register under this section has been explained. The court shall forward the signed ~~sex-offender registration~~ sex-offender registration court notification form, the complaint, and sentencing documents to the bureau. If a person required to register under subdivision 1b, paragraph (a), was not notified by the court of the registration requirement at the time of sentencing or disposition, the assigned corrections agent shall

notify the person of the requirements of this section. If a person does not have a corrections agent, the local law enforcement authority with jurisdiction over the person's primary address shall notify the person of the requirements. When a person who is required to register under subdivision 1b, paragraph (c) or (d), is released from commitment, the treatment facility shall notify the person of the requirements of this section. The treatment facility shall also obtain the registration information required under this section and forward it to the bureau.

Sec. 5. Minnesota Statutes 2016, section 243.166, subdivision 4, is amended to read:

Subd. 4. **Contents of registration.** (a) The registration provided to the corrections agent or law enforcement authority, must consist of a statement in writing signed by the person, giving information required by the bureau, fingerprints, biological specimen for DNA analysis as defined under section 299C.155, subdivision 1, and photograph of the person taken at the time of the person's release from incarceration or, if the person was not incarcerated, at the time the person initially registered under this section. The registration information also must include a written consent form signed by the person allowing a treatment facility or residential housing unit or shelter to release information to a law enforcement officer about the person's admission to, or residence in, a treatment facility or residential housing unit or shelter. Registration information on adults and juveniles may be maintained together notwithstanding section 260B.171, subdivision 3.

(b) For persons required to register under subdivision 1b, paragraph (c), following commitment pursuant to a court commitment under Minnesota Statutes 2012, section 253B.185, chapter 253D, Minnesota Statutes 1992, section 526.10, or a similar law of another state or the United States, in addition to other information required by this section, the registration provided to the corrections agent or law enforcement authority must include the person's offense history and documentation of treatment received during the person's commitment. This documentation is limited to a statement of how far the person progressed in treatment during commitment.

(c) Within three days of receipt, the corrections agent or law enforcement authority shall forward the registration information to the bureau. The bureau shall ascertain whether the person has registered with the law enforcement authority in the area of the person's primary address, if any, or if the person lacks a primary address, where the person is staying, as required by subdivision 3a. If the person has not registered with the law enforcement authority, the bureau shall ~~send one copy to~~ notify that authority.

(d) The corrections agent or law enforcement authority may require that a person required to register under this section appear before the agent or authority to be photographed. The agent or authority shall forward the photograph to the bureau.

(1) Except as provided in clause (2), the agent or authority may photograph any offender at a time and frequency chosen by the agent or authority.

(2) The requirements of this paragraph shall not apply during any period where the person to be photographed is: (i) committed to the commissioner of corrections and incarcerated, (ii) incarcerated in a regional jail or county jail, or (iii) committed to the commissioner of human services and receiving treatment in a secure treatment facility.

(e) During the period a person is required to register under this section, the following provisions apply:

(1) Except for persons registering under subdivision 3a, the bureau shall mail a verification form to the person's last reported primary address. This verification form must provide notice to the offender that, if the offender does not return the verification form as required, information about the offender may be made available to the public through electronic, computerized, or other accessible means. For persons who are registered under subdivision 3a, the bureau shall mail an annual verification form to the law enforcement authority where the offender most recently reported. The authority shall provide the verification form to the person at the next weekly meeting and ensure that

the person completes and signs the form and returns it to the bureau. Notice is sufficient under this paragraph, if the verification form is sent by first class mail to the person's last reported primary address, or for persons registered under subdivision 3a, to the law enforcement authority where the offender most recently reported.

(2) The person shall mail the signed verification form back to the bureau within ~~ten~~ 15 days ~~after receipt~~ of the date on the form, stating on the form the current and last address of the person's residence and the other information required under subdivision 4a.

(3) In addition to the requirements listed in this section, an offender who is no longer under correctional supervision for a registration offense, or a failure to register offense, but who resides, works, or attends school in Minnesota, shall have an in-person contact with a law enforcement authority as provided in this section. If the person resides in Minnesota, the in-person contact shall be with the law enforcement authority that has jurisdiction over the person's primary address or, if the person has no address, the location where the person is staying. If the person does not reside in Minnesota but works or attends school in this state, the person shall have an in-person contact with the law enforcement authority or authorities with jurisdiction over the person's school or workplace. During the month of the person's birth date, the person shall report to the authority to verify the accuracy of the registration information and to be photographed. Within three days of this contact, the authority shall enter information as required by the bureau into the predatory offender registration database and submit an updated photograph of the person to the bureau's predatory offender registration unit.

(4) If the person fails to mail the completed and signed verification form to the bureau within ~~ten~~ 15 days ~~after receipt~~ of the date on the form, or if the person fails to report to the law enforcement authority during the month of the person's birth date, the person is in violation of this section.

(5) For any person who fails to mail the completed and signed verification form to the bureau within ~~ten~~ 15 days ~~after receipt~~ of the date on the form and who has been determined to be a risk level III offender under section 244.052, the bureau shall immediately investigate and notify local law enforcement authorities to investigate the person's location and to ensure compliance with this section. The bureau also shall immediately give notice of the person's violation of this section to the law enforcement authority having jurisdiction over the person's last registered primary address or addresses.

(6) A corrections agent or law enforcement authority may determine whether the person is at their primary address, secondary address, school or work location, if any, or the accuracy of any other information required under subdivision 4a or 4d at a time and frequency chosen by the agent or authority. A law enforcement authority may make this determination on any person whose primary address, secondary address, or school or work location, if any, is within the authority's jurisdiction, regardless of the assignment of a corrections agent.

For persons required to register under subdivision 1b, paragraph (c), following commitment pursuant to a court commitment under Minnesota Statutes 2012, section 253B.185, chapter 253D, Minnesota Statutes 1992, section 526.10, or a similar law of another state or the United States, the bureau shall comply with clause (1) at least four times each year. For persons who, under section 244.052, are assigned to risk level III and who are no longer under correctional supervision for a registration offense or a failure to register offense, the bureau shall comply with clause (1) at least two times each year. For all other persons required to register under this section, the bureau shall comply with clause (1) each year within 30 days of the anniversary date of the person's initial registration.

(f) When sending out a verification form, the bureau shall determine whether the person to whom the verification form is being sent has signed a written consent form as provided for in paragraph (a). If the person has not signed such a consent form, the bureau shall send a written consent form to the person along with the verification form. A person who receives this written consent form shall sign and return it to the bureau at the same time as the verification form.

(g) For persons registered under this section on the effective date of this section, each person, on or before one year from that date, must provide a biological specimen for the purpose of DNA analysis to the probation agency or law enforcement agency where that person is registered. A person who provides or has provided a biological specimen for the purpose of DNA analysis under chapter 299C or section 609.117 meets the requirements of this paragraph.

Sec. 6. Minnesota Statutes 2016, section 243.166, subdivision 4a, is amended to read:

Subd. 4a. **Information required to be provided.** (a) A person required to register under this section shall provide to the corrections agent or law enforcement authority the following information:

- (1) the person's primary address;
- (2) all of the person's secondary addresses ~~in Minnesota~~, including all addresses used for residential or recreational purposes;
- (3) the addresses of all Minnesota property owned, leased, or rented by the person;
- (4) the addresses of all locations where the person is employed;
- (5) the addresses of all schools where the person is enrolled; ~~and~~
- (6) the year, model, make, license plate number, and color of all motor vehicles owned or regularly driven by the person;
- (7) the expiration year for the motor vehicle license plate tabs of all motor vehicles owned by the person;
- (8) the person's driver's license or government identification number and state of issue;
- (9) the year, model, make, and registration number for all watercraft owned or regularly operated by the person;
- (10) the person's Social Security number as required by United States Code, title 42, section 16914;
- (11) all of the person's electronic mail addresses, instant messaging addresses, and social media accounts;
- (12) all telephone numbers including work, school, and home and any cellular telephone service;
- (13) the person's passport number and country of issue, if any; and
- (14) the person's professional license number, if any, and the issuing organization.

(b) The person shall report to the agent or authority the information required to be provided under paragraph (a), clauses (2) to ~~(6)~~ (14), within five days of the date the clause becomes applicable. If because of a change in circumstances any information reported under paragraph (a), clauses (1) to ~~(6)~~ (14), no longer applies, the person shall immediately inform the agent or authority that the information is no longer valid. If the person leaves a primary address and does not have a new primary address, the person shall register as provided in subdivision 3a.

Sec. 7. Minnesota Statutes 2016, section 243.166, subdivision 4b, is amended to read:

Subd. 4b. **Health care facility; notice of status.** (a) For the purposes of this subdivision, "health care facility" means a facility:

- (1) licensed by the commissioner of health as a hospital, boarding care home or supervised living facility under sections 144.50 to 144.58, or a nursing home under chapter 144A;

(2) registered by the commissioner of health as a housing with services establishment as defined in section 144D.01; ~~or~~

(3) licensed by the commissioner of health as a home care provider as defined in section 144A.43; or

~~(3)~~ (4) licensed by the commissioner of human services as a residential facility under chapter 245A to provide adult foster care, adult mental health treatment, chemical dependency treatment to adults, or residential services to persons with disabilities.

(b) Prior to admission to a health care facility, a person required to register under this section shall disclose to:

(1) the health care facility employee processing the admission the person's status as a registered predatory offender under this section; and

(2) the person's corrections agent, or if the person does not have an assigned corrections agent, the law enforcement authority with whom the person is currently required to register, that inpatient admission or other admission will occur.

(c) A law enforcement authority or corrections agent who receives notice under paragraph (b) or who knows that a person required to register under this section is planning to be admitted and receive, or has been admitted and is receiving health care at a health care facility shall notify the administrator of the facility and deliver a fact sheet to the administrator containing the following information: (1) name and physical description of the offender; (2) the offender's conviction history, including the dates of conviction; (3) the risk level classification assigned to the offender under section 244.052, if any; and (4) the profile of likely victims.

(d) Except for a hospital licensed under sections 144.50 to 144.58 or a home care provider as defined in section 144A.43, if a health care facility receives a fact sheet under paragraph (c) that includes a risk level classification for the offender, and if the facility admits the offender, the facility shall distribute the fact sheet to all residents at the facility. If the facility determines that distribution to a resident is not appropriate given the resident's medical, emotional, or mental status, the facility shall distribute the fact sheet to the patient's next of kin or emergency contact.

Sec. 8. Minnesota Statutes 2016, section 243.166, subdivision 4c, is amended to read:

Subd. 4c. **Notices in writing; signed.** All notices required by this section must be in writing and signed by the person required to register. For purposes of this section, a signature may be in ink on paper, by an electronic method established by the bureau, or by use of a biometric for the person. If a biometric is used, the person must provide a sample that is forwarded to the bureau so that it can be maintained for comparison purposes to verify the person's identity.

Sec. 9. Minnesota Statutes 2016, section 243.166, is amended by adding a subdivision to read:

Subd. 4d. **Travel.** (a) A person required to register under this section who intends to travel outside the boundaries of the United States must notify the person's corrections agent or the law enforcement authority with jurisdiction over the person's primary address of the travel plans. The person must provide:

(i) anticipated departure date;

(ii) place of departure;

(iii) place of arrival or return;

(iv) carrier and flight numbers for air travel;

(v) destination country and address or other contact information;

(vi) means and purpose of travel;

(vii) visa information, if any; and

(viii) any other itinerary information requested by the corrections agent or law enforcement authority.

The notice must be provided at least 21 calendar days before the departure date and forwarded to the bureau within one business day of receipt. If it is not possible to give 21 calendar days' notice due to an emergency or a work assignment, the person is required to notify the corrections agent or the law enforcement authority with jurisdiction over the person's primary address as soon as possible prior to departure. If the travel is due to an emergency, the person must provide a copy of the message conveying the emergency that includes the date and time sent and the source of the information. If the travel is the result of a work assignment, the employer must provide the date the employee was informed of the need to travel and the nature of the work to be performed.

(b) The corrections agent or law enforcement authority must forward the notification to the bureau as soon as possible after receipt. The bureau must forward the international travel information as required by United States Code, title 42, section 16914.

(c) A person required to register under this section who is assigned a corrections agent must receive the corrections agent's approval for all international travel. Nothing in this subdivision requires a corrections agent to approve of travel that is inconsistent with the terms of the offender's supervision.

Sec. 10. Minnesota Statutes 2016, section 243.166, subdivision 5, is amended to read:

Subd. 5. **Criminal penalty.** (a) A person required to register under this section who ~~knowingly~~ violates any of its provisions or intentionally provides false information to a corrections agent, law enforcement authority, or the bureau is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.

(b) Except as provided in paragraph (c), a person convicted of violating paragraph (a) shall be committed to the custody of the commissioner of corrections for not less than a year and a day, nor more than five years.

(c) A person convicted of violating paragraph (a), who has previously been convicted of or adjudicated delinquent for violating this section or a similar statute of another state or the United States, shall be committed to the custody of the commissioner of corrections for not less than two years, nor more than five years.

(d) Prior to the time of sentencing, the prosecutor may file a motion to have the person sentenced without regard to the mandatory minimum sentence established by this subdivision. The motion must be accompanied by a statement on the record of the reasons for it. When presented with the motion, or on its own motion, the court may sentence the person without regard to the mandatory minimum sentence if the court finds substantial and compelling reasons to do so. Sentencing a person in the manner described in this paragraph is a departure from the Sentencing Guidelines.

(e) A person convicted and sentenced as required by this subdivision is not eligible for probation, parole, discharge, work release, conditional release, or supervised release, until that person has served the full term of imprisonment as provided by law, notwithstanding the provisions of sections 241.26, 242.19, 243.05, 244.04, 609.12, and 609.135.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

Sec. 11. Minnesota Statutes 2016, section 243.166, subdivision 6, is amended to read:

Subd. 6. **Registration period.** (a) Notwithstanding the provisions of section 609.165, subdivision 1, and except as provided in paragraphs (b), (c), and (d), a person required to register under this section shall continue to comply with this section until ten years have elapsed since the person initially registered in connection with the offense, or until the probation, supervised release, or conditional release period expires, whichever occurs later. For a person required to register under this section who is committed under section 253B.18, Minnesota Statutes 2012, section 253B.185, or chapter 253D, the ten-year registration period does not include the period of commitment.

(b) If a person required to register under this section fails to provide the person's primary address as required by subdivision 3, paragraph (b), fails to comply with the requirements of subdivision 3a, fails to provide information as required by subdivision 4a, ~~or fails to return the verification form referenced in subdivision 4 within ten 15 days, or fails to provide the travel information required by subdivision 4d and is convicted under subdivision 5,~~ the commissioner of public safety shall require the person to continue to register for an additional period of five years. This five-year period is added to the end of the offender's registration period. In addition, if the person is not in compliance at the end of the registration period, the commissioner shall require the person to continue to register for an additional period of two years.

(c) If a person required to register under this section is incarcerated due to a conviction for a new offense or following a revocation of probation, supervised release, or conditional release for any offense, the person shall continue to register until ten years have elapsed since the person was last released from incarceration or until the person's probation, supervised release, or conditional release period expires, whichever occurs later.

(d) A person shall continue to comply with this section for the life of that person:

(1) if the person is convicted of or adjudicated delinquent for any offense for which registration is required under subdivision 1b, or any offense from another state or any federal offense similar to the offenses described in subdivision 1b, and the person has a prior conviction or adjudication for an offense for which registration was or would have been required under subdivision 1b, or an offense from another state or a federal offense similar to an offense described in subdivision 1b;

(2) if the person is required to register based upon a conviction or delinquency adjudication for an offense under section 609.185, paragraph (a), clause (2), or a similar statute from another state or the United States;

(3) if the person is required to register based upon a conviction for an offense under section 609.342, subdivision 1, paragraph (a), (c), (d), (e), (f), or (h); 609.343, subdivision 1, paragraph (a), (c), (d), (e), (f), or (h); 609.344, subdivision 1, paragraph (a), (c), or (g); or 609.345, subdivision 1, paragraph (a), (c), or (g); or a statute from another state or the United States similar to the offenses described in this clause; or

(4) if the person is required to register under subdivision 1b, paragraph (c), following commitment pursuant to a court commitment under Minnesota Statutes 2012, section 253B.185, chapter 253D, Minnesota Statutes 1992, section 526.10, or a similar law of another state or the United States.

(e) A person described in subdivision 1b, paragraph (b), who is required to register under the laws of a state in which the person has been previously convicted or adjudicated delinquent, shall register under this section for the time period required by the state of conviction or adjudication unless a longer time period is required elsewhere in this section.

Sec. 12. Minnesota Statutes 2016, section 243.166, subdivision 7, is amended to read:

Subd. 7. **Use of data.** (a) Except as otherwise provided in subdivision 7a or sections 244.052 and 299C.093, the data provided under this section is private data on individuals under section 13.02, subdivision 12.

(b) The data may be used only by law enforcement and corrections agencies for law enforcement and corrections purposes. Law enforcement or a corrections agent may disclose the status of an individual as a predatory offender to a child protection worker with a local welfare agency for purposes of doing a family assessment under section 626.556. A corrections agent may also disclose the status of an individual as a predatory offender to comply with section 244.057.

(c) The commissioner of human services is authorized to have access to the data for:

(1) state-operated services, as defined in section 246.014, for the purposes described in section 246.13, subdivision 2, paragraph (b); and

(2) purposes of completing background studies under chapter 245C.

Sec. 13. Minnesota Statutes 2016, section 243.166, subdivision 7a, is amended to read:

Subd. 7a. **Availability of information on offenders who are out of compliance with registration law.** (a) The bureau may make information available to the public about offenders who are 16 years of age or older and who are out of compliance with this section for 30 days or longer for failure to provide the offenders' primary or secondary addresses, for failure to return a verification form, or who have absconded. This information may be made available to the public through electronic, computerized, or other accessible means. The amount and type of information made available is limited to the information necessary for the public to assist law enforcement in locating the offender.

(b) An offender who comes into compliance with this section after the bureau discloses information about the offender to the public may send a written request to the bureau requesting the bureau to treat information about the offender as private data, consistent with subdivision 7. The bureau shall review the request and promptly take reasonable action to treat the data as private, if the offender has complied with the requirement that the offender provide the offender's primary and secondary addresses, has returned the verification form or has returned to the primary address, or promptly notify the offender that the information will continue to be treated as public information and the reasons for the bureau's decision.

(c) If an offender believes the information made public about the offender is inaccurate or incomplete, the offender may challenge the data under section 13.04, subdivision 4.

(d) The bureau is immune from any civil or criminal liability that might otherwise arise, based on the accuracy or completeness of any information made public under this subdivision, if the bureau acts in good faith.

Sec. 14. Minnesota Statutes 2016, section 299C.093, is amended to read:

299C.093 DATABASE OF REGISTERED PREDATORY OFFENDERS.

The superintendent of the Bureau of Criminal Apprehension shall maintain a computerized data system relating to individuals required to register as predatory offenders under section 243.166. To the degree feasible, the system must include the data required to be provided under section 243.166, subdivisions 4 ~~and~~ 4a, and 4d, and indicate the time period that the person is required to register. The superintendent shall maintain this data in a manner that ensures that it is readily available to law enforcement agencies. This data is private data on individuals under

section 13.02, subdivision 12, but may be used for law enforcement and corrections purposes. Law enforcement or a corrections agent may disclose the status of an individual as a predatory offender to a child protection worker with a local welfare agency for purposes of doing a family assessment under section 626.556. A corrections agent may also disclose the status of an individual as a predatory offender to comply with section 244.057. The commissioner of human services has access to the data for state-operated services, as defined in section 246.014, for the purposes described in section 246.13, subdivision 2, paragraph (b), and for purposes of conducting background studies under chapter 245C.

ARTICLE 7 DWI

Section 1. Minnesota Statutes 2016, section 169A.24, subdivision 1, is amended to read:

Subdivision 1. **Degree described.** A person who violates section 169A.20 (driving while impaired) is guilty of first-degree driving while impaired if the person:

- (1) commits the violation within ten years of the first of three or more qualified prior impaired driving incidents;
- (2) has previously been convicted of a felony under this section; or
- (3) has previously been convicted of a felony under:

(i) Minnesota Statutes 2012, section 609.21 (criminal vehicular homicide and injury, substance-related offenses), subdivision 1, clauses (2) to (6);

(ii) Minnesota Statutes 2006, section 609.21 (criminal vehicular homicide and injury, substance-related offenses), subdivision 1, clauses (2) to (6); subdivision 2, clauses (2) to (6); subdivision 2a, clauses (2) to (6); subdivision 3, clauses (2) to (6); or subdivision 4, clauses (2) to (6); ~~or~~

(iii) section 609.2112, subdivision 1, clauses (2) to (6); 609.2113, subdivision 1, clauses (2) to (6), subdivision 2, clauses (2) to (6), or subdivision 3, clauses (2) to (6); or 609.2114, subdivision 1, clauses (2) to (6), or subdivision 2, clauses (2) to (6); ~~or~~ or

(iv) a statute from this state or another state in conformity with any provision listed in clause (i), (ii), or (iii).

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

Sec. 2. Minnesota Statutes 2016, section 169A.55, subdivision 4, is amended to read:

Subd. 4. **Reinstatement of driving privileges; multiple incidents.** (a) A person whose driver's license has been revoked as a result of an offense listed under clause (1) or (2) shall not be eligible for reinstatement of driving privileges without an ignition interlock restriction until the commissioner certifies that the person has neither owned nor leased a vehicle, the person has not transferred ownership of a vehicle to a family or household member, no family or household member owns or leases a vehicle which the person has express or implied consent to drive, and the person has not committed a violation of chapter 169A or 171 during the revocation period; or the person has used the ignition interlock device and complied with section 171.306 for a period of not less than:

(1) one year, for a person whose driver's license was revoked for:

(i) an offense occurring within ten years of a qualified prior impaired driving incident; or

(ii) an offense occurring after two qualified prior impaired driving incidents; or

(2) two years, for a person whose driver's license was revoked for:

(i) an offense occurring under clause (1), and where the test results indicated an alcohol concentration of twice the legal limit; or

(ii) an offense occurring under clause (1), and where the current offense is for a violation of section 169A.20, subdivision 2 (test refusal).

As used in this paragraph, "family or household member" has the meaning given in section 169A.63, subdivision 1, paragraph (f).

(b) A person whose driver's license has been canceled or denied as a result of three or more qualified impaired driving incidents shall not be eligible for reinstatement of driving privileges without an ignition interlock restriction until the person:

(1) has completed rehabilitation according to rules adopted by the commissioner or been granted a variance from the rules by the commissioner; and

(2) has submitted verification of abstinence from alcohol and controlled substances under paragraph (c), as evidenced by the person's use of an ignition interlock device or other chemical monitoring device approved by the commissioner.

~~(b)~~ (c) The verification of abstinence must show that the person has abstained from the use of alcohol and controlled substances for a period of not less than:

(1) three years, for a person whose driver's license was canceled or denied for an offense occurring within ten years of the first of two qualified prior impaired driving incidents, or occurring after three qualified prior impaired driving incidents;

(2) four years, for a person whose driver's license was canceled or denied for an offense occurring within ten years of the first of three qualified prior impaired driving incidents; or

(3) six years, for a person whose driver's license was canceled or denied for an offense occurring after four or more qualified prior impaired driving incidents.

~~(c) The commissioner shall establish performance standards and a process for certifying chemical monitoring devices. The standards and procedures are not rules and are exempt from chapter 14, including section 14.386.~~

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

Sec. 3. Minnesota Statutes 2016, section 171.24, is amended by adding a subdivision to read:

Subd. 4a. Driving after a DWI-related suspension, revocation, or cancellation; misdemeanor. (a) Except as otherwise provided in subdivision 5, a person is guilty of a misdemeanor if:

(1) the person's driver's license or driving privilege has been suspended, revoked, or canceled under section 169A.52, 169A.54, or 171.177;

(2) the person has been given notice of or reasonably should know of the suspension, revocation, or cancellation; and

(3) the person disobeys the order by operating in this state any motor vehicle, the operation of which requires a driver's license, while the person's license or privilege is suspended, revoked, or canceled.

(b) Notwithstanding section 609.101, subdivision 4, the Judicial Council may not add a violation of this subdivision to the Statewide Payables List.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

Sec. 4. Minnesota Statutes 2017 Supplement, section 171.30, subdivision 1, is amended to read:

Subdivision 1. **Conditions of issuance.** (a) The commissioner may issue a limited license to the driver under the conditions in paragraph (b) in any case where a person's license has been:

(1) suspended under section 171.18, 171.173, 171.186, or 171.187;

(2) revoked, canceled, or denied under section:

(i) 169.792;

(ii) 169.797;

(iii) 169A.52:

(A) subdivision 3, paragraph (a), clause (1) or (2);

(B) subdivision 3, paragraph (a), clause (3), for a violation of section 169A.20, subdivision 1, clause (2), (3), (4), or (7);

(C) subdivision 3, paragraph (a), clause (4), (5), or (6), for a violation of section 169A.20, subdivision 1, clause (1), (5), or (6), and if in compliance with section 171.306;

(D) subdivision 3, paragraph (a), clause (4), (5), or (6), for a violation of section 169A.20, subdivision 1, clause (2), (3), (4), or (7);

~~(E)~~ (E) subdivision 4, paragraph (a), clause (1) or (2), if the test results indicate an alcohol concentration of less than twice the legal limit;

(F) subdivision 4, paragraph (a), clause (3), for a violation of section 169A.20, subdivision 1, clause (2), (3), (4), or (7);

~~(G)~~ (G) subdivision 4, paragraph (a), clause (4), (5), or (6), for a violation of section 169A.20, subdivision 1, clause (1), (5), or (6), and if in compliance with section 171.306;

(H) subdivision 4, paragraph (a), clause (4), (5), or (6), for a violation of section 169A.20, subdivision 1, clause (2), (3), (4), or (7); or

(iv) 171.17; or

(v) 171.172;

(3) revoked, canceled, or denied under section 169A.54:

(i) subdivision 1, clause (1), if the test results indicate an alcohol concentration of less than twice the legal limit;

(ii) subdivision 1, clause (2);

(iii) subdivision 1, clause (3) or (4), for a violation of section 169A.20, subdivision 1, clause (2), (3), (4), or (7);

(iv) subdivision 1, clause (5), (6), or (7), for a violation of section 169A.20, subdivision 1, clause (1), (5), or (6), and if in compliance with section 171.306; or

(v) subdivision 1, clause (5), (6), or (7), for a violation of section 169A.20, subdivision 1, clause (2), (3), (4), or (7); or

~~(iv)~~ (vi) subdivision 2, if the person does not have a qualified prior impaired driving incident as defined in section 169A.03, subdivision 22, on the person's record, and the test results indicate an alcohol concentration of less than twice the legal limit; or

(4) revoked, canceled, or denied under section 171.177:

(i) subdivision 4, paragraph (a), clause (1) or (2);

(ii) subdivision 4, paragraph (a), clause (3), for a violation of section 169A.20, subdivision 1, clause (2), (3), (4), or (7);

(iii) subdivision 4, paragraph (a), clause (4), (5), or (6), for a violation of section 169A.20, subdivision 1, clause (1), (5), or (6), and if in compliance with section 171.306;

(iv) subdivision 4, paragraph (a), clause (4), (5), or (6), for a violation of section 169A.20, subdivision 1, clause (2), (3), (4), or (7);

~~(iii)~~ (v) subdivision 5, paragraph (a), clause (1) or (2), if the test results indicate an alcohol concentration of less than twice the legal limit; or

(vi) subdivision 5, paragraph (a), clause (3), for a violation of section 169A.20, subdivision 1, clause (2), (3), (4), or (7);

~~(iv)~~ (vii) subdivision 5, paragraph (a), clause (4), (5), or (6), for a violation of section 169A.20, subdivision 1, clause (1), (5), or (6), and if in compliance with section 171.306; or

(viii) subdivision 5, paragraph (a), clause (4), (5), or (6), for a violation of section 169A.20, subdivision 1, clause (2), (3), (4), or (7).

(b) The following conditions for a limited license under paragraph (a) include:

(1) if the driver's livelihood or attendance at a chemical dependency treatment or counseling program depends upon the use of the driver's license;

(2) if the use of a driver's license by a homemaker is necessary to prevent the substantial disruption of the education, medical, or nutritional needs of the family of the homemaker; or

(3) if attendance at a postsecondary institution of education by an enrolled student of that institution depends upon the use of the driver's license.

(c) The commissioner in issuing a limited license may impose such conditions and limitations as in the commissioner's judgment are necessary to the interests of the public safety and welfare including reexamination as to the driver's qualifications. The license may be limited to the operation of particular vehicles, to particular classes and times of operation, and to particular conditions of traffic. The commissioner may require that an applicant for a limited license affirmatively demonstrate that use of public transportation or carpooling as an alternative to a limited license would be a significant hardship.

(d) For purposes of this subdivision:

(1) "homemaker" refers to the person primarily performing the domestic tasks in a household of residents consisting of at least the person and the person's dependent child or other dependents; and

(2) "twice the legal limit" means an alcohol concentration of two times the limit specified in section 169A.20, subdivision 1, clause (5).

(e) The limited license issued by the commissioner shall clearly indicate the limitations imposed and the driver operating under the limited license shall have the license in possession at all times when operating as a driver.

(f) In determining whether to issue a limited license, the commissioner shall consider the number and the seriousness of prior convictions and the entire driving record of the driver and shall consider the number of miles driven by the driver annually.

(g) If the person's driver's license or permit to drive has been revoked under section 169.792 or 169.797, the commissioner may only issue a limited license to the person after the person has presented an insurance identification card, policy, or written statement indicating that the driver or owner has insurance coverage satisfactory to the commissioner of public safety. The commissioner of public safety may require the insurance identification card provided to satisfy this subdivision be certified by the insurance company to be noncancelable for a period not to exceed 12 months.

(h) The limited license issued by the commissioner to a person under section 171.186, subdivision 4, must expire 90 days after the date it is issued. The commissioner must not issue a limited license to a person who previously has been issued a limited license under section 171.186, subdivision 4.

(i) The commissioner shall not issue a limited driver's license to any person described in section 171.04, subdivision 1, clause (6), (7), (8), (11), or (14).

(j) The commissioner shall not issue a class A, class B, or class C limited license.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

Sec. 5. Minnesota Statutes 2017 Supplement, section 171.30, subdivision 2a, is amended to read:

Subd. 2a. **Other waiting periods.** Notwithstanding subdivision 2, a limited license shall not be issued for a period of:

(1) 15 days, to a person whose license or privilege has been revoked or suspended for a first violation of section 169A.20, sections 169A.50 to 169A.53, section 171.177, or a statute or ordinance from another state in conformity with ~~either~~ any of those sections; or

(2) 90 days, to a person who submitted to testing under sections 169A.50 to 169A.53, section 171.177, or a statute or ordinance from another state in conformity with any of those sections, if the person's license or privilege has been revoked or suspended for a violation of section 169A.20, subdivision 1, clause (2), (3), (4), or (7), occurring within ten years of a qualified prior impaired driving incident, or after two qualified prior impaired driving incidents, for violations of section 169A.20, sections 169A.50 to 169A.53, section 171.177, or a statute or ordinance from another state in conformity with any of those sections; or

(3) 180 days, to a person who refused testing under sections 169A.50 to 169A.53, section 171.177, or a statute or ordinance from another state in conformity with any of those sections, if the person's license or privilege has been revoked or suspended for a violation of section 169A.20, subdivision 1, clause (2), (3), (4), or (7), occurring within ten years of a qualified prior impaired driving incident, or after two qualified prior impaired driving incidents, for violations of section 169A.20, sections 169A.50 to 169A.53, section 171.177, or a statute or ordinance from another state in conformity with any of those sections; or

(4) one year, to a person whose license or privilege has been revoked or suspended for committing manslaughter resulting from the operation of a motor vehicle, committing criminal vehicular homicide or injury under section ~~609.24~~ 609.2112, subdivision 1, clause (1), (2), item (ii), (5), (6), (7), or (8), committing criminal vehicular homicide under section ~~609.24~~ 609.2112, subdivision 1, clause (2), item (i) or (iii), (3), or (4), or violating a statute or ordinance from another state in conformity with either of those offenses.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

Sec. 6. Minnesota Statutes 2017 Supplement, section 171.306, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) As used in this section, the terms in this subdivision have the meanings given them.

(b) "Ignition interlock device" or "device" means equipment that is designed to measure breath alcohol concentration and to prevent a motor vehicle's ignition from being started by a person whose breath alcohol concentration measures 0.02 or higher on the equipment.

(c) "Location tracking capabilities" means the ability of an electronic or wireless device to identify and transmit its geographic location through the operation of the device.

(d) "Program participant" means a person who has qualified to take part in the ignition interlock program under this section, and whose driver's license has been:

(1) revoked, canceled, or denied under section 169A.52; or 169A.54; for a violation of section 169A.20, subdivision 1, clause (1), (5), or (6);

(2) revoked, canceled, or denied under section 171.04, subdivision 1, clause (10); or 171.177; for a violation of section 169A.20, subdivision 1, clause (1), (5), or (6); or

~~(2)~~ (3) revoked under section 171.17, subdivision 1, paragraph (a), clause (1), or suspended under section 171.187, for a violation of section 609.2113, subdivision 1, clause (2), item (i) or (iii), (3), or (4); subdivision 2, clause (2), item (i) or (iii), (3), or (4); or subdivision 3, clause (2), item (i) or (iii), (3), or (4); or 609.2114, subdivision 2, clause (2), item (i) or (iii), (3), or (4), resulting in bodily harm, substantial bodily harm, or great bodily harm.

(e) "Qualified prior impaired driving incident" has the meaning given in section 169A.03, subdivision 22.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

Sec. 7. Minnesota Statutes 2017 Supplement, section 171.306, subdivision 2, is amended to read:

Subd. 2. **Performance standards; certification; manufacturer and provider requirements.** (a) The commissioner shall establish performance standards and a process for certifying devices used in the ignition interlock program, except that the commissioner may not establish standards that, directly or indirectly, require devices to use or enable location tracking capabilities without a court order.

(b) The manufacturer of a device must apply annually for certification of the device by submitting the form prescribed by the commissioner. The commissioner shall require manufacturers of certified devices to:

(1) provide device installation, servicing, and monitoring to indigent program participants at a discounted rate, according to the standards established by the commissioner; ~~and~~

(2) include in an ignition interlock device contract a provision that a program participant who voluntarily terminates participation in the program is only liable for servicing and monitoring costs incurred during the time the device is installed on the motor vehicle, regardless of whether the term of the contract has expired; and

(3) include in an ignition interlock device contract a provision that requires manufacturers of certified devices to pay any towing or repair costs caused by device failure or malfunction, or by damage caused during device installation, servicing, or monitoring.

(c) The manufacturer of a certified device must include with an ignition interlock device contract a separate notice to the program participant regarding any location tracking capabilities of the device."

Delete the title and insert:

"A bill for an act relating to public safety; modifying certain provisions relating to courts, public safety, corrections, and crime; increasing amount of surcharge credited to training account of Peace Officer Standards and Training (POST) Board; providing for a task force and working group; requesting reports; providing for penalties; appropriating money for public safety, courts, corrections, Guardian Ad Litem Board, Board of Public Defense, and Human Services; amending Minnesota Statutes 2016, sections 168B.16; 169.64, subdivision 4; 169.92, subdivision 4; 169A.24, subdivision 1; 169A.55, subdivision 4; 171.07, subdivision 1a; 171.16, subdivisions 2, 3; 171.18, subdivision 1; 171.24, by adding a subdivision; 242.192; 243.166, subdivisions 1a, 1b, 2, 4, 4a, 4b, 4c, 5, 6, 7, 7a, by adding a subdivision; 257.57, subdivisions 1, 2, by adding a subdivision; 257.75, subdivision 4; 299C.091, subdivision 5; 299C.093; 299C.17; 357.021, subdivision 7; 388.23, subdivision 1; 518.145, subdivision 2; 549.09, subdivision 1; 590.11, subdivisions 1, 2, 5, 7; 609.015, subdivision 1; 609.095; 609.2112, subdivision 1; 609.2113, subdivisions 1, 2, 3; 609.2114, subdivisions 1, 2; 609.2231, subdivisions 1, 2, 3a; 609.324, subdivisions 3, 4, by adding a subdivision; 609.341, subdivision 10, by adding subdivisions; 609.342, subdivisions 1, 2; 609.343, subdivisions 1, 2; 609.344, subdivisions 1, 2; 609.345, subdivisions 1, 2; 609.3451, subdivisions 1, 3; 609.3455, subdivisions 6, 8, by adding subdivisions; 609.52, subdivision 3; 609.74; 609.855, subdivision 2; 611.365,

subdivisions 2, 3; 611.367; 611.368; 617.246, subdivisions 2, 3, 4, 7, by adding a subdivision; 617.247, subdivisions 3, 4, 9, by adding a subdivision; 626.8452, by adding a subdivision; 626A.08, subdivision 2; 626A.37, subdivision 4; 631.40, subdivision 1a; Minnesota Statutes 2017 Supplement, sections 171.30, subdivisions 1, 2a; 171.306, subdivisions 1, 2; 171.3215, subdivisions 2, 3; 260C.163, subdivisions 3, 10; 357.021, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 243; 299A; 299C; 631; repealing Minnesota Statutes 2016, sections 401.13; 609.349."

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

The report was adopted.

Nornes from the Committee on Higher Education and Career Readiness Policy and Finance to which was referred:

H. F. No. 3638, A bill for an act relating to higher education; appropriating money to the Board of Trustees of the Minnesota State Colleges and Universities.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
APPROPRIATIONS

Section 1. **HIGHER EDUCATION APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to the appropriations in Laws 2017, chapter 89, article 1, unless otherwise specified, to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2018" and "2019" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively. "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium" is fiscal years 2018 and 2019.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2018</u>	<u>2019</u>
Sec. 2. <u>MINNESOTA OFFICE OF HIGHER EDUCATION</u>		
Subdivision 1. <u>Total Appropriation</u>	<u>\$-0-</u>	<u>\$500,000</u>
<u>The amounts that may be spent for each purpose are specified in the following subdivisions.</u>		
Subd. 2. <u>State Grants</u>	<u>-0-</u>	<u>350,000</u>

This is a onetime appropriation.

Subd. 3. <u>Agricultural Educators Loan Forgiveness</u>	-0-	<u>100,000</u>
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For transfer to the agricultural education loan forgiveness account in the special revenue fund under Minnesota Statutes, section 136A.1794, subdivision 2. This is a onetime appropriation.

Subd. 3. <u>Student Loan Debt Counseling</u>	-0-	<u>50,000</u>
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For a student loan debt counseling grant under Minnesota Statutes, section 136A.1705. This is a onetime appropriation.

Sec. 3. BOARD OF TRUSTEES OF THE MINNESOTA STATE COLLEGES AND UNIVERSITIES

Subdivision 1. <u>Total Appropriation</u>	<u>\$-0-</u>	<u>\$5,500,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. <u>Operations and Maintenance</u>	-0-	<u>5,500,000</u>
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(a) This appropriation includes \$5,000,000 in fiscal year 2019 for cyber security programs at Metropolitan State University. This is a onetime appropriation.

(b) This appropriation includes \$500,000 in fiscal year 2019 for renewal of workforce development scholarships first awarded in academic year 2018-2019 under Minnesota Statutes, section 136F.38. This is a onetime appropriation and is available until June 30, 2020.

**ARTICLE 2
HIGHER EDUCATION POLICY**

Section 1. Minnesota Statutes 2016, section 135A.15, subdivision 2, is amended to read:

Subd. 2. **Victims' rights.** The policy required under subdivision 1 shall, at a minimum, require that students and employees be informed of the policy, and shall include provisions for:

- (1) filing criminal charges with local law enforcement officials in sexual assault cases;
- (2) the prompt assistance of campus authorities, at the request of the victim, in notifying the appropriate law enforcement officials and disciplinary authorities of a sexual assault incident;
- (3) allowing sexual assault victims to decide whether to report a case to law enforcement;
- (4) requiring campus authorities to treat sexual assault victims with dignity;
- (5) requiring campus authorities to offer sexual assault victims fair and respectful health care, counseling services, or referrals to such services;

(6) preventing campus authorities from suggesting to a victim of sexual assault that the victim is at fault for the crimes or violations that occurred;

(7) preventing campus authorities from suggesting to a victim of sexual assault that the victim should have acted in a different manner to avoid such a crime;

(8) subject to subdivision 10, protecting the privacy of sexual assault victims by only disclosing data collected under this section to the victim, persons whose work assignments reasonably require access, and, at a sexual assault victim's request, police conducting a criminal investigation;

(9) an investigation and resolution of a sexual assault complaint by campus disciplinary authorities;

(10) a sexual assault victim's participation in and the presence of the victim's attorney or other support person who is not a fact witness to the sexual assault at any meeting with campus officials concerning the victim's sexual assault complaint or campus disciplinary proceeding concerning a sexual assault complaint;

(11) ensuring that a sexual assault victim may decide when to repeat a description of the incident of sexual assault;

(12) notice to a sexual assault victim of the availability of a campus or local program providing sexual assault advocacy services and information on legal resources;

(13) notice to a sexual assault victim of the outcome of any campus disciplinary proceeding concerning a sexual assault complaint, consistent with laws relating to data practices;

(14) the complete and prompt assistance of campus authorities, at the direction of law enforcement authorities, in obtaining, securing, and maintaining evidence in connection with a sexual assault incident;

(15) the assistance of campus authorities in preserving for a sexual assault complainant or victim materials relevant to a campus disciplinary proceeding;

(16) during and after the process of investigating a complaint and conducting a campus disciplinary procedure, the assistance of campus personnel, in cooperation with the appropriate law enforcement authorities, at a sexual assault victim's request, in shielding the victim from unwanted contact with the alleged assailant, including transfer of the victim to alternative classes or to alternative college-owned housing, if alternative classes or housing are available and feasible;

(17) forbidding retaliation, and establishing a process for investigating complaints of retaliation, against sexual assault victims by campus authorities, the accused, organizations affiliated with the accused, other students, and other employees;

(18) at the request of the victim, providing students who reported sexual assaults to the institution and subsequently choose to transfer to another postsecondary institution with information about resources for victims of sexual assault at the institution to which the victim is transferring; and

(19) consistent with laws governing access to student records, providing a student who reported an incident of sexual assault with access to the student's description of the incident as it was reported to the institution, including if that student transfers to another postsecondary institution.

Sec. 2. Minnesota Statutes 2016, section 135A.15, subdivision 6, is amended to read:

Subd. 6. **Data collection and reporting.** (a) Postsecondary institutions must annually report statistics on sexual assault. This report must be prepared in addition to any federally required reporting on campus security, including reports required by the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act, United States Code, title 20, section 1092(f). The report must include, but not be limited to, the number of incidents of sexual assault reported to the institution in the previous calendar year, as follows:

- (1) the number that were investigated by the institution;
 - (2) the number that were referred for a disciplinary proceeding at the institution;
 - (3) the number the victim chose to report to local or state law enforcement;
 - (4) the number for which a campus disciplinary proceeding is pending, but has not reached a final resolution;
 - (5) the number in which the alleged perpetrator was found responsible by the disciplinary proceeding at the institution;
 - (6) the number that resulted in any action by the institution greater than a warning issued to the accused;
 - (7) the number that resulted in a disciplinary proceeding at the institution that closed without resolution;
 - (8) the number that resulted in a disciplinary proceeding at the institution that closed without resolution because the accused withdrew from the institution;
 - (9) the number that resulted in a disciplinary proceeding at the institution that closed without resolution because the victim chose not to participate in the procedure; and
 - (10) the number of reports made through the online reporting system established in subdivision 5, excluding reports submitted anonymously.
- (b) If an institution previously submitted a report indicating that one or more disciplinary proceedings was pending, but had not reached a final resolution, and one or more of those disciplinary proceedings reached a final resolution within the previous calendar year, that institution must submit updated totals from the previous year that reflect the outcome of the pending case or cases.
- (c) The reports required by this subdivision must be submitted to the Office of Higher Education by October 1 of each year. Each report must contain the data required under paragraphs (a) and (b) from the previous calendar year.
- (d) The commissioner of the Office of Higher Education shall calculate statewide numbers for each data item reported by an institution under this subdivision. The statewide numbers must include data from postsecondary institutions that the commissioner could not publish due to federal laws governing access to student records.
- (e) The Office of Higher Education shall publish on its Web site:
- (1) the statewide data calculated under paragraph (d); and
 - (2) the data items required under paragraphs (a) and (b) for each postsecondary institution in the state.

Each postsecondary institution shall publish on the institution's Web site the data items required under paragraphs (a) and (b) for that institution.

(f) Reports and data required under this subdivision must be prepared and published as summary data, as defined in section 13.02, subdivision 19, and must be consistent with applicable law governing access to educational data. If an institution or the Office of Higher Education does not publish data because of applicable law, the publication must explain why data are not included.

(g) By October 1 of each year, the Board of Regents of the University of Minnesota must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education policy and finance. In addition to the data on sexual assault incidents described in paragraph (a), the report must include equivalent data on incidents of sexual harassment, as defined in the board's policy on sexual harassment. The report is subject to the requirements of paragraph (f).

Sec. 3. **[136A.1705] STUDENT LOAN DEBT COUNSELING.**

Subdivision 1. **Grant.** (a) A program is established under the Office of Higher Education to provide a grant to a Minnesota-based nonprofit qualified debt counseling organization to provide individual student loan debt repayment counseling to borrowers who are Minnesota residents concerning loans obtained to attend a postsecondary institution. The number of individuals receiving counseling may be limited to those capable of being served with available appropriations for that purpose. A goal of the counseling program is to provide two counseling sessions to at least 75 percent of borrowers receiving counseling.

(b) The purpose of the counseling is to assist borrowers to:

(1) understand their loan and repayment options;

(2) manage loan repayment; and

(3) develop a workable budget based on the borrower's full financial situation regarding income, expenses, and other debt.

Subd. 2. **Qualified debt counseling organization.** A qualified debt counseling organization is an organization that:

(1) has experience in providing individualized student loan counseling;

(2) employs certified financial loan counselors; and

(3) is based in Minnesota and has offices at multiple rural and metropolitan area locations in the state to provide in-person counseling.

Subd. 3. **Grant application and award.** (a) Applications for a grant shall be on a form created by the commissioner and on a schedule set by the commissioner. Among other provisions, the application must include a description of:

(1) the characteristics of borrowers to be served;

(2) the services to be provided and a timeline for implementation of the services;

(3) how the services provided will help borrowers manage loan repayment;

(4) specific program outcome goals and performance measures for each goal; and

(5) how the services will be evaluated to determine whether the program goals were met.

(b) The commissioner shall select one grant recipient for a two-year award every two years. A grant may be renewed biennially.

Subd. 4. **Program evaluation.** (a) The grant recipient must submit a report to the commissioner by January 15 of the second year of the grant award. The report must evaluate and measure the extent to which program outcome goals have been met.

(b) The grant recipient must collect, analyze, and report on participation and outcome data that enable the office to verify the outcomes.

(c) The evaluation must include information on the number of borrowers served with on-time student loan payments, the numbers who brought their loans into good standing, the number of student loan defaults, the number who developed a monthly budget plan, and other information required by the commissioner. Recipients of the counseling must be surveyed on their opinions about the usefulness of the counseling and the survey results must be included in the report.

Subd. 5. **Report to legislature.** By February 1 of the second year of each grant award, the commissioner must submit a report to the committees in the legislature with jurisdiction over higher education finance regarding grant program outcomes.

Sec. 4. Minnesota Statutes 2016, section 136A.901, is amended by adding a subdivision to read:

Subd. 3. **Account.** A spinal cord injury and traumatic brain injury research grant account is created in the special revenue fund in the state treasury. The commissioner shall deposit into the account appropriations made for the purposes of this section. Money in the account is appropriated to the commissioner for the purposes for which it was appropriated.

Sec. 5. Minnesota Statutes 2016, section 137.0245, is amended to read:

137.0245 REGENT CANDIDATE ADVISORY COUNCIL LEGISLATIVE COMMISSION ON REGENT SELECTION.

Subdivision 1. **Establishment.** A ~~Regent Candidate Advisory Council~~ **Legislative Commission on Regent Selection** is established to assist in determining criteria for, and identifying and recruiting qualified candidates for membership on the Board of Regents and making recommendations to the joint legislative committee described in section 137.0246, subdivision 2.

Subd. 2. **Membership.** (a) The ~~Regent Candidate Advisory Council~~ **Legislative Commission on Regent Selection** consists of: 24 members. ~~Twelve members shall be appointed by the Subcommittee on Committees of the Committee on Rules and Administration of the senate. Twelve members shall be appointed by the speaker of the house. Each appointing authority must appoint one member who is a student enrolled in a degree program at the University of Minnesota at the time of appointment. No more than one third of the members appointed by each appointing authority may be current or former legislators. No more than two thirds of the members appointed by each appointing authority may belong to the same political party; however, political activity or affiliation is not required for the appointment of any member. Geographical representation must be taken into consideration when making appointments. Section 15.0575 shall govern the advisory council, except that:~~

(1) the members shall be appointed to six year terms with one third appointed each even numbered year; and

(2) student members are appointed to two year terms with two students appointed each even numbered year.

~~A member may not serve more than two full terms.~~

(1) four members of the house of representatives, two of whom are appointed by the speaker of the house and two of whom are appointed by the minority leader; and

(2) four members of the senate, two of whom are appointed by the majority leader and two of whom are appointed by the minority leader.

(b) Members serve at the pleasure of the appointing authority. The first appointments must be made by September 1, 2018.

(c) A chair of the commission serves a two-year term, expiring on June 30 in an even-numbered year. The chair must alternate biennially between a designee of the speaker of the house and a designee of the senate majority leader. Only a member of the commission may be designated as the chair. The speaker of the house shall designate the first chair. The chair may vote on any matter before the commission.

Subd. 3. **Duties.** (a) The ~~advisory council~~ commission shall:

(1) develop, in consultation with current and former regents, the University of Minnesota Alumni Association, and the administration of the University of Minnesota, a statement of the selection criteria to be applied and a description of the responsibilities and duties of a regent, and shall distribute this to potential candidates; and

(2) for each position on the board, identify and recruit qualified candidates for the Board of Regents, based on the background and experience of the candidates, their potential for discharging the responsibilities of a member of the Board of Regents, and the needs of the board. The selection criteria must not include a limitation on the number of terms an individual may serve on the Board of Regents.

(b) The selection criteria developed under paragraph (a), clause (1), must include a criterion that regents represent diversity in geography; gender; race; occupation, including business and labor; and experience.

(c) The selection criterion must include an identification of the membership needs of the board for individual skills relevant to the governance of the University of Minnesota and the needs for certain individual characteristics. Individual characteristics relate to qualities such as gender, race, and geographic location of residence.

Subd. 4. **Recommendations.** (a) The ~~advisory council~~ commission shall recommend at least ~~two~~ one and not more than ~~four~~ three candidates for each vacancy. By January 15 of each odd-numbered year, the ~~advisory council~~ commission shall submit its recommendations to the joint legislative committee described in section 137.0246, subdivision 2.

(b) The ~~advisory council~~ commission must submit a report to the joint committee on the needs criterion identified under subdivision 3, paragraph (c), at the same time it submits its recommendations.

Subd. 5. **Support services.** The Legislative Coordinating Commission shall provide administrative and support services for the ~~advisory council~~ commission. The Legislative Coordinating Commission shall collect application materials from regent candidates and forward all materials to the Legislative Commission on Regent Selection.

Sec. 6. Minnesota Statutes 2016, section 137.0246, is amended to read:

137.0246 REGENT NOMINATION AND ELECTION.

Subd. 2. **Regent nomination joint committee.** (a) The joint legislative committee consists of the members of the higher education budget and policy divisions in each house of the legislature. The chairs of the divisions from each body shall be cochair of the joint legislative committee. A majority of the members from each house is a quorum of the joint committee.

(b) By February 28 of each odd-numbered year, or at a date agreed to by concurrent resolution, the joint legislative committee shall meet to consider the ~~advisory council's~~ Legislative Commission on Regent Selection's recommendations for regent of the University of Minnesota for possible presentation to a joint convention of the legislature.

(c) The joint committee may recommend to the joint convention candidates recommended by the ~~advisory council~~ Legislative Commission on Regent Selection and the other candidates nominated by the joint committee. A candidate other than those recommended by the ~~advisory council~~ Legislative Commission on Regent Selection may be nominated for consideration by the joint committee only if the nomination receives the support of at least three house of representatives members of the committee and two senate members of the committee. A candidate must receive a majority vote of members from the house of representatives and from the senate on the joint committee to be recommended to the joint convention. The joint committee may recommend no more than one candidate for each vacancy. In recommending nominees, the joint committee must consider the needs of the board of regents and the balance of the board membership with respect to gender, racial, and ethnic composition.

Sec. 7. Laws 2017, chapter 89, article 1, section 2, subdivision 18, is amended to read:

Subd. 18. MNSCU Two-Year Public College Program	3,481,000	-0-
	<u>2,481,000</u>	

(a) ~~\$2,780,000~~ \$1,780,000 in fiscal year 2018 is for two-year public college program grants under Laws 2015, chapter 69, article 3, section 20.

(b) \$545,000 in fiscal year 2018 is to provide mentoring and outreach as specified under Laws 2015, chapter 69, article 3, section 20.

(c) \$156,000 in fiscal year 2018 is for information technology and administrative costs associated with implementation of the grant program.

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

Sec. 8. Laws 2017, chapter 89, article 1, section 2, subdivision 20, is amended to read:

Subd. 20. Spinal Cord Injury and Traumatic Brain Injury Research Grant Program	3,000,000	3,000,000
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For transfer to the spinal cord injury and traumatic brain injury research grant account in the special revenue fund.

For spinal cord injury and traumatic brain injury research grants authorized under Minnesota Statutes, section 136A.901.

The commissioner may use no more than three percent of this appropriation to administer the grant program under this subdivision.

Sec. 9. **AFFORDABLE TEXTBOOK PLAN AND REPORT.**

The Board of Trustees of the Minnesota State Colleges and Universities shall develop a plan to increase the use of affordable textbooks and instructional materials. The board must explore and study registration software or other systems and methods to disclose or display the cost of all textbooks and instructional materials required for a course at or prior to course registration. The plan must describe the systems or methods examined and the results of the study. The plan must establish a goal for the percentage of all courses offered at state colleges and universities that will use affordable textbooks and instructional materials. The plan must identify and describe key terms, including "affordable textbook," "instructional material," and "course." The board must submit the plan to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education by January 15, 2020.

Sec. 10. **UNIVERSITY OF MINNESOTA; APPEAL PROCESS FOR SEXUAL MISCONDUCT FINDINGS INVOLVING EMPLOYEES.**

The Board of Regents of the University of Minnesota is requested to amend its sexual misconduct policies to:

(1) provide a process for accused university employees and their victims to appeal findings of the university's Office of Equal Opportunity and Affirmative Action before an impartial decision maker; and

(2) require the office, at the conclusion of a sexual misconduct investigation, to provide notice to accused university employees and their victims of any appeal rights.

ARTICLE 3
OFFICE OF HIGHER EDUCATION AGENCY POLICY

Section 1. Minnesota Statutes 2016, section 127A.70, subdivision 2, is amended to read:

Subd. 2. **Powers and duties; report.** (a) The partnership shall develop recommendations to the governor and the legislature designed to maximize the achievement of all P-20 students while promoting the efficient use of state resources, thereby helping the state realize the maximum value for its investment. These recommendations may include, but are not limited to, strategies, policies, or other actions focused on:

(1) improving the quality of and access to education at all points from preschool through graduate education;

(2) improving preparation for, and transitions to, postsecondary education and work;

(3) ensuring educator quality by creating rigorous standards for teacher recruitment, teacher preparation, induction and mentoring of beginning teachers, and continuous professional development for career teachers; and

(4) realigning the governance and administrative structures of early education, kindergarten through grade 12, and postsecondary systems in Minnesota.

(b) Under the direction of the P-20 Education Partnership Statewide Longitudinal Education Data System Governance Committee, the Office of Higher Education and the Departments of Education and Employment and Economic Development shall improve and expand the Statewide Longitudinal Education Data System (SLEDS) to provide policymakers, education and workforce leaders, researchers, and members of the public with data, research, and reports to:

(1) expand reporting on students' educational outcomes for diverse student populations including at-risk students, children with disabilities, English learners, and gifted students, among others, and include formative and summative evaluations based on multiple measures of child well-being, early childhood development, and student progress toward career and college readiness;

(2) evaluate the effectiveness of (i) investments in young children and families and (ii) educational and workforce programs; and

(3) evaluate the relationship between (i) investments in young children and families and (ii) education and workforce outcomes, consistent with section 124D.49.

To the extent possible under federal and state law, research and reports should be accessible to the public on the Internet, and disaggregated by demographic characteristics, organization or organization characteristics, and geography.

It is the intent of the legislature that the Statewide Longitudinal Education Data System inform public policy and decision-making. The SLEDS governance committee, with assistance from staff of the Office of Higher Education, the Department of Education, and the Department of Employment and Economic Development, shall respond to legislative committee and agency requests on topics utilizing data made available through the Statewide Longitudinal Education Data System as resources permit. Any analysis of or report on the data must contain only summary data.

(c) By January 15 of each year, the partnership shall submit a report to the governor and to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over P-20 education policy and finance that summarizes the partnership's progress in meeting its goals and identifies the need for any draft legislation when necessary to further the goals of the partnership to maximize student achievement while promoting efficient use of resources.

Sec. 2. Minnesota Statutes 2017 Supplement, section 136A.1275, subdivision 2, is amended to read:

Subd. 2. **Eligibility.** To be eligible for a grant under this section, a teacher candidate must:

(1) be enrolled in a Professional Educator Licensing and Standards Board-approved teacher preparation program that requires at least 12 weeks of student teaching in order to be recommended for a full professional teaching license;

(2) demonstrate financial need based on criteria established by the commissioner under subdivision 3;

(3) ~~intend to teach in a shortage area or belong to an underrepresented racial or ethnic group~~ be meeting satisfactory academic progress as defined under section 136A.101, subdivision 10; and

(4) ~~be meeting satisfactory academic progress as defined under section 136A.101, subdivision 10~~ intend to teach in a shortage area or belong to an underrepresented racial or ethnic group. Intent can be documented based on the teacher license field the student is pursuing or a statement of intent to teach in an economic development region defined as a shortage area in the year the student receives a grant.

Sec. 3. Minnesota Statutes 2017 Supplement, section 136A.1275, subdivision 3, is amended to read:

Subd. 3. **Administration; repayment.** (a) The commissioner must establish an application process and other guidelines for implementing this program, ~~including repayment responsibilities for stipend recipients who do not complete student teaching or who leave Minnesota to teach in another state during the first year after student teaching.~~

(b) The commissioner must determine each academic year the stipend amount up to \$7,500 based on the amount of available funding, the number of eligible applicants, and the financial need of the applicants.

(c) The percentage of the total award funds available at the beginning of the fiscal year reserved for teacher candidates who identify as belonging to ~~an underrepresented~~ a racial or ethnic group underrepresented in the Minnesota teacher workforce must be equal to or greater than the total percentage of students of ~~underrepresented~~ racial or ethnic groups underrepresented in the Minnesota teacher workforce as measured under section 120B.35, subdivision 3. If this percentage cannot be met because of a lack of qualifying candidates, the remaining amount may be awarded to teacher candidates who intend to teach in a shortage area.

Sec. 4. Minnesota Statutes 2016, section 136A.15, subdivision 8, is amended to read:

Subd. 8. **Eligible student.** "Eligible student" means a student who is officially registered or accepted for enrollment at an eligible institution in Minnesota or a Minnesota resident who is officially registered as a student or accepted for enrollment at an eligible institution in another state ~~or province.~~ Non-Minnesota residents are eligible students if they are enrolled or accepted for enrollment in a minimum of one course of at least 30 days in length during the academic year that requires physical attendance at an eligible institution located in Minnesota. Non-Minnesota resident students enrolled exclusively during the academic year in correspondence courses or courses offered over the Internet are not eligible students. Non-Minnesota resident students not physically attending classes in Minnesota due to enrollment in a study abroad program for 12 months or less are eligible students. Non-Minnesota residents enrolled in study abroad programs exceeding 12 months are not eligible students. An eligible student, for section 136A.1701, means a student who gives informed consent authorizing the disclosure of data specified in section 136A.162, paragraph (c), to a consumer credit reporting agency.

Sec. 5. Minnesota Statutes 2016, section 136A.16, subdivision 1, is amended to read:

Subdivision 1. **Designation.** Notwithstanding chapter 16C, the office is designated as the administrative agency for carrying out the purposes and terms of sections 136A.15 to ~~136A.1702~~ 136A.1704. The office may establish one or more loan programs.

Sec. 6. Minnesota Statutes 2016, section 136A.16, subdivision 2, is amended to read:

Subd. 2. **Rules, policies, and conditions.** The office shall adopt policies and may prescribe appropriate rules and conditions to carry out the purposes of sections 136A.15 to 136A.1702. ~~The policies and rules except as they relate to loans under section 136A.1701 must be compatible with the provisions of the National Vocational Student Loan Insurance Act of 1965 and the provisions of title IV of the Higher Education Act of 1965, and any amendments thereof.~~

Sec. 7. Minnesota Statutes 2016, section 136A.16, subdivision 5, is amended to read:

Subd. 5. **Agencies.** The office may contract with loan servicers, collection agencies, credit bureaus, or any other person, to carry out the purposes of sections 136A.15 to ~~136A.1702~~ 136A.1704.

Sec. 8. Minnesota Statutes 2016, section 136A.16, subdivision 8, is amended to read:

Subd. 8. **Investment.** Money made available to the office that is not immediately needed for the purposes of sections 136A.15 to ~~136A.1702~~ 136A.1704 may be invested by the office. The money must be invested in bonds, certificates of indebtedness, and other fixed income securities, except preferred stocks, which are legal investments for the permanent school fund. The money may also be invested in prime quality commercial paper that is eligible for investment in the state employees retirement fund. All interest and profits from such investments inure to the benefit of the office or may be pledged for security of bonds issued by the office or its predecessors.

Sec. 9. Minnesota Statutes 2016, section 136A.16, subdivision 9, is amended to read:

Subd. 9. **Staff.** The office may employ the professional and clerical staff the commissioner deems necessary for the proper administration of the loan programs established and defined by sections 136A.15 to ~~136A.1702~~ 136A.1704.

Sec. 10. Minnesota Statutes 2016, section 136A.162, is amended to read:

136A.162 CLASSIFICATION OF DATA.

(a) Except as provided in paragraphs (b) and (c), data on applicants for financial assistance collected and used by the office for student financial aid programs administered by that office are private data on individuals as defined in section 13.02, subdivision 12.

(b) Data on applicants may be disclosed to the commissioner of human services to the extent necessary to determine eligibility under section 136A.121, subdivision 2, clause (5).

(c) The following data collected in the Minnesota supplemental loan program under ~~section~~ sections 136A.1701 and 136A.1704 may be disclosed to a consumer credit reporting agency only if the borrower and the cosigner give informed consent, according to section 13.05, subdivision 4, at the time of application for a loan:

- (1) the lender-assigned borrower identification number;
- (2) the name and address of borrower;
- (3) the name and address of cosigner;
- (4) the date the account is opened;
- (5) the outstanding account balance;
- (6) the dollar amount past due;
- (7) the number of payments past due;
- (8) the number of late payments in previous 12 months;
- (9) the type of account;
- (10) the responsibility for the account; and
- (11) the status or remarks code.

Sec. 11. Minnesota Statutes 2016, section 136A.1701, subdivision 7, is amended to read:

Subd. 7. **Repayment of loans.** ~~(a) The office shall establish repayment procedures for loans made under this section, but in no event shall the period of permitted repayment for SELF II or SELF III loans exceed ten years from the eligible student's termination of the student's postsecondary academic or vocational program, or 15 years from the date of the student's first loan under this section, whichever is less in accordance with the policies, rules, and conditions authorized under section 136A.16, subdivision 2. The office will take into consideration the loan limits and current financial market conditions when establishing repayment terms.~~

~~(b) For SELF IV loans, eligible students with aggregate principal loan balances from all SELF phases that are less than \$18,750 shall have a repayment period not exceeding ten years from the eligible student's graduation or termination date. For SELF IV loans, eligible students with aggregate principal loan balances from all SELF phases of \$18,750 or greater shall have a repayment period not exceeding 15 years from the eligible student's graduation or termination date. For SELF IV loans, the loans shall enter repayment no later than seven years after the first disbursement date on the loan.~~

~~(c) For SELF loans from phases after SELF IV, eligible students with aggregate principal loan balances from all SELF phases that are:~~

~~(1) less than \$20,000, must have a repayment period not exceeding ten years from the eligible student's graduation or termination date;~~

~~(2) \$20,000 up to \$40,000, must have a repayment period not exceeding 15 years from the eligible student's graduation or termination date; and~~

~~(3) \$40,000 or greater, must have a repayment period not exceeding 20 years from the eligible student's graduation or termination date. For SELF loans from phases after SELF IV, the loans must enter repayment no later than nine years after the first disbursement date of the loan.~~

Sec. 12. Minnesota Statutes 2016, section 136A.1702, is amended to read:

136A.1702 LEGISLATIVE OVERSIGHT.

(a) The office shall notify the chairs of the legislative committees with primary jurisdiction over higher education finance of any proposed material change to any of its student loan programs, including loan refinancing under section 136A.1704, prior to making the change.

(b) By December 1 of each year, the commissioner shall submit a report to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over the Office of Higher Education regarding the balance of the following accounts in the special revenue fund:

(1) the aviation degree loan forgiveness program account established by section 136A.1789, subdivision 2;

(2) the teacher shortage loan forgiveness program repayment account established by section 136A.1791, subdivision 8;

(3) the agricultural education loan forgiveness account established by section 136A.1794, subdivision 2; and

(4) the large animal veterinarian loan forgiveness program account established by section 136A.1795, subdivision 2.

Sec. 13. Minnesota Statutes 2017 Supplement, section 136A.1789, subdivision 2, is amended to read:

Subd. 2. **Creation of account.** (a) An aviation degree loan forgiveness program account is established in the special revenue fund to provide qualified pilots and qualified aircraft technicians with financial assistance in repaying qualified education loans. The commissioner must use money from the account to establish and administer the aviation degree loan forgiveness program.

(b) Appropriations made to the aviation degree loan forgiveness program account do not cancel and are available until expended.

Sec. 14. Minnesota Statutes 2016, section 136A.1791, subdivision 8, is amended to read:

Subd. 8. **Fund Account established.** A teacher shortage loan forgiveness repayment ~~fund~~ account is created in the special revenue fund for depositing money appropriated to or received by the commissioner for the program. Money deposited in the fund shall not revert to any state fund at the end of any fiscal year but remains in the loan forgiveness repayment fund and is continuously available for loan forgiveness under this section.

Sec. 15. Minnesota Statutes 2016, section 136A.1795, subdivision 2, is amended to read:

Subd. 2. **Establishment; administration.** (a) The commissioner shall establish and administer a loan forgiveness program for large animal veterinarians who:

- (1) agree to practice in designated rural areas that are considered underserved; and
- (2) work full time in a practice that is at least 50 percent involved with the care of food animals.

(b) A large animal veterinarian loan forgiveness program account is established in the special revenue fund. The commissioner must use money from the account to establish and administer the program under this section. Appropriations to the commissioner for the program are for transfer to the fund.

(c) Appropriations made to the program do not cancel and are available until expended.

Sec. 16. Minnesota Statutes 2017 Supplement, section 136A.646, is amended to read:

136A.646 ADDITIONAL SECURITY.

(a) New schools that have been granted conditional approval for degrees or names to allow them the opportunity to apply for and receive accreditation under section 136A.65, subdivision 7, ~~or shall provide a surety bond in a sum equal to ten percent of the net revenue from tuition and fees in the registered institution's prior fiscal year, but in no case shall the bond be less than \$10,000.~~

(b) Any registered institution that is notified by the United States Department of Education that it has fallen below minimum financial standards and that its continued participation in Title IV will be conditioned upon its satisfying either the Zone Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (f), or a Letter of Credit Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (c), shall provide a surety bond in a sum equal to the "letter of credit" required by the United States Department of Education in the Letter of Credit Alternative, but in no event shall such bond be less than \$10,000 nor more than \$250,000. In the event the letter of credit required by the United States Department of Education is higher than ten percent of the Title IV, Higher Education Act program funds received by the institution during its most recently completed fiscal

year, the office shall reduce the office's surety requirement to represent ten percent of the Title IV, Higher Education Act program funds received by the institution during its most recently completed fiscal year, subject to the minimum and maximum in this paragraph.

~~(b)~~ (c) In lieu of a bond, the applicant may deposit with the commissioner of management and budget:

- (1) a sum equal to the amount of the required surety bond in cash;
- (2) securities, as may be legally purchased by savings banks or for trust funds, in an aggregate market value equal to the amount of the required surety bond; or
- (3) an irrevocable letter of credit issued by a financial institution to the amount of the required surety bond.

~~(c)~~ (d) The surety of any bond may cancel it upon giving 60 days' notice in writing to the office and shall be relieved of liability for any breach of condition occurring after the effective date of cancellation.

~~(d)~~ (e) In the event of a school closure, the additional security must first be used to destroy any private educational data under section 13.32 left at a physical campus in Minnesota after all other governmental agencies have recovered or retrieved records under their record retention policies. Any remaining funds must then be used to reimburse tuition and fee costs to students that were enrolled at the time of the closure or had withdrawn in the previous 120 calendar days but did not graduate. Priority for refunds will be given to students in the following order:

- (1) cash payments made by the student or on behalf of a student;
- (2) private student loans; and
- (3) Veteran Administration education benefits that are not restored by the Veteran Administration. If there are additional security funds remaining, the additional security funds may be used to cover any administrative costs incurred by the office related to the closure of the school.

Sec. 17. Minnesota Statutes 2017 Supplement, section 136A.822, subdivision 6, is amended to read:

Subd. 6. **Bond.** (a) No license shall be issued to any private career school which maintains, conducts, solicits for, or advertises within the state of Minnesota any program, unless the applicant files with the office a continuous corporate surety bond written by a company authorized to do business in Minnesota conditioned upon the faithful performance of all contracts and agreements with students made by the applicant.

(b)(1) The amount of the surety bond shall be ten percent of the preceding year's net ~~income~~ revenue from student tuition, fees, and other required institutional charges collected, but in no event less than \$10,000, except that a private career school may deposit a greater amount at its own discretion. A private career school in each annual application for licensure must compute the amount of the surety bond and verify that the amount of the surety bond complies with this subdivision. A private career school that operates at two or more locations may combine net ~~income~~ revenue from student tuition, fees, and other required institutional charges collected for all locations for the purpose of determining the annual surety bond requirement. The net revenue from tuition and fees used to determine the amount of the surety bond required for a private career school having a license for the sole purpose of recruiting students in Minnesota shall be only that paid to the private career school by the students recruited from Minnesota.

(2) A person required to obtain a private career school license due to the use of "academy," "institute," "college," or "university" in its name and which is also licensed by another state agency or board, except not including those schools licensed exclusively in order to participate in state grants or SELF loan financial aid programs, shall be required to provide a school bond of \$10,000.

(c) The bond shall run to the state of Minnesota and to any person who may have a cause of action against the applicant arising at any time after the bond is filed and before it is canceled for breach of any contract or agreement made by the applicant with any student. The aggregate liability of the surety for all breaches of the conditions of the bond shall not exceed the principal sum deposited by the private career school under paragraph (b). The surety of any bond may cancel it upon giving 60 days' notice in writing to the office and shall be relieved of liability for any breach of condition occurring after the effective date of cancellation.

(d) In lieu of bond, the applicant may deposit with the commissioner of management and budget a sum equal to the amount of the required surety bond in cash, an irrevocable letter of credit issued by a financial institution equal to the amount of the required surety bond, or securities as may be legally purchased by savings banks or for trust funds in an aggregate market value equal to the amount of the required surety bond.

(e) Failure of a private career school to post and maintain the required surety bond or deposit under paragraph (d) may result in denial, suspension, or revocation of the school's license.

Sec. 18. Minnesota Statutes 2016, section 136A.822, subdivision 10, is amended to read:

Subd. 10. **Catalog, brochure, or electronic display.** Before a license is issued to a private career school, the private career school shall furnish to the office a catalog, brochure, or electronic display including:

- (1) identifying data, such as volume number and date of publication;
- (2) name and address of the private career school and its governing body and officials;
- (3) a calendar of the private career school showing legal holidays, beginning and ending dates of each course quarter, term, or semester, and other important dates;
- (4) the private career school policy and regulations on enrollment including dates and specific entrance requirements for each program;
- (5) the private career school policy and regulations about leave, absences, class cuts, make-up work, tardiness, and interruptions for unsatisfactory attendance;
- (6) the private career school policy and regulations about standards of progress for the student including the grading system of the private career school, the minimum grades considered satisfactory, conditions for interruption for unsatisfactory grades or progress, a description of any probationary period allowed by the private career school, and conditions of reentrance for those dismissed for unsatisfactory progress;
- (7) the private career school policy and regulations about student conduct and conditions for dismissal for unsatisfactory conduct;
- (8) a detailed schedule of fees, charges for tuition, books, supplies, tools, student activities, laboratory fees, service charges, rentals, deposits, and all other charges;

(9) the private career school policy and regulations, including an explanation of section 136A.827, about refunding tuition, fees, and other charges if the student does not enter the program, withdraws from the program, or the program is discontinued;

(10) a description of the available facilities and equipment;

(11) a course outline syllabus for each course offered showing course objectives, subjects or units in the course, type of work or skill to be learned, and approximate time, hours, or credits to be spent on each subject or unit;

(12) the private career school policy and regulations about granting credit for previous education and preparation;

(13) a notice to students relating to the transferability of any credits earned at the private career school to other institutions;

(14) a procedure for investigating and resolving student complaints; ~~and~~

(15) the name and address of the office; and

(16) the student complaint process and rights under section 136A.8295.

A private career school that is exclusively a distance education school is exempt from clauses (3) and (5).

Sec. 19. Minnesota Statutes 2017 Supplement, section 136A.8295, is amended by adding a subdivision to read:

Subd. 6. **Disclosure.** Schools must disclose on their Web site, student handbook, and student catalog the student complaint process under this section to students.

Sec. 20. Laws 2017, chapter 89, article 1, section 2, subdivision 29, is amended to read:

Subd. 29. Emergency Assistance for Postsecondary Students	175,000	175,000
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(a) This appropriation is for the Office of Higher Education to allocate grant funds on a matching basis to ~~schools~~ eligible institutions as defined under Minnesota Statutes, section 136A.103, located in Minnesota with a demonstrable homeless student population.

(b) This appropriation shall be used to meet immediate student needs that could result in a student not completing the term or their program including, but not limited to, emergency housing, food, and transportation. Emergency assistance does not impact the amount of state financial aid received.

(c) The commissioner shall determine the application process and the grant amounts. Any balance in the first year does not cancel but shall be available in the second year. The Office of Higher Education shall partner with interested postsecondary institutions, other state agencies, and student groups to establish the programs.

Sec. 21. Laws 2017, chapter 89, article 1, section 2, subdivision 31, is amended to read:

Subd. 31. Teacher Shortage Loan Forgiveness	200,000	200,000
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For transfer to the teacher shortage loan forgiveness program repayment account in the special revenue fund under Minnesota Statutes, section 136A.1791, subdivision 8.

The commissioner may use no more than three percent of this appropriation to administer the program under this subdivision.

Sec. 22. Laws 2017, chapter 89, article 1, section 2, subdivision 32, is amended to read:

Subd. 32. Large Animal Veterinarian Loan Forgiveness Program	375,000	375,000
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For transfer to the large animal veterinarian loan forgiveness program account in the special revenue fund under Minnesota Statutes, section 136A.1795, subdivision 2.

Sec. 23. Laws 2017, chapter 89, article 1, section 2, subdivision 33, is amended to read:

Subd. 33. Agricultural Educators Loan Forgiveness	50,000	50,000
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For ~~deposit in~~ transfer to the agricultural education loan forgiveness account in the special revenue fund under Minnesota Statutes, section 136A.1794, subdivision 2.

Sec. 24. Laws 2017, chapter 89, article 1, section 2, subdivision 34, is amended to read:

Subd. 34. Aviation Degree Loan Forgiveness Program	25,000	25,000
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For transfer to the aviation degree loan forgiveness program account in the special revenue fund under Minnesota Statutes, section 136A.1789, subdivision 2.

Sec. 25. **ONGOING APPROPRIATION.**

Notwithstanding Minnesota Statutes, section 136A.1791, subdivision 8, the appropriation made in Laws 2016, chapter 189, article 25, section 62, subdivision 11, is available until June 30, 2019.

Sec. 26. **REPEALER.**

Minnesota Statutes 2016, sections 136A.15, subdivisions 2 and 7; and 136A.1701, subdivision 12, are repealed."

Delete the title and insert:

"A bill for an act relating to higher education; providing for the financing of higher education programs; modifying certain higher education policy provisions; making clarifying changes to loan forgiveness and research grant programs; modifying the regent candidate selection process; requiring reports; appropriating money; amending Minnesota Statutes 2016, sections 127A.70, subdivision 2; 135A.15, subdivisions 2, 6; 136A.15, subdivision 8;

136A.16, subdivisions 1, 2, 5, 8, 9; 136A.162; 136A.1701, subdivision 7; 136A.1702; 136A.1791, subdivision 8; 136A.1795, subdivision 2; 136A.822, subdivision 10; 136A.901, by adding a subdivision; 137.0245; 137.0246; Minnesota Statutes 2017 Supplement, sections 136A.1275, subdivisions 2, 3; 136A.1789, subdivision 2; 136A.646; 136A.822, subdivision 6; 136A.8295, by adding a subdivision; Laws 2017, chapter 89, article 1, section 2, subdivisions 18, 20, 29, 31, 32, 33, 34; proposing coding for new law in Minnesota Statutes, chapter 136A; repealing Minnesota Statutes 2016, sections 136A.15, subdivisions 2, 7; 136A.1701, subdivision 12."

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

The report was adopted.

Davids from the Committee on Taxes to which was referred:

H. F. No. 3688, A bill for an act relating to energy; modifying the energy improvements program; providing consumer protections for residential property assessed clean energy (PACE) loans; providing remedies; amending Minnesota Statutes 2016, sections 45.011, subdivision 1; 46.04, subdivision 1; 46.131, subdivisions 1, 2, 4; 216C.435, subdivisions 1, 2, 3a, 6, 8, by adding subdivisions; 216C.436, subdivisions 1, 2, 5, 7, 8, 9, by adding a subdivision; 290B.03, subdivision 1; Minnesota Statutes 2017 Supplement, section 46.131, subdivision 11; proposing coding for new law in Minnesota Statutes, chapter 216C; repealing Minnesota Statutes 2016, section 216C.435, subdivision 5.

Reported the same back with the following amendments:

Page 12, line 24, after the period, insert "A notice of the PACE loan containing the legal description of the property shall be recorded by the PACE administrator with the county recorder or registrar of titles, as appropriate, within 30 days of the first date of funding of the PACE loan."

Page 25, line 17, delete "taxes" and insert "tax bill"

Page 29, line 17, delete the new language

Page 29, line 18, delete the new language

Page 29, line 24, after the first "year" insert "or debts secured by a residential PACE lien, as that term is defined under section 216C.435, subdivision 10d"

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

The report was adopted.

Anderson, S., from the Committee on State Government Finance to which was referred:

H. F. No. 4016, A bill for an act relating to state government; requiring the commissioner of management and budget to maintain a Web site that permits persons to make gifts to the state online; amending Minnesota Statutes 2016, section 16A.013, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
STATE GOVERNMENT APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2017, First Special Session chapter 4, article 1, to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2018" and "2019" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2018</u>	<u>2019</u>
<u>.....</u>	<u>314,000</u>

Sec. 2. **LEGISLATURE**

These amounts are from the general fund for the Legislative Coordinating Commission, as follows:

(1) \$120,000 is for the transfer of responsibilities related to the Pew-MacArthur Results First framework. The base for this appropriation is \$177,000 in fiscal year 2020 and \$185,000 in fiscal year 2021;

(2) \$104,000 is for digital preservation of legislative records by the Legislative Reference Library. This is a onetime appropriation; and

(3) \$90,000 is for rent payments for the Office of the Revisor of Statutes. This is a onetime appropriation.

Sec. 3. **ATTORNEY GENERAL**

\$..... **\$(1,000,000)**

This is a general reduction to office operations, subject to the requirements of section 14.

Sec. 4. **SECRETARY OF STATE**

\$..... **\$1,754,000**

Of these amounts:

(1) \$220,000 is appropriated from the political party accounts established in the special revenue fund under Minnesota Statutes, section 10A.30, subdivision 2, for deposit in the Help America Vote Act Account established under Minnesota Statutes, section 5.30. This amount is for purposes that constitute the state match necessary to receive \$6,595,610 in federal funds for cybersecurity

under the Omnibus Appropriations Act of 2018, Public Law 115-1410, and section 101 of the Help America Vote Act of 2002 under Public Law 107-252. This is a onetime appropriation; and

(2) \$1,534,000 is appropriated from the Help America Vote Act account established under Minnesota Statutes, section 5.30, for the purposes of modernizing, securing, and updating the statewide voter registration system and for cybersecurity upgrades as authorized by federal law. This is a onetime appropriation and is available until June 30, 2020.

Sec. 5. **ADMINISTRATIVE HEARINGS**

\$.....

\$525,000

These amounts are from the general fund for the information policy analysis unit established in Minnesota Statutes, section 13.071.

Sec. 6. **ADMINISTRATION**

\$.....

\$(1,243,000)

These amounts include reductions as follows:

(1) the Office of Continuous Improvement is reduced by \$418,000;

(2) the State Historic Preservation Office is reduced by \$300,000 in fiscal year 2019. The base for this appropriation in fiscal years 2020 and 2021 is reduced by \$200,000 each year; and

(3) the Data Practices Office is reduced by \$525,000.

Sec. 7. **MINNESOTA MANAGEMENT AND BUDGET**

\$.....

\$3,950,000

(a) \$4,000,000 is from the amounts transferred to the general fund from the stadium reserve account under section 16, to establish an office to investigate allegations of harassment, misconduct, and discrimination, as provided in Minnesota Statutes, section 43A.385. Of these amounts:

(1) \$2,591,000 is to establish the office, to review and investigate claims, and to maintain, analyze, and report data as required by Minnesota Statutes, section 43A.385, subdivisions 1 and 2;

(2) \$255,000 is a onetime appropriation to administer and evaluate an employee community survey as required by Minnesota Statutes, section 43A.385, subdivision 3;

(3) \$26,000 is to study, develop, and maintain a complaint hotline, as provided by Minnesota Statutes, section 43A.385, subdivision 4;

(4) \$316,000 is a onetime appropriation to establish an audit process to review policies, procedures, and outcomes enterprise-wide, as provided by Minnesota Statutes, section 43A.385, subdivision 5; and

(5) \$812,000 is to provide training on harassment, misconduct, and discrimination policy, as provided by Minnesota Statutes, section 43A.385, subdivision 6.

No later than February 15, 2019, the commissioner of management and budget must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over state government finance on the reduced human resources workload and other cost savings realized by individual agencies due to the consolidation of these activities in a single office.

The base for this appropriation is \$3,429,000 in fiscal year 2020 and thereafter.

(b) The department's fiscal year 2019 appropriation includes a reduction of \$50,000 resulting from the transfer of the Pew-MacArthur Results First framework responsibilities to the legislature. The department's base for fiscal years 2020 and 2021 is reduced by \$122,000 each year to reflect this transfer.

(c) No later than December 31, 2018, the commissioner must credit at least \$500,000 to the general fund based on savings realized through implementation of the employee gainsharing program required by Minnesota Statutes, section 16A.90. If a credit of at least this amount has not been made to the general fund as of that date, the appropriation provided in this subdivision for fiscal year 2019 is reduced in an amount equal to the difference between the amount actually credited to the general fund and the total credit required by this paragraph.

Sec. 8. **REVENUE**

\$.....

\$(3,880,000)

(a) These amounts include a general reduction to agency operations, subject to the requirements of section 14, of \$3,895,000.

(b) \$15,000 is from the general fund for preparing and submitting a supplemental 2018 tax incidence report meeting the requirements of Minnesota Statutes, section 270C.13, subdivision 1, as amended in article 2, section 59. The supplemental report must be completed and submitted no later than January 2, 2019.

Sec. 9. **HUMAN RIGHTS**

\$.....

\$(1,409,000)

These amounts may not be used to reduce the operations or services of the department's regional office in St. Cloud.

Sec. 10. **MINNESOTA HISTORICAL SOCIETY****\$.....****\$1,000,000**

These amounts are from the general fund, for digital preservation and access, including planning and implementation of a program to preserve and make available resources related to Minnesota history. This is a onetime appropriation.

Sec. 11. **MINNESOTA HUMANITIES CENTER****\$.....****\$710,000**

(a) \$210,000 is from the general fund for the Healthy Eating, Here at Home program under Minnesota Statutes, section 138.912. This is a onetime appropriation. No more than three percent of the appropriation may be used for the nonprofit administration of this program.

(b) \$250,000 is from the general fund for a grant to Everybody Wins!-Minnesota, a Minnesota 501(c)(3) corporation, to operate a reading program for Minnesota children. This is a onetime appropriation.

(c) \$250,000 is from the general fund for a grant to the Minnesota Council on Economic Education to provide staff development to teachers for the implementation of the state graduation standards in learning areas relating to economic education. This is a onetime appropriation and does not cancel, but is available until expended. The commissioner of education, in consultation with the council, shall develop expected results of staff development, eligibility criteria for participants, an evaluation procedure, and guidelines for direct and in-kind contributions by the council.

Sec. 12. **BOARD OF COSMETOLOGIST EXAMINERS****\$.....****\$(518,000)**

This is a general reduction to board operations, subject to the requirements of section 14.

Sec. 13. **VETERANS AFFAIRS****\$.....****\$26,000,000**

(a) \$26,000,000 in fiscal year 2019 is from the amounts transferred to the general fund from the stadium reserve account under section 16, for the following:

(1) \$10,000,000 is to design, construct, furnish, and equip a veterans home in Preston;

(2) \$6,000,000 is to design, construct, furnish, and equip a veterans home in Montevideo; and

(3) \$10,000,000 is to design, construct, furnish, and equip a veterans home in Bemidji.

(b) These veterans homes are subject to the requirements of The People's Veterans Homes Act, as provided in article 2, section 83. This is a onetime appropriation, and is available until June 30, 2021. The appropriations are not available until the commissioner of management and budget, in consultation with the commissioner of veterans affairs, determines that amounts sufficient to complete the projects are committed from nonstate sources.

Sec. 14. **REDUCED APPROPRIATIONS; PRESERVATION OF PROGRAMS AND SERVICES.**

To the extent that appropriations provided by this article reflect reductions in amounts appropriated under Laws 2017, First Special Session chapter 4, and the purpose for the reduction is not otherwise specified, the affected constitutional office, agency, or board must allocate the reduction across all program activities, prioritizing reductions to central administration and general operations. Unless otherwise specified, reductions must not be made to programs or services that are provided directly to members of the public.

Sec. 15. **EXECUTIVE AGENCY APPROPRIATIONS; MNLARS TARGETED REDUCTIONS.**

(a) By October 31, 2018, the commissioner of management and budget must, with the approval of the governor and after consulting the Legislative Advisory Commission, reduce general fund appropriations for executive agency operating expenditures by \$9,650,000 for the biennium ending June 30, 2019. This is a onetime reduction. In making reductions, the commissioner must prioritize reductions to any increased central operating or administrative expenses within an agency that resulted from the enactment of operating adjustments for that agency for the biennium ending June 30, 2019, compared to appropriations enacted for the agency for the biennium ending June 30, 2017. The commissioner must not reduce appropriations for client-facing health care, corrections, public safety, mental health programs, or other services that are provided directly to members of the public.

(b) By June 30, 2018, the commissioner of management and budget must transfer \$7,500,000 from the general fund to the driver services operating account in the special revenue fund, and \$2,150,000 to the vehicle services operating account in the special revenue fund.

(c) For purposes of this subdivision, "executive agency" has the meaning given in Minnesota Statutes, section 16A.011, subdivision 12, and includes constitutional officers.

Sec. 16. **MINNESOTA SPORTS FACILITIES AUTHORITY; STADIUM RESERVE TRANSFER.**

\$30,817,000 must be transferred to the unrestricted general fund from the general reserve account established by the commissioner of management and budget under Minnesota Statutes, section 297E.021, no later than June 30, 2019. This is a onetime transfer.

Sec. 17. **MN.IT PRIORITIZATION OF CYBERSECURITY.**

The state chief information officer must prioritize the enhancement of cybersecurity across state government when expending any appropriations or fund transfers provided to the Office of MN.IT Services, including but not limited to those provided by Laws 2017, First Special Session chapter 4, article 1, section 10, and amounts credited to the information and telecommunications technology systems and services account established under Minnesota Statutes, section 16E.21.

ARTICLE 2
STATE GOVERNMENT OPERATIONS

Section 1. Minnesota Statutes 2016, section 1.26, subdivision 1, is amended to read:

Subdivision 1. ~~Political subdivision defined~~ **Definitions.** As used in this section:

(1) "declared emergency" has the meaning given in section 12.03, subdivision 1e; and

(2) "political subdivision" includes counties, home rule charter and statutory cities, towns, townships, school districts, authorities, and other public corporations and entities whether organized and existing under charter or general law.

Sec. 2. Minnesota Statutes 2016, section 1.26, subdivision 2, is amended to read:

Subd. 2. **State government.** When, due to ~~an emergency resulting from the effects of enemy attack, or the anticipated effects of a threatened enemy attack~~ a declared emergency, it becomes imprudent, inexpedient, or impossible to conduct the affairs of state government in the city of St. Paul, Ramsey County, Minnesota, the governor shall, as often as the exigencies of the situation require, by proclamation, declare an emergency temporary location, or locations, for the seat of government at a place, or places, in or out of the state as the governor deems advisable under the circumstances, and shall take action and issue orders as necessary for an orderly transition of the affairs of state government to the emergency temporary location, or locations. To the extent practical, the governor's orders must be consistent with the state comprehensive emergency operations plan required by section 12.21, subdivision 3. The emergency temporary location, or locations, shall remain the seat of government until the legislature by law establishes a new location, or locations, or until the emergency is declared to be ended by the governor and the seat of government is returned to its normal location.

Sec. 3. **[2.92] DISTRICTING PRINCIPLES.**

Subdivision 1. **Applicability.** The principles in this section apply to legislative and congressional districts.

Subd. 2. **Nesting.** A representative district may not be divided in the formation of a senate district.

Subd. 3. **Equal population.** (a) Legislative districts must be substantially equal in population. The population of a legislative district must not deviate from the ideal by more than 0.5 percent, plus or minus.

(b) Congressional districts must be as nearly equal in population as practicable.

Subd. 4. **Contiguity; compactness.** The districts must be composed of convenient contiguous territory. To the extent consistent with the other principles in this section, districts should be compact. Contiguity by water is sufficient if the water is not a serious obstacle to travel within the district. Point contiguity is not sufficient.

Subd. 5. **Numbering.** (a) Legislative districts must be numbered in a regular series, beginning with house district 1A in the northwest corner of the state and proceeding across the state from west to east, north to south, but bypassing the 11-county metropolitan area until the southeast corner has been reached; then to the 11-county metropolitan area. In a county that includes more than one whole senate district, the districts must be numbered consecutively.

(b) Congressional district numbers must begin with district one in the southeast corner of the state and end with district eight in the northeast corner of the state.

Subd. 6. **Minority representation.** (a) The dilution of racial or ethnic minority voting strength is contrary to the laws of the United States and the state of Minnesota. These principles must not be construed to supersede any provision of the Voting Rights Act of 1965, as amended.

(b) A redistricting plan must not have the intent or effect of dispersing or concentrating minority population in a manner that prevents minority communities from electing their candidates of choice.

Subd. 7. **Minor civil divisions.** (a) A county, city, or town must not be unduly divided unless required to meet equal population requirements or to form districts composed of convenient, contiguous territory.

(b) A county, city, or town is not unduly divided in the formation of a legislative or congressional district if:

(1) the division occurs because a portion of a city or town is noncontiguous with another portion of the same city or town; or

(2) despite the division, the known population of any affected county, city, or town remains wholly located within a single district.

Subd. 8. **Preserving communities of interest.** (a) Districts should attempt to preserve identifiable communities of interest where that can be done in compliance with the principles under this section.

(b) For purposes of this subdivision, "communities of interest" means recognizable areas with similarities of interests including but not limited to racial, ethnic, geographic, social, or cultural interests.

Subd. 9. **Data to be used.** (a) The geographic areas and population counts used in maps, tables, and legal descriptions of the districts must be those used by the Geographic Information Systems Office of the Legislative Coordinating Commission. The population counts shall be the block population counts provided to the state under Public Law 94-171 after each decennial census, subject to correction of any errors acknowledged by the United States Census Bureau.

(b) Nothing in this subdivision prohibits the use of additional data, as determined by the legislature.

Subd. 10. **Consideration of plans.** A redistricting plan must not be considered for adoption by the senate or house of representatives until a block equivalency file showing the district to which each census block has been assigned, in a form prescribed by the director of the Geographic Information Systems Office, has been filed with the director.

Subd. 11. **Priority of principles.** Where it is not possible to fully comply with the principles contained in subdivisions 2 to 8, a redistricting plan must give priority to those principles in the order in which they are listed, except to the extent that doing so would violate federal or state law.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to any plan for districts enacted or established for use on or after that date.

Sec. 4. Minnesota Statutes 2016, section 3.303, is amended by adding a subdivision to read:

Subd. 12. **Emergency operations and continuity of the legislative branch.** The commission must adopt and regularly review an emergency operations and continuity of government plan for the legislative branch, as required by section 12.401.

Sec. 5. Minnesota Statutes 2016, section 3.8841, subdivision 9, is amended to read:

Subd. 9. **Powers; duties; Metropolitan Council appointments oversight.** The commission must monitor appointments to the Metropolitan Council and may make recommendations on appointments ~~to the nominating committee under section 473.123, subdivision 3, or to the governor before the governor makes the appointments.~~ The commission may also make recommendations to the senate before appointments are presented to the senate for its advice and consent.

Sec. 6. Minnesota Statutes 2017 Supplement, section 3.8853, subdivision 1, is amended to read:

Subdivision 1. **Establishment; duties.** The Legislative Budget Office is established ~~under control of the Legislative Coordinating Commission~~ to provide the house of representatives and senate with nonpartisan, accurate, and timely information on the fiscal impact of proposed legislation, without regard to political factors.

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 7. Minnesota Statutes 2017 Supplement, section 3.8853, subdivision 1, is amended to read:

Subdivision 1. **Establishment; duties.** The Legislative Budget Office is established under control of the Legislative Coordinating Commission to provide the house of representatives and senate with nonpartisan, accurate, and timely information on the fiscal impact of proposed legislation, and to evaluate the effectiveness of state and county programs authorized by the legislature using the return on taxpayer investment methodology established by the Pew-MacArthur Results First framework. The duties of the office must be conducted without regard to political factors.

EFFECTIVE DATE. This section is effective January 8, 2019.

Sec. 8. Minnesota Statutes 2017 Supplement, section 3.8853, is amended by adding a subdivision to read:

Subd. 1a. **Oversight commission.** (a) The Legislative Budget Office Oversight Commission is established. The commission consists of:

(1) two members of the senate appointed by the Subcommittee on Committees of the Committee on Rules and Administration;

(2) two members of the senate appointed by the senate minority leader;

(3) two members of the house of representatives appointed by the speaker of the house; and

(4) two members of the house of representatives appointed by the minority leader.

The director of the Legislative Budget Office is the executive secretary of the commission. The chief nonpartisan fiscal analyst of the house of representatives, the lead nonpartisan fiscal analyst of the senate, the state budget director, and the legislative auditor are ex-officio, nonvoting members of the commission.

(b) Members serve at the pleasure of the appointing authority, or until they are not members of the legislative body from which they were appointed. Appointing authorities shall fill vacancies on the commission within 30 days of a vacancy being created.

(c) The commission shall meet in January of each odd-numbered year to elect its chair and vice-chair. They shall serve until successors are elected. The chair and vice-chair shall alternate biennially between the senate and the house of representatives. The commission shall meet at the call of the chair. The members shall serve without compensation but may be reimbursed for their reasonable expenses consistent with the rules of the legislature governing expense reimbursement.

(d) The commission shall review the work of the Legislative Budget Office and make recommendations, as the commission determines necessary, to improve the office's ability to fulfill its duties, and shall perform other functions as directed by this section.

EFFECTIVE DATE; FIRST MEETING. This section is effective the day following final enactment. Appointments to the oversight commission must be made no later than June 15, 2018. The chair of the Legislative Coordinating Commission must designate one appointee to convene the commission's first meeting. The designated appointee must convene the first meeting no later than July 1, 2018.

Sec. 9. Minnesota Statutes 2017 Supplement, section 3.8853, subdivision 2, is amended to read:

Subd. 2. **Staff.** The ~~Legislative Coordinating Commission~~ Legislative Budget Office Oversight Commission must appoint a director ~~who~~ and establish the director's duties. The director may hire staff necessary to do the work of the office. The director serves in the unclassified service for a term of six years and may not be removed during a term except for cause after a public hearing. The director of the office is a public official for purposes of sections 10A.07 to 10A.09.

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 10. Minnesota Statutes 2017 Supplement, section 3.8853, is amended by adding a subdivision to read:

Subd. 3. **Standards and guidelines.** The Legislative Budget Office must adopt uniform standards, guidelines, and procedures governing the timely preparation of fiscal notes as required by this section and section 3.98. The standards, guidelines, and procedures are not effective until they are approved by the oversight commission. Upon approval, the standards and guidelines must be published in the State Register and on the office's Web site.

EFFECTIVE DATE. This section is effective January 8, 2019, provided that the uniform procedures to be used may be developed and adopted by the oversight commission prior to the effective date of this section.

Sec. 11. Minnesota Statutes 2017 Supplement, section 3.8853, is amended by adding a subdivision to read:

Subd. 4. **Access to data.** (a) Upon request of the director of the Legislative Budget Office, the head or chief administrative officer of each department or agency of state government, including the Supreme Court, must promptly supply any data that, in the director's judgment, is relevant to legislation that is the subject of a fiscal note prepared by the department or agency.

(b) To the extent that data supplied to the Legislative Budget Office are classified as not public under chapter 13 or other applicable law, the Legislative Budget Office must maintain and administer the data in the same manner as required of a government entity subject to that classification. Not public data supplied under this subdivision may only be used by the Legislative Budget Office to review a department or agency's work in preparing a fiscal note and may not be used or disseminated for any other purpose, including use by or dissemination to a legislator or to any officer, department, agency, or committee within the legislative branch. A violation of this paragraph by the director or other staff of the Legislative Budget Office is subject to the penalties and remedies provided in sections 13.08 and 13.09, and any other applicable law governing the unauthorized use or acquisition of not public data.

(c) Upon approval by the Legislative Budget Office, a completed fiscal note must be delivered to the legislative committee chair who made the request, and to the chief author of the legislation to which it relates. Within 24 hours of approval, a completed fiscal note must be posted on the office's public Web site, unless data maintained by a government entity related to the fiscal note are classified as not public under section 13.64, subdivision 3.

EFFECTIVE DATE. This section is effective January 8, 2019.

Sec. 12. Minnesota Statutes 2017 Supplement, section 3.98, subdivision 1, is amended to read:

Subdivision 1. **Preparation; duties.** (a) The head or chief administrative officer of each department or agency of the state government, including the Supreme Court, shall ~~cooperate, in consultation~~ with the Legislative Budget Office ~~and the Legislative Budget Office must~~ and consistent with the standards, guidelines, and procedures adopted under section 3.8853, prepare a fiscal note at the request of the chair of the standing committee to which a bill has been referred, or the chair of the house of representatives Ways and Means Committee, or the chair of the senate Committee on Finance.

~~(b) Upon request of the Legislative Budget Office, the head or chief administrative officer of each department or agency of state government, including the Supreme Court, must promptly supply all information necessary for the Legislative Budget Office to prepare an accurate and timely fiscal note.~~

~~(c) The Legislative Budget Office may adopt standards and guidelines governing timing of responses to requests for information and governing access to data, consistent with laws governing access to data. Agencies must comply with these standards and guidelines and the Legislative Budget Office must publish them on the office's Web site.~~

~~(d)~~ (b) For purposes of this subdivision, "Supreme Court" includes all agencies, committees, and commissions supervised or appointed by the state Supreme Court or the state court administrator.

EFFECTIVE DATE. This section is effective January 8, 2019.

Sec. 13. **[4.074] PAYMENTS FROM EXECUTIVE AGENCIES.**

The Office of the Governor may not receive payments to the governor's office account in the special revenue fund of more than \$750,000, in total, each fiscal year from other executive agencies under section 15.53 to support costs, not including the residence groundskeeper, incurred by the office.

Sec. 14. **[5.42] DISPLAY OF BUSINESS ADDRESS ON WEB SITE.**

(a) A business entity may request in writing that all addresses submitted by the business entity to the secretary of state be omitted from display on the secretary of state's Web site. A business entity may only request that all addresses be omitted from display if the entity certifies that:

(1) there is only one shareholder, member, manager, or owner of the business entity;

(2) the shareholder, manager, member, or owner is a natural person; and

(3) at least one of the addresses provided is the residential address of the sole shareholder, manager, member, or owner.

The secretary of state shall post a notice that this option is available and a link to the form needed to make a request on the secretary's Web site. The secretary of state shall also attach a copy of the request form to all business filing forms provided in a paper format that require a business entity to submit an address.

(b) This section does not change the classification of data under chapter 13 and addresses shall be made available to the public in response to requests made by telephone, mail, electronic mail, and facsimile transmission.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to business entity filings filed with the secretary of state on or after that date.

Sec. 15. Minnesota Statutes 2017 Supplement, section 6.481, subdivision 3, is amended to read:

Subd. 3. **CPA firm audit.** (a) A county audit performed by a CPA firm must meet the standards and be in a form meeting recognized industry auditing standards. The state auditor may require additional information from the CPA firm if the state auditor determines that is in the public interest, but the state auditor must accept the audit unless the state auditor determines the audit or its form does not meet recognized industry auditing standards. The state auditor may make additional examinations as the auditor determines to be in the public interest.

(b) When the state auditor requires additional information from the CPA firm or makes additional examinations that the state auditor determines to be in the public interest, the state auditor must afford counties and CPA firms an opportunity to respond to potential findings, conclusions, or questions, as follows:

(1) at least 30 days before beginning a review for work performed by a certified public accountant firm licensed in chapter 326A, the state auditor must notify the county and CPA firm that the state auditor will be conducting a review and must identify the type and scope of review the state auditor will perform;

(2) throughout the state auditor's review, the auditor shall allow the county and the CPA firm at least 30 days to respond to any request by the auditor for documents or other information;

(3) the state auditor must provide the CPA firm with a draft report of the state auditor's findings at least 30 days before issuing a final report;

(4) at least 20 days before issuing a final report, the state auditor must hold a formal exit conference with the CPA firm to discuss the findings in the state auditor's draft report;

(5) the state auditor shall make changes to the draft report that are warranted as a result of information provided by the CPA firm during the state auditor's review; and

(6) the state auditor's final report must include any written responses provided by the CPA firm.

Sec. 16. Minnesota Statutes 2016, section 8.065, is amended to read:

8.065 PRIVATE ATTORNEY CONTRACTS.

Subdivision 1. Contracts for legal services in excess of \$1,000,000. The attorney general may not enter into a contract for legal services in which the fees and expenses paid by the state exceed, or can reasonably be expected to exceed, \$1,000,000 unless the attorney general first submits the proposed contract to the Legislative Advisory Commission, and waits at least 20 days to receive a possible recommendation from the commission.

Subd. 2. Contingent fee contracts. (a) Except as provided in paragraph (b), the attorney general may not contract for legal services on a contingent fee basis.

(b) Paragraph (a) does not apply to contracts for legal services on behalf of the Department of Human Services for Medicaid third-party liability or false claims recoveries. Contracts for these services may not exceed two years, and are subject to the competitive proposal requirements for professional and technical services contracts provided

in section 16C.08. No later than January 15 of each year, the attorney general and the commissioner of human services must jointly submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over state government finance that includes a copy of the contract for legal services, and details on:

(1) the number of claims for recovery filed by attorneys providing services on a contingent fee basis;

(2) the number of recovery claims that were successful, including the amounts recovered in each successful claim; and

(3) the total amount of attorney fees due or paid following each successful claim.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to contracts entered into on or after that date. Subdivision 2, paragraph (b), applies to legal services for claims filed on or after August 1, 2018.

Sec. 17. Minnesota Statutes 2016, section 10A.01, subdivision 35, is amended to read:

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

(1) member of the legislature;

(2) individual employed by the legislature as secretary of the senate, legislative auditor, director of the Legislative Budget Office, chief clerk of the house of representatives, revisor of statutes, or researcher, legislative analyst, fiscal analyst, or attorney in the Office of Senate Counsel, Research, and Fiscal Analysis, House Research, or the House Fiscal Analysis Department;

(3) constitutional officer in the executive branch and the officer's chief administrative deputy;

(4) solicitor general or deputy, assistant, or special assistant attorney general;

(5) commissioner, deputy commissioner, or assistant commissioner of any state department or agency as listed in section 15.01 or 15.06, or the state chief information officer;

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

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

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

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

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

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

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

- (13) member or chief administrator of a metropolitan agency;
- (14) director of the Division of Alcohol and Gambling Enforcement in the Department of Public Safety;
- (15) member or executive director of the Higher Education Facilities Authority;
- (16) member of the board of directors or president of Enterprise Minnesota, Inc.;
- (17) member of the board of directors or executive director of the Minnesota State High School League;
- (18) member of the Minnesota Ballpark Authority established in section 473.755;
- (19) citizen member of the Legislative-Citizen Commission on Minnesota Resources;
- (20) manager of a watershed district, or member of a watershed management organization as defined under section 103B.205, subdivision 13;
- (21) supervisor of a soil and water conservation district;
- (22) director of Explore Minnesota Tourism;
- (23) citizen member of the Lessard-Sams Outdoor Heritage Council established in section 97A.056;
- (24) citizen member of the Clean Water Council established in section 114D.30;
- (25) member or chief executive of the Minnesota Sports Facilities Authority established in section 473J.07;
- (26) district court judge, appeals court judge, or Supreme Court justice;
- (27) county commissioner;
- (28) member of the Greater Minnesota Regional Parks and Trails Commission; or
- (29) member of the Destination Medical Center Corporation established in section 469.41.

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 18. Minnesota Statutes 2016, section 10A.02, subdivision 7, is amended to read:

Subd. 7. **Political activity.** All members and employees of the board are subject to any provisions of law regulating political activity by state employees. In addition, no member or employee of the board may be a candidate for, or holder of, (1) a national, state, congressional district, legislative district, county, or precinct office in a political party, or (2) an elected public office for which party designation is required by statute. For purposes of this subdivision, "employee of the board" includes any board employee and any employee of the Office of MN.IT Services assigned to provide information technology services to the board.

Sec. 19. Minnesota Statutes 2016, section 12.09, subdivision 2, is amended to read:

Subd. 2. **State emergency plan.** The division shall develop and maintain a comprehensive state emergency operations plan and emergency management program in accord with section 12.21, subdivision 3, ~~clause (2)~~ paragraph (b), and ensure that other state emergency plans that may be developed are coordinated and consistent

with the comprehensive state emergency operations plan. The director of the division must provide assistance to the legislative branch, the judicial branch, and the executive council in developing the plans required by sections 12.401, 12.402, and 12.403.

Sec. 20. Minnesota Statutes 2016, section 12.21, subdivision 3, is amended to read:

Subd. 3. **Specific authority.** (a) In performing duties under this chapter and to effect its policy and purpose, the governor may:

(1) make, amend, and rescind the necessary orders and rules to carry out the provisions of this chapter and section 216C.15 within the limits of the authority conferred by this section, with due consideration of the plans of the federal government and without complying with sections 14.001 to 14.69, but no order or rule has the effect of law except as provided by section 12.32;

~~(2) ensure that a comprehensive emergency operations plan and emergency management program for this state are developed and maintained, and are integrated into and coordinated with the emergency plans of the federal government and of other states to the fullest possible extent;~~

~~(3)~~ (2) in accordance with the emergency operations plan and the emergency management program of this state, procure supplies, equipment, and facilities; institute training programs and public information programs; and take all other preparatory steps, including the partial or full activation of emergency management organizations in advance of actual disaster to ensure the furnishing of adequately trained and equipped forces of emergency management personnel in time of need;

(4) (3) make studies and surveys of the industries, resources, and facilities in this state as may be necessary to ascertain the capabilities of the state for emergency management and to plan for the most efficient emergency use of those industries, resources, and facilities;

~~(5)~~ (4) on behalf of this state, enter into mutual aid arrangements or cooperative agreements with other states, tribal authorities, and Canadian provinces, and coordinate mutual aid plans between political subdivisions of this state;

~~(6)~~ (5) delegate administrative authority vested in the governor under this chapter, except the power to make rules, and provide for the subdelegation of that authority;

~~(7)~~ (6) cooperate with the president and the heads of the armed forces, the Emergency Management Agency of the United States and other appropriate federal officers and agencies, and with the officers and agencies of other states in matters pertaining to the emergency management of the state and nation, including the direction or control of:

(i) emergency preparedness drills and exercises;

(ii) warnings and signals for drills or actual emergencies and the mechanical devices to be used in connection with them;

(iii) shutting off water mains, gas mains, electric power connections and the suspension of all other utility services;

(iv) the conduct of persons in the state, including entrance or exit from any stricken or threatened public place, occupancy of facilities, and the movement and cessation of movement of pedestrians, vehicular traffic, and all forms of private and public transportation during, prior, and subsequent to drills or actual emergencies;

(v) public meetings or gatherings; and

(vi) the evacuation, reception, and sheltering of persons;

~~(8)~~ (7) contribute to a political subdivision, within the limits of the appropriation for that purpose, not more than 25 percent of the cost of acquiring organizational equipment that meets standards established by the governor;

~~(9)~~ (8) formulate and execute, with the approval of the Executive Council, plans and rules for the control of traffic in order to provide for the rapid and safe movement over public highways and streets of troops, vehicles of a military nature, and materials for national defense and war or for use in any war industry, for the conservation of critical materials, or for emergency management purposes; and coordinate the activities of the departments or agencies of the state and its political subdivisions concerned directly or indirectly with public highways and streets, in a manner that will best effectuate those plans;

~~(40)~~ (9) alter or adjust by executive order, without complying with sections 14.01 to 14.69, the working hours, workdays and work week of, and annual and sick leave provisions and payroll laws regarding all state employees in the executive branch as the governor deems necessary to minimize the impact of the disaster or emergency, conforming the alterations or adjustments to existing state laws, rules, and collective bargaining agreements to the extent practicable;

~~(44)~~ (10) authorize the commissioner of education to alter school schedules, curtail school activities, or order schools closed as defined in section 120A.05, subdivisions 9, 11, 13, and 17, and including charter schools under chapter 124E, and elementary schools enrolling prekindergarten pupils in district programs; and

~~(42)~~ (11) transfer the direction, personnel, or functions of state agencies to perform or facilitate response and recovery programs.

(b) In performing duties under this chapter and to effect its policy and purpose, the governor must direct the Division of Emergency Management to adopt and maintain a comprehensive emergency operations plan and emergency management program for this state that is integrated into and coordinated with the emergency plans of the federal government and other states to the fullest possible extent. The comprehensive emergency operations plan must incorporate plans for the secure, continued operation of state government in the event of a disaster or emergency, including those adopted under sections 12.401, 12.402, and 12.403.

Sec. 21. **[12.401] EMERGENCY OPERATIONS AND CONTINUITY PLAN; LEGISLATIVE BRANCH.**

Subdivision 1. **Adoption of plan required.** (a) The Legislative Coordinating Commission must adopt and maintain an emergency operations and continuity of government plan to ensure the secure, continued operation of the house of representatives, senate, and joint legislative offices in the event of a disaster, emergency, or declared emergency. In developing the plan, the commission must consult and cooperate with the state director of emergency management to ensure the plan's compatibility with the comprehensive state emergency operations plan and emergency management program. The commission must also consult with the governor or the governor's designee, and the chief justice of the Supreme Court or the chief justice's designee, to ensure the plan's compatibility with those adopted for the judicial branch under section 12.402 and the executive council under section 12.403, to the extent practical.

(b) At a minimum, the commission's plan must address reasonably foreseeable effects of a disaster, emergency, or declared emergency on the ability of the legislature to perform its constitutional functions, including but not limited to the following:

(1) identification of at least three suitable locations within the state at which the legislature could conduct operations in the event of a disaster or declared emergency that makes the State Capitol unsafe or inaccessible, with one location designated as a primary alternate location and two designated as backup alternate locations if the primary location is unsafe or inaccessible;

(2) plans to provide timely and secure communications regarding a disaster, emergency, or declared emergency to all affected members and personnel, including alternate methods of communication if a primary method is unavailable;

(3) plans to securely transport all members, designated personnel, and necessary equipment and records to an alternate location and begin legislative operations at that location in a timely manner;

(4) plans to ensure reasonable public notice of the legislature's operations and access to its proceedings in-person or by electronic, broadcast, or other means as the circumstances of the emergency allow;

(5) additional procedures, as necessary, to implement the requirements of subdivisions 2 and 3;

(6) procedures for the orderly return of legislative operations to the State Capitol, as soon as circumstances allow; and

(7) policy decisions that address any other procedures or protocols recommended for inclusion by the state director of emergency management.

(c) The plan must be adopted and maintained by the Legislative Coordinating Commission no later than January 30, 2019, and may be subsequently amended at any time. At a minimum, the plan must be reviewed by the full commission and designated legislative staff no later than January 30 of each odd-numbered year. A meeting of the commission may be closed to the public for any of these purposes.

(d) Copies of the plan must be filed with the governor, the secretary of state, the state director of emergency management, and at each of the alternate locations designated in the plan. Unless otherwise directed by the Legislative Coordinating Commission, the copies of the plan must be securely maintained and may not be further disclosed to any person except as required by this chapter, or as necessary to develop and implement the plan's requirements. To the extent data regarding the plan is held by a government entity, as defined in section 13.02, subdivision 7a, the data are security information under section 13.37.

Subd. 2. **Implementation of plan.** (a) The governor or the chair of the Legislative Coordinating Commission may order that the legislature's emergency operations and continuity of government plan be implemented in whole or in part, if an emergency is declared or if circumstances indicate a disaster or emergency is occurring or a declared emergency may be imminent. If a change in location is ordered, the legislature must be directed to a location designated in the plan, or if those designated locations are unsafe or inaccessible, to any other location within or outside of the state which the governor or chair deems safe and accessible. If implementation of the plan is ordered by the chair of the Legislative Coordinating Commission, the chair must notify the governor and the state director of emergency management as soon as practicable following implementation.

(b) A legislative session convened at an alternate location must be reconvened at the State Capitol as soon as practical after the capitol is secured and restored to accessibility.

Subd. 3. **Special session at an alternate location; legislative procedure.** (a) In the event of a declared emergency, if the legislature is not in session, the governor shall convene a special session when required by section 12.31, subdivisions 1 and 2.

(b) If the governor fails to convene a special session after declaring a national security emergency, the chair of the Legislative Coordinating Commission shall order implementation of the legislature's emergency operations and continuity of government plan, and the legislature shall convene at the State Capitol, or alternate location designated by the plan, on the first Tuesday after the first Monday more than 30 days after the national security emergency was declared.

(c) At a special session convened at an alternate location due to a disaster, emergency, or declared emergency, the quorum requirement for the legislature is a majority of the members of each house who convene for the session. If the affirmative vote of a specified proportion of members of the legislature would otherwise be required to approve a bill, resolution, or for any other action, the same proportion of the members of each house convening at the session is sufficient. At the time the special session convenes, the legislature shall adopt temporary joint rules as necessary to ensure the orderly conduct of legislative business in the alternate location, including compliance with the requirements of the Minnesota Constitution and the rules of parliamentary practice.

Sec. 22. **[12.402] EMERGENCY OPERATIONS AND CONTINUITY PLAN; JUDICIAL BRANCH.**

Subdivision 1. **Adoption of plan required.** (a) The Supreme Court must adopt and maintain an emergency operations and continuity of government plan to ensure the secure, continued operation of the judicial branch in the event of a disaster, emergency, or declared emergency. In developing the plan, the court must consult and cooperate with the state director of emergency management to ensure the plan's compatibility with the comprehensive state emergency operations plan and emergency management program. The court must also consult the governor or the governor's designee, and the chair of the Legislative Coordinating Commission, or the chair's designee, to ensure the plan's compatibility with those adopted for the executive council and legislative branch under sections 12.401 and 12.403, to the extent practical.

(b) At a minimum, the Supreme Court's plan must address reasonably foreseeable effects of a disaster, emergency, or declared emergency, on the ability of the judicial branch to perform its constitutional functions, including but not limited to the following:

(1) identification of at least three suitable locations within the state at which the Supreme Court, Court of Appeals, and central administrative functions of the judicial branch could operate in the event of a disaster or declared emergency that make its regular location unsafe or inaccessible, with one location designated as a primary alternate location and two designated as backup alternate locations if the primary location is unsafe or inaccessible;

(2) plans to provide timely and secure communications regarding a disaster, emergency, or declared emergency to all affected personnel, including alternate methods of communication if a primary method is unavailable;

(3) plans to securely transport affected justices, judges, designated personnel, and necessary equipment and records to an alternate location and begin judicial operations at that location in a timely manner;

(4) plans to ensure reasonable public notice of the judicial branch's operations and access to its proceedings and records in-person or by electronic, broadcast, or other means as the rules of the court require and the circumstances of the emergency allow;

(5) plans to ensure the rights and protections guaranteed by the federal and state constitutions to criminal defendants, petitioners, and civil litigants are preserved;

(6) procedures for the orderly return of judicial branch operations to their regular location, as soon as circumstances allow; and

(7) policy decisions that address any other procedures or protocols recommended for inclusion by the state director of emergency management.

(c) The plan must be adopted and maintained by the Supreme Court no later than January 30, 2019, and may be subsequently amended at any time. At a minimum, the plan must be reviewed by the justices and judges of the Supreme Court and Court of Appeals, and designated staff, no later than January 30 of each odd-numbered year.

(d) Copies of the plan must be filed with the governor, the secretary of state, the state director of emergency management, and at each of the alternate locations designated in the plan. Unless otherwise directed by the court, the copies of the plan must be securely maintained and may not be further disclosed to any person except as required by this chapter, or as necessary to develop and implement the plan's requirements. To the extent data regarding the plan is held by a government entity, as defined in section 13.02, subdivision 7a, the data are security information under section 13.37.

Subd. 2. **Implementation of plan.** (a) The governor or the chief justice may order that the judiciary's emergency operations and continuity of government plan be implemented in whole or in part, if an emergency is declared or if circumstances indicate a disaster or emergency is occurring or a declared emergency may be imminent. If a change in location is ordered, the affected personnel must be directed to a location designated in the plan, or if those designated locations are unsafe or inaccessible, to any other location within or outside of the state which the governor or chief justice deems safe and accessible. If implementation of the plan is ordered by the chief justice, the chief justice must notify the governor and the state director of emergency management as soon as practicable following implementation.

(b) A court convened at an alternate location must be reconvened at its regular location as soon as practical after the location is secured and restored to accessibility.

Sec. 23. [12.403] EMERGENCY OPERATIONS AND CONTINUITY PLAN; CONSTITUTIONAL OFFICERS.

Subdivision 1. **Adoption of plan required.** (a) The executive council must adopt and maintain an emergency operations and continuity of government plan to ensure the secure, continued operation of each constitutional office in the event of a disaster, emergency, or declared emergency. In developing the plan, the council must consult and cooperate with the state director of emergency management to ensure the plan's compatibility with the comprehensive state emergency operations plan and emergency management program. The council must also consult the chair of the Legislative Coordinating Commission or the chair's designee, and the chief justice of the Supreme Court or the chief justice's designee, to ensure the plan's compatibility with those adopted for the legislative branch and judicial branch under sections 12.401 and 12.402, to the extent practical.

(b) At a minimum, the council's plan must address reasonably foreseeable effects of a disaster, emergency, or declared emergency, on the ability of the state constitutional officers to perform their constitutional functions, including but not limited to the following:

(1) identification of at least three suitable locations within the state at which the constitutional officers could conduct operations in the event of a disaster, emergency, or declared emergency that make their regular locations unsafe or inaccessible, with one location designated as a primary alternate location and two designated as backup alternate locations if the primary location is unsafe or inaccessible;

(2) plans to provide timely and secure communications regarding a disaster, emergency, or declared emergency to all affected constitutional officers and personnel, including alternate methods of communication if a primary method is unavailable;

(3) plans to securely transport all constitutional officers, designated personnel, and necessary equipment and records to an alternate location and begin operations at that location in a timely manner;

(4) plans to ensure reasonable public notice of each constitutional officer's operations and access to the officers and records in person or by electronic, broadcast, or other means as the circumstances of the emergency allow;

(5) procedures for the orderly return of operations to the State Capitol, as soon as circumstances allow; and

(6) policy decisions that address any other procedures or protocols recommended for inclusion by the state director of emergency management.

(c) The plan must be adopted no later than January 30, 2019, and may be subsequently amended at any time. At a minimum, the plan must be reviewed by the executive council and designated staff no later than January 30 of each odd-numbered year. A meeting of the council may be closed to the public for any of these purposes.

(d) Copies of the plan must be filed with each constitutional officer, the state director of emergency management, and at each of the alternate locations designated in the plan. Unless otherwise directed by the executive council, the copies of the plan are security data under section 13.37, must be securely maintained, and may not be further disclosed to any person except as required by this chapter, or as necessary to develop and implement its requirements.

Subd. 2. **Implementation of plan.** (a) The governor or any constitutional officer, with respect to that officer's constitutional office, may order that the executive council's emergency operations and continuity of government plan be implemented in whole or in part, if an emergency is declared or if circumstances indicate a disaster or emergency is occurring or a declared emergency may be imminent. If a change in location is ordered, affected personnel must be directed to a location designated in the plan, or if those designated locations are unsafe or inaccessible, to any other location within or outside of the state which the governor or constitutional officer deems safe and accessible. If implementation of the plan is ordered by a constitutional officer other than the governor, the officer must notify the governor and the state director of emergency management as soon as practicable following implementation.

(b) A constitutional officer's primary office must be returned to its regular location as soon as practical after that location is secured and restored to accessibility.

Sec. 24. Minnesota Statutes 2016, section 13.02, is amended by adding a subdivision to read:

Subd. 1a. **Chief administrative law judge.** "Chief administrative law judge" means the chief administrative law judge of the state Office of Administrative Hearings.

Sec. 25. Minnesota Statutes 2016, section 13.02, is amended by adding a subdivision to read:

Subd. 8b. **Information policy analysis unit.** "Information policy analysis unit" means the work unit within the Office of Administrative Hearings established under section 13.071.

Sec. 26. **[13.071] INFORMATION POLICY ANALYSIS UNIT; DATA PRACTICES COORDINATOR.**

Subdivision 1. **Information policy analysis unit established.** An information policy analysis unit is established as a work unit within the Office of Administrative Hearings.

Subd. 2. **Data practices coordinator.** (a) The chief administrative law judge shall appoint a data practices coordinator in the unclassified service who shall oversee the operations of the information policy analysis unit.

(b) The coordinator must be knowledgeable about the Minnesota Government Data Practices Act, the Minnesota Open Meeting Law, and federal laws and regulations regarding data privacy. The coordinator must have experience in dealing with both private enterprise and governmental entities, interpreting laws and regulations, record keeping, report writing, public speaking, and management.

Subd. 3. **Duties.** The information policy analysis unit shall:

(1) informally advise and serve as a technical resource for government entities on questions related to public access to government data, rights of subjects of data, classification of data, or applicable duties under chapter 13D;

(2) informally advise persons regarding their rights under this chapter or chapter 13D;

(3) administer training on chapter 13D and the public information policy training program under section 13.073;

(4) issue advisory opinions pursuant to section 13.072;

(5) operate in a manner that effectively screens the work of the information policy analysis unit from any administrative law judges assigned to a contested case pursuant to section 13.085; and

(6) perform other duties as directed by the chief administrative law judge.

Subd. 4. **Effect of informal advice.** Informal advice or trainings offered by the information policy analysis unit is not binding on a government entity or members of a body subject to chapter 13D, does not constitute legal advice or an advisory opinion under section 13.072, and has no effect on liability, fines, or fee awards arising from a violation of this chapter or chapter 13D. This section does not preclude a person from, in addition to or instead of requesting advice from the information policy analysis unit, seeking an advisory opinion under section 13.072, or bringing any other action under this chapter or other law.

Subd. 5. **Data submitted to information policy analysis unit.** A government entity may submit not public data to the information policy analysis unit for the purpose of requesting advice. Government data submitted to the information policy analysis unit by a government entity or copies of government data submitted by other persons have the same classification as the data have when held by the government entity.

Sec. 27. Minnesota Statutes 2016, section 13.072, is amended to read:

13.072 ADVISORY OPINIONS BY THE COMMISSIONER INFORMATION POLICY ANALYSIS UNIT.

Subdivision 1. **Advisory opinion; when required.** (a) Upon request of a government entity, the ~~commissioner~~ may information policy analysis unit shall give a written advisory opinion on any question relating to public access to government data, rights of subjects of data, or classification of data under this chapter or other Minnesota statutes governing government data practices. Upon request of any person who disagrees with a determination regarding data practices made by a government entity, the ~~commissioner may~~ information policy analysis unit shall give a written advisory opinion regarding the person's rights as a subject of government data or right to have access to government data.

(b) Upon request of a body subject to chapter 13D, the ~~commissioner may~~ information policy analysis unit shall give a written advisory opinion on any question relating to the body's duties under chapter 13D. Upon request of a person who disagrees with the manner in which members of a governing body perform their duties under chapter 13D, the ~~commissioner may~~ information policy analysis unit shall give a written advisory opinion on compliance with chapter 13D. ~~A governing body or person requesting an opinion under this paragraph must pay the commissioner a fee of \$200. Money received by the commissioner under this paragraph is appropriated to the commissioner for the purposes of this section.~~

(c) ~~If the commissioner determines that no opinion will be issued, the commissioner shall give the government entity or body subject to chapter 13D or person requesting the opinion notice of the decision not to issue the opinion within five business days of receipt of the request. If this notice is not given, the commissioner~~ The information policy analysis unit shall issue an advisory opinion within 20 days of receipt of the request.

(d) For good cause and upon written notice to the person requesting the advisory opinion, the ~~commissioner~~ chief administrative law judge may extend this deadline for one additional 30-day period. The notice must state the reason for extending the deadline. The government entity or the members of a body subject to chapter 13D must be provided a reasonable opportunity to explain the reasons for its decision regarding the data or how they perform their duties under chapter 13D. The ~~commissioner~~ information policy analysis unit or the government entity or body subject to chapter 13D may choose to give notice to the subject of the data concerning the dispute regarding the data or compliance with chapter 13D.

(e) This section does not apply to a determination made by the commissioner of health under section 13.3805, subdivision 1, paragraph (b), or 144.6581.

(f) A written, numbered, and published opinion issued by the attorney general shall take precedence over an advisory opinion issued by the ~~commissioner~~ information policy analysis unit under this section.

(g) A decision of the Office of Administrative Hearings issued under section 13.085 shall take precedence over an advisory opinion issued by the information policy analysis unit under this section.

Subd. 2. **Effect.** (a) Advisory opinions issued by the ~~commissioner~~ information policy analysis unit under this section are not binding on the government entity or members of a body subject to chapter 13D whose data or performance of duties is the subject of the advisory opinion, but an advisory opinion described in subdivision 1, paragraph (a), must be given deference by a court or other tribunal in a proceeding involving the data. The ~~commissioner~~ information policy analysis unit shall arrange for public dissemination of advisory opinions issued under this section, and shall indicate when the principles stated in an advisory opinion are not intended to provide guidance to all similarly situated persons or government entities. This section does not preclude a person from bringing any other action under this chapter or other law in addition to or instead of requesting a written advisory opinion. A government entity, members of a body subject to chapter 13D, or person that acts in conformity with a written advisory opinion of the ~~commissioner~~ information policy analysis unit issued to the government entity, members, or person or to another party is not liable for compensatory or exemplary damages or awards of attorneys fees in actions for violations arising under section 13.08 or 13.085, or for a penalty under section 13.09 or for fines, awards of attorney fees, or any other penalty under chapter 13D. A member of a body subject to chapter 13D is not subject to forfeiture of office if the member was acting in reliance on an advisory opinion.

(b) The information policy analysis unit shall publish and maintain all previously issued written opinions of the commissioner of administration in the same manner as advisory opinions issued by the information policy analysis unit. A previously issued written opinion by the commissioner of administration has the same effect as an advisory opinion issued by the information policy analysis unit.

Subd. 4. **Data submitted to ~~commissioner~~ information policy analysis unit.** A government entity may submit not public data to the ~~commissioner~~ information policy analysis unit for the purpose of requesting or responding to a person's request for an advisory opinion. Government data submitted to the ~~commissioner~~ information policy analysis unit by a government entity or copies of government data submitted by other persons have the same classification as the data have when held by the government entity. If the nature of the advisory opinion is such that the release of the advisory opinion would reveal not public data, the ~~commissioner~~ information policy analysis unit may issue an advisory opinion using pseudonyms for individuals. Data maintained by the ~~commissioner~~ information policy analysis unit, in the record of an advisory opinion issued using pseudonyms that would reveal the identities of individuals protected by the use of the pseudonyms, are private data on individuals.

Sec. 28. Minnesota Statutes 2016, section 13.08, subdivision 4, is amended to read:

Subd. 4. **Action to compel compliance.** (a) Actions to compel compliance may be brought either under this subdivision or section 13.085. For actions under this subdivision, in addition to the remedies provided in subdivisions 1 to 3 or any other law, any aggrieved person seeking to enforce the person's rights under this chapter or obtain access to data may bring an action in district court to compel compliance with this chapter and may recover costs and disbursements, including reasonable attorney's fees, as determined by the court. If the court determines that an action brought under this subdivision is frivolous and without merit and a basis in fact, it may award reasonable costs and attorney fees to the responsible authority. If the court issues an order to compel compliance under this subdivision, the court may impose a civil penalty of up to \$1,000 against the government entity. This penalty is payable to the state general fund and is in addition to damages under subdivision 1. The matter shall be heard as soon as possible. In an action involving a request for government data under section 13.03 or 13.04, the court may inspect in camera the government data in dispute, but shall conduct its hearing in public and in a manner that protects the security of data classified as not public. If the court issues an order to compel compliance under this subdivision, the court shall forward a copy of the order to the ~~commissioner of administration~~ chief administrative law judge.

(b) In determining whether to assess a civil penalty under this subdivision, the court or other tribunal shall consider whether the government entity has substantially complied with general data practices under this chapter, including but not limited to, whether the government entity has:

- (1) designated a responsible authority under section 13.02, subdivision 16;
 - (2) designated a data practices compliance official under section 13.05, subdivision 13;
 - (3) prepared the data inventory that names the responsible authority and describes the records and data on individuals that are maintained by the government entity under section 13.025, subdivision 1;
 - (4) developed public access procedures under section 13.03, subdivision 2; procedures to guarantee the rights of data subjects under section 13.025, subdivision 3; and procedures to ensure that data on individuals are accurate and complete and to safeguard the data's security under section 13.05, subdivision 5;
 - (5) acted in conformity with an advisory opinion issued under section 13.072 that was sought by a government entity or another person;
 - (6) acted in conformity with a decision of the Office of Administrative Hearings issued under section 13.085; or
 - ~~(6)~~ (7) provided ongoing training to government entity personnel who respond to requests under this chapter.
- (c) The court shall award reasonable attorney fees to a prevailing plaintiff who has brought an action under this subdivision if the government entity that is the defendant in the action was also the subject of ~~a written~~ an advisory opinion issued under section 13.072 or a decision of the Office of Administrative Hearings issued under section 13.085 and the court finds that the opinion or decision is directly related to the cause of action being litigated and that the government entity did not act in conformity with the opinion or decision.

Sec. 29. Minnesota Statutes 2016, section 13.085, subdivision 2, is amended to read:

Subd. 2. **Complaints.** (a) A complaint alleging a violation of this chapter or chapter 13D for which an order to compel compliance is requested may be filed with the office. An action to compel compliance does not include procedures pursuant to section 13.04, subdivision 4 or 4a.

(b) The complaint must be filed with the office within two years after the occurrence of the act or failure to act that is the subject of the complaint, except that if the act or failure to act involves concealment or misrepresentation by the government entity that could not be discovered during that period, the complaint may be filed with the office within one year after the concealment or misrepresentation is discovered.

(c) The complaint must be made in writing, submitted under oath, and detail the factual basis for the claim that a violation of law has occurred. The office may prescribe a standard form for the complaint. The complaint must be accompanied by a filing fee of ~~\$1,000~~ \$250 or a bond to guarantee the payment of this fee.

(d) Upon receipt of a filed complaint, the office must immediately notify the respondent and, if known, the applicable responsible authority for the government entity, if the responsible authority is not otherwise named as the respondent. The office must provide the respondent with a copy of the complaint by the most expeditious means available. Notice to a responsible authority must be delivered by certified mail. The office must also notify, to the extent practicable, any individual or entity that is the subject of all or part of the data in dispute.

~~(e) The office must notify the commissioner of administration of an action filed under this section. Proceedings under this section must be dismissed without prejudice as untimely and the complainant's filing fee must be refunded if a request for an advisory opinion from the commissioner was accepted on the matter under section 13.072 before the complaint was filed, and the complainant's filing fee must be refunded if an advisory opinion has not yet been issued.~~

(f) The respondent must file a response to the complaint within 15 business days of receipt of the notice. For good cause shown, the office may extend the time for filing a response.

Sec. 30. Minnesota Statutes 2016, section 13.085, subdivision 3, is amended to read:

Subd. 3. **Probable cause review.** (a) In conformity with the Minnesota Code of Judicial Conduct, the chief administrative law judge must assign an administrative law judge to review each complaint. The chief administrative law judge must ensure that any assigned administrative law judge is screened from any involvement with any informal advice provided under section 13.071 or with an advisory opinion issued under section 13.072 that involves the parties to the complaint. Within 20 business days after a response is filed, or the respondent's time to file the response, including any extension, has expired, the administrative law judge must make a preliminary determination for its disposition as follows:

(1) if the administrative law judge determines that the complaint and any timely response of the respondent agency do not present sufficient facts to believe that a violation of this chapter has occurred, the complaint must be dismissed; or

(2) if the administrative law judge determines that the complaint and any timely response of the respondent agency do present sufficient facts to believe that a violation of this chapter has occurred, the judge must schedule a hearing as provided in subdivision 4.

(b) The office must notify all parties of the determination made under paragraph (a). The notice must provide as follows:

(1) if the complaint is scheduled for a hearing, the notice must identify the time and place of the hearing and inform all parties that they may submit evidence, affidavits, documentation, and argument for consideration by the administrative law judge; or

(2) if the complaint is dismissed for failure to present sufficient facts to believe that a violation of this chapter has occurred, the notice must inform the parties of the right of the complainant to seek reconsideration of the decision on the record by the chief administrative law judge, as provided in paragraph (c).

(c) A petition for reconsideration may be filed no later than five business days after a complaint is dismissed for failure to present sufficient facts to believe that a violation of this chapter has occurred. The chief administrative law judge must review the petition and make a final ruling within ten business days after its receipt. If the chief administrative law judge determines that the assigned administrative law judge made a clear material error, the chief administrative law judge must schedule the matter for a hearing as provided in subdivision 4.

Sec. 31. Minnesota Statutes 2016, section 13.085, subdivision 4, is amended to read:

Subd. 4. **Hearing; procedure.** (a) A hearing on a complaint must be held within 30 business days after the parties are notified that a hearing will be held. An oral hearing to resolve questions of law may be waived upon consent of all parties and the ~~presiding~~ assigned administrative law judge. For good cause shown, the judge may delay the date of a hearing by no more than ten business days. The judge may continue a hearing to enable the parties to submit additional evidence or testimony.

(b) The administrative law judge must consider any evidence and argument submitted until the hearing record is closed, including affidavits and documentation.

(c) All hearings, and any records relating to the hearing, must be open to the public, except that the judge may inspect in camera any government data in dispute. If the hearing record contains information that is not public data, the judge may conduct a closed hearing to consider the information, issue necessary protective orders, and seal all or part of the hearing record, as provided in section 14.60, subdivision 2. If a party contends, and the judge concludes, that not public data could be improperly disclosed while that party is presenting its arguments, the judge shall close any portion of the hearing as necessary to prevent the disclosure. A hearing may be conducted by conference telephone call or interactive audio/video system, at the discretion of the ~~presiding~~ assigned judge, and upon consent of all parties.

Sec. 32. Minnesota Statutes 2016, section 13.085, subdivision 5, is amended to read:

Subd. 5. **Disposition.** (a) Following a hearing, the judge must determine whether the violation alleged in the complaint occurred and must make at least one of the following dispositions. The judge may:

- (1) dismiss the complaint;
- (2) find that an act or failure to act constituted a violation of this chapter;
- (3) impose a civil penalty against the respondent of up to \$300;
- (4) issue an order compelling the respondent to comply with a provision of law that has been violated, and may establish a deadline for production of data, if necessary; and
- (5) refer the complaint to the appropriate prosecuting authority for consideration of criminal charges.

(b) In determining whether to assess a civil penalty, the office shall consider the factors described in section 13.08, subdivision 4.

(c) The judge must render a decision on a complaint within ten business days after the hearing record closes. ~~The chief administrative law judge shall provide for public dissemination of orders issued under this section. If the judge determines that a government entity has violated a provision of law and issues an order to compel compliance, the office shall forward a copy of the order to the commissioner of administration.~~ Any order issued pursuant to this section is enforceable through the district court for the district in which the respondent is located.

(d) A party aggrieved by a final decision on a complaint filed under this section is entitled to judicial review as provided in sections 14.63 to 14.69. Proceedings on a complaint are not a contested case within the meaning of chapter 14 and are not otherwise governed by chapter 14.

~~(e) A decision of the office under this section is not controlling in any subsequent action brought in district court alleging the same violation and seeking damages.~~

~~(f)~~ (e) A government entity or person that releases not public data pursuant to an order under this section is immune from civil and criminal liability for that release. A government entity or person that acts in conformity with an order issued under this section to the government entity or to any other person is not liable for compensatory or exemplary damage or awards of attorney fees for acting in conformity with that order in actions under this section or section 13.08, or for a penalty under section 13.09.

Sec. 33. Minnesota Statutes 2016, section 13.085, subdivision 6, is amended to read:

Subd. 6. **Costs; attorney fees.** (a) A rebuttable presumption shall exist that a complainant who substantially prevails on the merits in an action brought under this section is entitled to an award of reasonable attorney fees, not to exceed \$5,000. An award of attorney fees may be denied if the judge determines that the violation is merely technical or that there is a genuine uncertainty about the meaning of the governing law.

(b) Reasonable attorney fees, not to exceed \$5,000, must be awarded to a substantially prevailing complainant if the government entity that is the respondent in the action was also the subject of ~~a written an advisory~~ an advisory opinion issued under section 13.072 or a prior decision of the Office of Administrative Hearings issued under this section and the administrative law judge finds that the opinion or decision is directly related to the matter in dispute and that the government entity did not act in conformity with the opinion or decision.

(c) The office shall refund the filing fee of a substantially prevailing complainant in full, less \$50, and the office's costs in conducting the matter shall be billed to the respondent, not to exceed \$1,000.

(d) A complainant that does not substantially prevail on the merits shall be entitled to a refund of the filing fee, less any costs incurred by the office in conducting the matter.

(e) If the administrative law judge determines that a complaint is frivolous, or brought for purposes of harassment, the judge must order that the complainant pay the respondent's reasonable attorney fees, not to exceed \$5,000. The complainant shall not be entitled to a refund of the filing fee.

(f) The court shall award the complainant costs and attorney fees incurred in bringing an action in district court to enforce an order of the Office of Administrative Hearings under this section.

Sec. 34. Minnesota Statutes 2016, section 13.085, is amended by adding a subdivision to read:

Subd. 8. **Publication and authority of decisions.** (a) The chief administrative law judge shall provide for public dissemination of the office's decisions issued under this section. Public dissemination must include the publication and maintenance of all decisions in a user-friendly, searchable database conspicuously located on the office's Web site. Not public data contained in a decision must be redacted prior to public dissemination.

(b) Unless the decision states otherwise, a decision of the office issued under this section has precedential effect on future complaints under this section and shall, where appropriate, be used to provide guidance to similarly situated persons or government entities.

(c) A government entity, member of a body subject to chapter 13D, or person that acts in conformity with a decision of the office made under this section is not liable for compensatory or exemplary damages or awards of attorney fees in actions for violations arising under this section or section 13.08, or for a penalty under section 13.09 or for fines, awards of attorney fees, or any other penalty under chapter 13D. A member of a body subject to chapter 13D is not subject to forfeiture of office if the member was acting in reliance on a decision of the office made under this section.

Sec. 35. Minnesota Statutes 2016, section 13.64, is amended by adding a subdivision to read:

Subd. 4. **Fiscal note data must be shared with Legislative Budget Office.** A government entity must provide any data, regardless of its classification, to the director of the Legislative Budget Office for review, upon the director's request and consistent with section 3.8853, subdivision 4. The data must be supplied according to any standards, guidelines, or procedures adopted under section 3.8853, subdivision 3, including any standards or procedures governing timeliness. Notwithstanding section 13.05, subdivision 9, a responsible authority may not require the Legislative Budget Office to pay a cost for supplying data requested under this subdivision.

EFFECTIVE DATE. This section is effective January 8, 2019.

Sec. 36. Minnesota Statutes 2016, section 13.685, is amended to read:

13.685 MUNICIPAL UTILITY CUSTOMER DATA.

Data on customers of municipal electric utilities are private data on individuals or nonpublic data, but may be released to:

- (1) a law enforcement agency that requests access to the data in connection with an investigation;
- (2) a school for purposes of compiling pupil census data;
- (3) the Metropolitan Council for use in studies or analyses required by law;
- (4) a public child support authority for purposes of establishing or enforcing child support; or
- (5) a person where use of the data directly advances the general welfare, health, or safety of the public; the ~~commissioner of administration~~ information policy analysis unit may issue advisory opinions construing this clause pursuant to section 13.072.

Sec. 37. Minnesota Statutes 2016, section 13D.06, subdivision 4, is amended to read:

Subd. 4. **Costs; attorney fees; requirements; limits.** (a) In addition to other remedies, the court may award reasonable costs, disbursements, and reasonable attorney fees of up to \$13,000 to any party in an action under this chapter.

(b) The court may award costs and attorney fees to a defendant only if the court finds that the action under this chapter was frivolous and without merit.

(c) A public body may pay any costs, disbursements, or attorney fees incurred by or awarded against any of its members in an action under this chapter.

(d) No monetary penalties or attorney fees may be awarded against a member of a public body unless the court finds that there was an intent to violate this chapter.

(e) The court shall award reasonable attorney fees to a prevailing plaintiff who has brought an action under this section if the public body that is the defendant in the action was also the subject of a prior ~~written~~ advisory opinion issued under section 13.072 or a prior decision of the Office of Administrative Hearings issued under section 13.085, and the court finds that the opinion or decision is directly related to the cause of action being litigated and that the public body did not act in conformity with the opinion or decision. The court shall give deference to the opinion or decision in a proceeding brought under this section.

Sec. 38. Minnesota Statutes 2017 Supplement, section 15A.0815, subdivision 3, is amended to read:

Subd. 3. **Group II salary limits.** The salary for a position listed in this subdivision shall not exceed 120 percent of the salary of the governor. This limit must be adjusted annually on January 1. The new limit must equal the limit for the prior year increased by the percentage increase, if any, in the Consumer Price Index for all urban consumers from October of the second prior year to October of the immediately prior year. The commissioner of management and budget must publish the limit on the department's Web site. This subdivision applies to the following positions:

Executive director of Gambling Control Board;

Commissioner of Iron Range resources and rehabilitation;

Commissioner, Bureau of Mediation Services;

Ombudsman for Mental Health and Developmental Disabilities;

~~Chair, Metropolitan Council;~~

School trust lands director;

Executive director of pari-mutuel racing; and

Commissioner, Public Utilities Commission.

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

Sec. 39. Minnesota Statutes 2016, section 16A.013, is amended by adding a subdivision to read:

Subd. 1a. **Opportunity to make gifts via Web site.** The commissioner of management and budget must maintain a secure Web site which permits any person to make a gift of money electronically for any purpose authorized by subdivision 1. Gifts made using the Web site are subject to all other requirements of this section, sections 16A.014 to 16A.016, and any other applicable law governing the receipt of gifts by the state and the purposes for which a gift may be used. The Web site must include historical data on the total amount of gifts received using the site, itemized by month.

Sec. 40. Minnesota Statutes 2016, section 16A.11, subdivision 1, is amended to read:

Subdivision 1. **When.** The governor shall submit a three-part budget to the legislature. Parts one and two, the budget message and detailed operating budget, must be submitted by the fourth Tuesday in January in each odd-numbered year. However, in a year following the election of a governor who had not been governor the previous year, parts one and two must be submitted by the third Tuesday in February. Part three, the detailed recommendations as to capital expenditure, must be submitted as follows: agency capital budget requests by July 15 of each odd-numbered year, and governor's recommendations by January 15 of each even-numbered year. ~~Detailed recommendations as to information technology expenditure must be submitted as part of the detailed operating budget. Information technology recommendations must include projects to be funded during the next biennium and planning estimates for an additional two bienniums. Information technology recommendations must specify purposes of the funding such as infrastructure, hardware, software, or training.~~

Sec. 41. Minnesota Statutes 2016, section 16A.11, is amended by adding a subdivision to read:

Subd. 6a. **Information technology and cyber security.** (a) Detailed recommendations as to information and telecommunications technology systems and services expenditures must be submitted as part of the detailed operating budget. These recommendations must include projects to be funded during the next biennium and planning estimates for an additional two bienniums, and must specify purposes of the funding, such as infrastructure, hardware, software, or training. The detailed operating budget must also separately recommend expenditures for the maintenance and enhancement of cyber security for the state's information and telecommunications technology systems and services.

(b) The commissioner of management and budget, in consultation with the state chief information officer, shall establish budget guidelines for the recommendations required by this subdivision. Unless otherwise set by the commissioner at a higher amount, the amount to be budgeted each fiscal year for maintenance and enhancement of cyber security must be at least 3.5 percent of a department's or agency's total operating budget for information and telecommunications technology systems and services in that year.

(c) As used in this subdivision:

(1) "cyber security" has the meaning given in section 16E.03, subdivision 1, paragraph (d); and

(2) "information and telecommunications technology systems and services" has the meaning given in section 16E.03, subdivision 1, paragraph (a).

Sec. 42. Minnesota Statutes 2016, section 16D.09, is amended to read:

16D.09 UNCOLLECTIBLE DEBTS.

Subdivision 1. **Generally.** (a) When a debt is determined by a state agency to be uncollectible, the debt may be written off by the state agency from the state agency's financial accounting records and no longer recognized as an account receivable for financial reporting purposes. A debt is considered to be uncollectible when (1) all reasonable collection efforts have been exhausted, (2) the cost of further collection action will exceed the amount recoverable, (3) the debt is legally without merit or cannot be substantiated by evidence, (4) the debtor cannot be located, (5) the available assets or income, current or anticipated, that may be available for payment of the debt are insufficient, (6) the debt has been discharged in bankruptcy, (7) the applicable statute of limitations for collection of the debt has expired, or (8) it is not in the public interest to pursue collection of the debt.

(b) The determination of the uncollectibility of a debt must be reported by the state agency along with the basis for that decision as part of its quarterly reports to the commissioner of management and budget. If a state agency's quarterly report includes an uncollectible debt that exceeds \$10,000, a copy of the report must be submitted to the chairs and ranking minority members of the legislative committees with jurisdiction over the state agency's budget at the same time the report is delivered to the commissioner of management and budget. Determining that the debt is uncollectible does not cancel the legal obligation of the debtor to pay the debt.

Sec. 43. Minnesota Statutes 2016, section 16E.016, is amended to read:

16E.016 RESPONSIBILITY FOR INFORMATION TECHNOLOGY SERVICES AND EQUIPMENT.

(a) The chief information officer is responsible for providing or entering into managed services contracts for the provision, improvement, and development of the following information technology systems and services to state agencies:

- (1) state data centers;
- (2) mainframes including system software;
- (3) servers including system software;
- (4) desktops including system software;
- (5) laptop computers including system software;
- (6) a data network including system software;
- (7) database, electronic mail, office systems, reporting, and other standard software tools;
- (8) business application software and related technical support services;
- (9) help desk for the components listed in clauses (1) to (8);
- (10) maintenance, problem resolution, and break-fix for the components listed in clauses (1) to (8);
- (11) regular upgrades and replacement for the components listed in clauses (1) to (8); and
- (12) network-connected output devices.

(b) All state agency employees whose work primarily involves functions specified in paragraph (a) are employees of the Office of MN.IT Services. This includes employees who directly perform the functions in paragraph (a), as well as employees whose work primarily involves managing, supervising, or providing administrative services or support services to employees who directly perform these functions. The chief information officer may assign employees of the office to perform work exclusively for another state agency.

(c) Subject to sections 16C.08 and 16C.09, the chief information officer may allow a state agency to obtain services specified in paragraph (a) through a contract with an outside vendor when the chief information officer and the agency head agree that a contract would provide best value, as defined in section 16C.02, under the service-level agreement. The chief information officer must require that agency contracts with outside vendors ensure that systems and services are compatible with standards established by the Office of MN.IT Services.

~~(d) The Minnesota State Retirement System, the Public Employees Retirement Association, the Teachers Retirement Association, the State Board of Investment, the Campaign Finance and Public Disclosure Board, the State Lottery, and the Statewide Radio Board are not state agencies for purposes of this section.~~

(d) Effective upon certification by the chief information officer that the information technology systems and services provided under this section meet all professional and technical standards necessary for the entity to perform its functions, including functions necessary to meet any fiduciary or other duties of care, the following are state agencies for purposes of this section: the Campaign Finance and Public Disclosure Board, the State Lottery, the Statewide Radio Board, the Minnesota State Retirement System, the Public Employees Retirement Association, the Teachers Retirement Association, and the State Board of Investment.

EFFECTIVE DATE. This section is effective July 1, 2019.

Sec. 44. Minnesota Statutes 2016, section 16E.03, subdivision 4, is amended to read:

Subd. 4. **Evaluation procedure.** The chief information officer shall establish and, as necessary, update and modify procedures to evaluate information and communications projects proposed by state agencies. The evaluation procedure must assess the necessity, design and plan for development, ability to meet user requirements, accessibility, feasibility, and flexibility of the proposed data processing device or system, its relationship to other state or local data processing devices or systems, and its costs and benefits when considered by itself and when compared with other options. The evaluation procedure must also include a process for consultation with affected local units of government, if implementation of the proposed project requires the participation of both a state agency and a local government.

EFFECTIVE DATE. This section is effective July 1, 2018, and applies to the evaluation procedure for information and telecommunications technology projects reviewed by the state chief information officer on or after January 1, 2019.

Sec. 45. Minnesota Statutes 2016, section 16E.03, subdivision 7, is amended to read:

Subd. 7. **Cyber security systems.** In consultation with the attorney general and appropriate agency heads, the chief information officer shall develop cyber security policies, guidelines, and standards, and shall install and administer state data security systems on the state's computer facilities consistent with these policies, guidelines, standards, and state law to ensure the integrity of computer-based and other data and to ensure applicable limitations on access to data, consistent with the public's right to know as defined in chapter 13. The chief information officer is responsible for overall security of state agency networks connected to the Internet. Each department or agency head is responsible for the security of the department's or agency's data within the guidelines of established enterprise policy. Unless otherwise expressly provided by law, at least 3.5 percent of each department's or agency's expenditures in a fiscal year for information and telecommunications technology systems and services must be directed to the maintenance and enhancement of cyber security.

EFFECTIVE DATE. This section is effective July 1, 2018, and applies to expenditures in fiscal years beginning on or after that date.

Sec. 46. Minnesota Statutes 2016, section 16E.03, is amended by adding a subdivision to read:

Subd. 11. **Systems impacting local government.** An information and telecommunications technology project that includes the participation of both a state agency and a local unit of government may not be approved for full release or deployment until the project has been field tested by at least one local unit of government, and the results of the field test successfully demonstrate the integrity, security, and quality of the technology, and that the

functionality and usability of the overall project meet the expectations described in the project's proposal. Standards for field testing that meet the requirements of this subdivision must be incorporated into the project's development plan before it may be approved by the chief information officer under subdivision 3.

EFFECTIVE DATE. This section is effective July 1, 2018, and applies to information and telecommunications technology projects approved by the state chief information officer on or after that date.

Sec. 47. **[43A.035] USE OF AGENCY SAVINGS FROM VACANT POSITIONS.**

(a) To the extent that an executive branch agency accrues savings in personnel costs resulting from the departure of an agency employee or the maintenance of a vacant position, those savings may only be used to support a new employee in that position at an equal or lesser rate of compensation, and for an equal or lesser full-time equivalent work status. Savings accrued from departed personnel or maintenance of a vacant position may not be transferred or reallocated to another program or activity within the executive branch agency, or used to increase the number of full-time equivalent employees at the agency, unless expressly authorized by law.

(b) For purposes of this section, an "executive branch agency" does not include the Minnesota State Colleges and Universities or statewide pension plans.

Sec. 48. **[43A.385] HARASSMENT, MISCONDUCT, AND DISCRIMINATION; INDEPENDENT OFFICE ESTABLISHED.**

Subdivision 1. **Office established; purpose.** An independent, centralized office to receive and investigate complaints of harassment, misconduct, and discrimination, including sexual harassment, in executive branch state agencies is established. The office shall be led by a director, appointed by the commissioner of management and budget, who serves in the unclassified service. The purpose of the office is to apply consistent practices in the investigation of these complaints across agencies and reinforce a culture that encourages the reporting of such complaints by increasing confidence in the process and the fairness of the outcome.

Subd. 2. **Office duties.** (a) In addition to the requirements of subdivisions 3 to 7, the office must:

(1) collect, maintain, and analyze data related to complaints of harassment, misconduct, and discrimination across state government and must provide public, de-identified summary reports on the data;

(2) provide an opportunity for state employees, and members of the public who interact with state employees, to report a complaint, provided that the office's complaint procedures must be in addition to existing opportunities for reporting available through other means;

(3) review complaints filed, and provide related investigation services, to all state agencies;

(4) in the event the office determines that a complaint is substantiated, determine an appropriate corrective action in response, in consultation with the agency employing the person found to have engaged in improper conduct;

(5) track the outcomes of disciplinary or other corrective action, and advise agencies as needed to ensure consistency in these actions; and

(6) employ trained staff to provide resources and information to all parties to a complaint.

(b) State agencies must provide applicable data to the office as required by this section, and must otherwise assist the office in fulfilling its responsibilities, as requested by the director.

Subd. 3. **State employee community survey.** The office must administer an employee community survey to gain feedback on the workplace in state agencies. Results of the survey must be used to review the effectiveness of existing agency leadership efforts, and the application of existing policies and procedures within each agency. The survey must be intended to solicit feedback from employees on:

- (1) whether they feel safe in their workplaces;
- (2) whether they are knowledgeable about the process for reporting complaints of harassment, misconduct, or discrimination;
- (3) their level of satisfaction with reporting a complaint, if applicable; and
- (4) suggestions for ways their employing agency can provide additional support to employees who have made a complaint.

Subd. 4. **Complaint hotline.** The office may enter a contract for the development and maintenance of a hotline that may be used by state employees to report a complaint of harassment, misconduct, or discrimination.

Subd. 5. **Audits.** The office must conduct audits, to ensure state agencies have effective and consistent policies and procedures to prevent and correct harassment, misconduct, and discrimination. The audits must include an evaluation of outcomes related to complaints of harassment based on a status protected under chapter 363A. The office must provide technical guidance and otherwise assist agencies in making corrections in response to an audit's findings, and in ensuring consistency in the handling of complaints.

Subd. 6. **Training.** The office must provide a centralized, consistent, regular training program for all state agencies designed to increase the knowledge of state employees in the state's harassment, misconduct, and discrimination prevention policies, procedures, and resources, and to create a culture of prevention and support for victims. The content of the program must include bystander training, retaliation prevention training, and respect in the workplace training. Customized training programs must be offered for: (1) general state employees; (2) supervisors and managers; and (3) agency affirmative action and human resources employees.

Subd. 7. **Annual legislative report required.** No later than January 15, 2019, and annually thereafter, the office must provide a written report to the chairs and ranking minority members of the legislative committees with jurisdiction over state government finance and state government operations on the work of the office. The report must include detail on disciplinary and other corrective actions taken by state agencies in response to a substantiated complaint. The report must not identify a party to a complaint, unless the identity is public under applicable law.

Subd. 8. **Transfer of responsibilities to office.** To the extent that a responsibility described in subdivisions 1 to 7 conflicts with or duplicates the responsibilities of an existing office or department within a state agency, those responsibilities are transferred to the centralized office established by this section, consistent with the requirements of section 15.039. The commissioner of administration may, with the approval of the governor, issue reorganization orders under section 16B.37 as necessary to complete the transfer of duties required by this subdivision.

Sec. 49. Minnesota Statutes 2016, section 155A.23, subdivision 8, is amended to read:

Subd. 8. **Manager.** A "manager" is any person who is a cosmetologist, esthetician, advanced practice esthetician, or nail technician practitioner, ~~or eyelash technician practitioner~~, and who has a manager license and provides any services under that license, as defined in subdivision 3.

Sec. 50. Minnesota Statutes 2016, section 155A.25, subdivision 1a, is amended to read:

Subd. 1a. **Schedule.** (a) The schedule for fees and penalties is as provided in this subdivision.

(b) Three-year license fees are as follows:

(1) \$195 initial practitioner, manager, or instructor license, divided as follows:

(i) \$155 for each initial license; and

(ii) \$40 for each initial license application fee;

(2) \$115 renewal of practitioner license, divided as follows:

(i) \$100 for each renewal license; and

(ii) \$15 for each renewal application fee;

(3) \$145 renewal of manager or instructor license, divided as follows:

(i) \$130 for each renewal license; and

(ii) \$15 for each renewal application fee;

(4) \$350 initial salon license, divided as follows:

(i) \$250 for each initial license; and

(ii) \$100 for each initial license application fee;

(5) \$225 renewal of salon license, divided as follows:

(i) \$175 for each renewal; and

(ii) \$50 for each renewal application fee;

(6) \$4,000 initial school license, divided as follows:

(i) \$3,000 for each initial license; and

(ii) \$1,000 for each initial license application fee; and

(7) \$2,500 renewal of school license, divided as follows:

(i) \$2,000 for each renewal; and

(ii) \$500 for each renewal application fee.

(c) Penalties may be assessed in amounts up to the following:

(1) reinspection fee, \$150;

- (2) manager and owner with expired practitioner found on inspection, \$150 each;
- (3) expired practitioner or instructor found on inspection, \$200;
- (4) expired salon found on inspection, \$500;
- (5) expired school found on inspection, \$1,000;
- (6) failure to display current license, \$100;
- (7) failure to dispose of single-use equipment, implements, or materials as provided under section 155A.355, subdivision 1, \$500;
- (8) use of prohibited razor-type callus shavers, rasps, or graters under section 155A.355, subdivision 2, \$500;
- (9) performing nail or cosmetology services in esthetician salon, or performing esthetician or cosmetology services in a nail salon, \$500;
- (10) owner and manager allowing an operator to work as an independent contractor, \$200;
- (11) operator working as an independent contractor, \$100;
- (12) refusal or failure to cooperate with an inspection, \$500;
- (13) practitioner late renewal fee, \$45; and
- (14) salon or school late renewal fee, \$50.
- (d) Administrative fees are as follows:
 - (1) homebound service permit, \$50 three-year fee;
 - (2) name change, \$20;
 - (3) certification of licensure, \$30 each;
 - (4) duplicate license, \$20;
 - (5) special event permit, \$75 per year;
 - ~~(6) registration of hair braiders, \$20 per year;~~
 - ~~(7) (6)~~ \$100 for each temporary military license for a cosmetologist, nail technician, esthetician, or advanced practice esthetician one-year fee;
 - ~~(8) (7)~~ expedited initial individual license, \$150;
 - ~~(9) (8)~~ expedited initial salon license, \$300;
 - ~~(10) (9)~~ instructor continuing education provider approval, \$150 each year; and
 - ~~(11) (10)~~ practitioner continuing education provider approval, \$150 each year.

Sec. 51. Minnesota Statutes 2016, section 155A.28, is amended by adding a subdivision to read:

Subd. 5. Hair braiders exempt. The practice of hair braiding is exempt from the requirements of this chapter.

Sec. 52. 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, or advanced practice esthetician salon, ~~or eyelash extension salon.~~ A salon may hold more than one type of salon license.

Sec. 53. Minnesota Statutes 2016, section 155A.29, subdivision 6, is amended to read:

Subd. 6. **Exemption.** The facility in which a person provides threading or eyelash extension services and no other services requiring licensure by this chapter is exempt from the requirement for a salon license under this section.

Sec. 54. Minnesota Statutes 2016, section 240.01, is amended by adding a subdivision to read:

Subd. 18a. Racing or gaming-related vendor. "Racing or gaming-related vendor" means any person or entity that manufactures, sells, provides, distributes, repairs, or maintains equipment or supplies used at a Class A facility or provides services to a Class A facility or Class B license holder that are directly related to the running of a horse race, simulcasting, pari-mutuel betting, or card playing.

Sec. 55. Minnesota Statutes 2016, section 240.02, subdivision 6, is amended to read:

Subd. 6. **Annual report.** The commission shall on February 15 of each odd-numbered year submit a report to the governor and legislature on its activities, organizational structure, receipts and disbursements, and recommendations for changes in the laws relating to racing and pari-mutuel betting.

Sec. 56. Minnesota Statutes 2016, section 240.08, subdivision 5, is amended to read:

Subd. 5. **Revocation and suspension.** (a) The commission may revoke a class C license for a violation of law or rule which in the commission's opinion adversely affects the integrity of horse racing in Minnesota, the public health, welfare, or safety, or for an intentional false statement made in a license application.

The commission may suspend a class C license for up to one year for a violation of law, order or rule.

The commission may delegate to its designated agents the authority to impose suspensions of class C licenses, and the revocation or suspension of a class C license may be appealed to the commission according to its rules.

(b) ~~A license revocation or suspension~~ If the commission revokes or suspends a license for more than 90 days is, in lieu of appealing to the commission under paragraph (a), the license holder has the right to request a contested case hearing under sections 14.57 to 14.69 of the Administrative Procedure Act and is in addition to criminal penalties imposed for a violation of law or rule, chapter 14. The request must be made in writing to the commission by certified mail or personal service. A request sent by certified mail must be postmarked within ten days after the license holder receives the revocation or suspension order from the commission. A request sent by personal service must be received by the commission within ten days after the license holder receives the revocation or suspension order from the commission. The commission may summarily suspend a license for more than up to 90 days prior to a contested case hearing where it is necessary to ensure the integrity of racing or to protect the public health, welfare, or safety. The license holder may appeal a summary suspension by making a written request

to the commission within five calendar days after the license holder receives notice of the summary suspension. A contested case hearing must be held within 30 ten days of the commission's receipt of the request for appeal of a summary suspension and the administrative law judge's report must be issued within 30 days from the close of the hearing record. In all cases involving summary suspension the commission must issue its final decision within 30 days from receipt of the report of the administrative law judge and subsequent exceptions and argument under section 14.61, to determine whether the license should remain suspended pending a final disciplinary action.

Sec. 57. Minnesota Statutes 2016, section 240.131, subdivision 7, is amended to read:

Subd. 7. **Payments to state.** (a) A regulatory fee is imposed at the rate of one percent of all amounts wagered by Minnesota residents with an authorized advance deposit wagering provider. The fee shall be declared on a form prescribed by the commission. The ADW provider must pay the fee to the commission no more than ~~seven~~ 15 days after the end of the month in which the wager was made. Fees collected under this paragraph must be deposited in the state treasury and credited to a racing and card-playing regulation account in the special revenue fund and are appropriated to the commission to offset the costs associated with regulating horse racing and pari-mutuel wagering in Minnesota.

(b) A breeders fund fee is imposed in the amount of one-quarter of one percent of all amounts wagered by Minnesota residents with an authorized advance deposit wagering provider. The fee shall be declared on a form prescribed by the commission. The ADW provider must pay the fee to the commission no more than ~~seven~~ 15 days after the end of the month in which the wager was made. Fees collected under this paragraph must be deposited in the state treasury and credited to a racing and card-playing regulation account in the special revenue fund and are appropriated to the commission to offset the cost of administering the breeders fund and promote horse breeding in Minnesota.

Sec. 58. Minnesota Statutes 2016, section 240.22, is amended to read:

240.22 FINES.

(a) The commission shall by rule establish a schedule of civil fines for violations of laws related to horse racing or of the commission's rules. The schedule must be based on and reflect the culpability, frequency and severity of the violator's actions. The commission may impose a fine from this schedule on a licensee for a violation of those rules or laws relating to horse racing. The fine is in addition to any criminal penalty imposed for the same violation. Fines imposed by the commission must be paid to the commission and except as provided in paragraph (c), forwarded to the commissioner of management and budget for deposit in the state treasury and credited to a racing and card-playing regulation account in the special revenue fund and appropriated to the commission to distribute in the form of grants, contracts, or expenditures to support racehorse adoption, retirement, and repurposing.

(b) If the commission issues a fine in excess of \$5,000, the license holder has the right to request a contested case hearing under chapter 14, to be held as set forth in Minnesota Rules, chapter 1400. The appeal of a fine must be made in writing to the commission by certified mail or personal service. An appeal sent by certified mail must be postmarked within ten days after the license holder receives the fine order from the commission. An appeal sent by personal service must be received by the commission within ten days after the license holder receives the fine order from the commission.

(c) If the commission is the prevailing party in a contested case proceeding, the commission may recover, from amounts to be forwarded under paragraph (a), reasonable attorney fees and costs associated with the contested case.

Sec. 59. Minnesota Statutes 2016, section 270C.13, subdivision 1, is amended to read:

Subdivision 1. **Biennial report.** The commissioner shall report to the legislature by March 1 of each odd-numbered year on the overall incidence of the income tax, sales and excise taxes, and property tax. The report shall present information on the distribution of the tax burden as follows: (1) for the overall income distribution, using a systemwide incidence measure such as the Suits index or other appropriate measures of equality and inequality; (2) by income classes, including at a minimum deciles of the income distribution; and (3) by other appropriate taxpayer characteristics. The report must also include information on the distribution of the burden of federal taxes borne by Minnesota residents.

Sec. 60. Minnesota Statutes 2016, section 340A.412, is amended by adding a subdivision to read:

Subd. 12a. **Wine transfers.** Notwithstanding the provisions of subdivision 12, the holder of an off-sale retail intoxicating liquor license may transfer wine from one licensed premises to another provided that:

(1) the license for the transferring and receiving premises are held by the same licensee; and

(2) only one transfer is made from a licensed premises in a three-month period.

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

Sec. 61. Minnesota Statutes 2016, section 349A.06, subdivision 11, is amended to read:

Subd. 11. **Cancellation, suspension, and refusal to renew contracts or locations.** (a) The director shall cancel the contract of any lottery retailer or prohibit a lottery retailer from selling lottery tickets at a business location who:

- (1) has been convicted of a felony or gross misdemeanor;
- (2) has committed fraud, misrepresentation, or deceit;
- (3) has provided false or misleading information to the lottery; or
- (4) has acted in a manner prejudicial to public confidence in the integrity of the lottery.

(b) The director may cancel, suspend, or refuse to renew the contract of any lottery retailer or prohibit a lottery retailer from selling lottery tickets at a business location who:

- (1) changes business location;
- (2) fails to account for lottery tickets received or the proceeds from tickets sold;
- (3) fails to remit funds to the director in accordance with the director's rules;
- (4) violates a law or a rule or order of the director;
- (5) fails to comply with any of the terms in the lottery retailer's contract;
- (6) fails to file a bond, securities, or a letter of credit as required under subdivision 3;

(7) in the opinion of the director fails to maintain a sufficient sales volume to justify continuation as a lottery retailer; ~~or~~

(8) has violated section 340A.503, subdivision 2, clause (1), two or more times within a two-year period; or

(9) has violated the rules adopted pursuant to subdivision 6, clause (1), requiring a lottery retailer to retain appropriate amounts from gross receipts from the sale of lottery tickets in order to pay prizes to holders of winning tickets, three or more times within a one-year period.

(c) The director may also cancel, suspend, or refuse to renew a lottery retailer's contract or prohibit a lottery retailer from selling lottery tickets at a business location if there is a material change in any of the factors considered by the director under subdivision 2.

(d) A contract cancellation, suspension, refusal to renew, or prohibiting a lottery retailer from selling lottery tickets at a business location under this subdivision is a contested case under sections 14.57 to 14.69 and is in addition to any criminal penalties provided for a violation of law or rule.

(e) The director may temporarily suspend a contract or temporarily prohibit a lottery retailer from selling lottery tickets at a business location without notice for any of the reasons specified in this subdivision provided that a hearing is conducted within seven days after a request for a hearing is made by a lottery retailer. Within 20 days after receiving the administrative law judge's report, the director shall issue an order vacating the temporary suspension or prohibition or making any other appropriate order. If no hearing is requested within 30 days of the temporary suspension or prohibition taking effect, the suspension or prohibition becomes permanent unless the director vacates or modifies the order.

(f) A lottery retailer whose contract was solely canceled, suspended, or not renewed pursuant to paragraph (b), clause (9), may petition the director to reinstate a canceled or suspended contract, or enter into a new contract, after two years have passed since the order took effect.

Sec. 62. Minnesota Statutes 2016, section 424B.20, subdivision 4, is amended to read:

Subd. 4. **Benefit trust fund establishment.** (a) After the settlement of nonbenefit legal obligations of the special fund of the volunteer firefighters relief association under subdivision 3, the board of the relief association shall transfer the remaining assets of the special fund, as securities or in cash, as applicable, to the chief financial official of the municipality in which the associated fire department was located if the fire department was a municipal fire department or to the chief financial official of the municipality with the largest population served by the fire department if the fire department was an independent nonprofit firefighting corporation. The board shall also compile a schedule of the relief association members to whom a service pension is or will be owed, any beneficiary to whom a benefit is owed, the amount of the service pension or benefit payable based on the applicable bylaws and state law and the service rendered to the date of the dissolution, and the date on which the pension or benefit would first be payable under the bylaws of the relief association and state law.

(b) The municipality in which is located a volunteer firefighters relief association that is dissolving under this section shall establish a separate account in the municipal treasury which must function as a trust fund for members of the volunteer firefighters relief association and their beneficiaries to whom the volunteer firefighters relief association owes a service pension or other benefit under the bylaws of the relief association and state law. Upon proper application, on or after the initial date on which the service pension or benefit is payable, the municipal treasurer shall pay the pension or benefit due, based on the schedule prepared under paragraph (a) and the other records of the dissolved relief association. The trust fund under this section must be invested and managed consistent with chapter 356A and section 424A.095.

(c) Upon payment of the last service pension or benefit due and owing, any remaining assets in the trust fund cancel ~~to~~ as follows:

(1) if the municipality was required to make contributions to the fund under chapter 424A at any time during the ten years preceding the date of dissolution, the remaining assets cancel to the general fund of the municipality; or

(2) if the municipality was not required to make contributions to the fund under chapter 424A at any time during the ten years preceding the date of dissolution, the remaining assets cancel to the general fund of the state.

(d) If the special fund of the volunteer firefighters relief association had an unfunded actuarial accrued liability upon dissolution, the municipality is liable for that unfunded actuarial accrued liability.

Sec. 63. Minnesota Statutes 2016, section 473.123, subdivision 1, is amended to read:

Subdivision 1. **Creation; membership.** (a) A Metropolitan Council with jurisdiction in the metropolitan area is established as a public corporation and political subdivision of the state. It shall be under the supervision and control of ~~17~~ 28 members, all of whom shall be residents of the metropolitan area- and who shall be appointed as follows:

(1) a county commissioner from each of Anoka, Carver, Dakota, Ramsey, Scott, and Washington Counties, appointed by the respective county boards;

(2) two county commissioners from Hennepin County appointed by the county board, one of whom must represent a ward that is predominantly located within the city of Minneapolis, and one of whom must represent a ward that does not include the city of Minneapolis;

(3) a local elected official appointed from each Metropolitan Council district by the municipal committee for the council district established in subdivision 2b;

(4) the commissioner of transportation or the commissioner's designee;

(5) one person to represent nonmotorized transportation, appointed by the commissioner of transportation;

(6) one person to represent freight transportation, appointed by the commissioner of transportation; and

(7) one person to represent public transit, appointed by the commissioner of transportation.

(b) The local elected offices identified in paragraph (a) are compatible with the office of a Metropolitan Council member.

(c) Notwithstanding any change to the definition of metropolitan area in section 473.121, subdivision 2, the jurisdiction of the Metropolitan Council is limited to the seven-county metropolitan area.

EFFECTIVE DATE. Paragraph (c) is effective the day following final enactment.

Sec. 64. Minnesota Statutes 2016, section 473.123, subdivision 2a, is amended to read:

Subd. 2a. **Terms.** (a) ~~Following each apportionment of council districts, as provided under subdivision 3a, council members must be appointed from newly drawn districts as provided in subdivision 3a. Each council member, other than the chair, must reside in the council district represented. Each council district must be represented by one member of the council. The terms of members end with the term of the governor, except that all~~

~~terms expire on the effective date of the next apportionment. A member serves at the pleasure of the governor, the municipal committee for each council district shall appoint a local elected official who resides in the district to serve on the Metropolitan Council for a four-year term. The terms of members appointed by municipal committees are staggered as follows: members representing an odd-numbered district have terms ending the first Monday in January of the year ending in the numeral "1" and members representing an even-numbered district have terms ending the first Monday in January in the year ending in the numeral "3." Thereafter, the term of each member is four years, with terms ending the first Monday in January, except that all terms expire on the effective date of the next apportionment. A member's position on the Metropolitan Council becomes vacant if the member ceases to be a local elected official or as provided in chapter 351, and any vacancy must be filled as soon as practicable for the unexpired term in the same manner as the initial appointment. A member shall continue to serve the member's district until a successor is appointed and qualified; except that, following each apportionment, the member shall continue to serve at large until the governor appoints 16 council members, one municipal committee for the council district appoints a member from each of the newly drawn council districts district as provided under subdivision 3a, to serve terms as provided under this section. The appointment to the council must be made by the first Monday in March of the year in which the term ends.~~

(b) The terms of members appointed by county boards are staggered as follows: ~~members representing the counties of Anoka, Dakota, Ramsey, and Scott have terms ending the first Monday in January of the year ending in the numeral "1," and members representing the counties of Carver, Hennepin, and Washington have terms ending the first Monday in January of the year ending in the numeral "3." Thereafter, the term for each member is four years. A member's position on the Metropolitan Council becomes vacant if the member ceases to be a local elected official or as provided in chapter 351, and any vacancy must be filled as soon as practicable for the unexpired term in the same manner as the initial appointment.~~

(c) ~~An individual appointed by the commissioner of transportation under subdivision 1 serves at the pleasure of the appointing authority.~~

Sec. 65. Minnesota Statutes 2016, section 473.123, is amended by adding a subdivision to read:

Subd. 2b. **Municipal committee in each council district.** ~~The governing body of each home rule charter or statutory city and town in each Metropolitan Council district shall appoint a member to serve on a municipal committee for the council district. If a city or town is in more than one council district, the governing body must appoint a member to serve on each council district's municipal committee. A member appointed to a council district's municipal committee must reside in the council district. The municipal committee must meet at least quarterly to discuss issues relating to the Metropolitan Council. Municipal committee meetings are subject to the Minnesota Open Meeting Law, chapter 13D.~~

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

Sec. 66. Minnesota Statutes 2016, section 473.123, subdivision 3a, is amended to read:

Subd. 3a. **Redistricting.** The legislature shall redraw the boundaries of the council districts after each decennial federal census so that each district has substantially equal population. Redistricting is effective in the year ending in the numeral "3." Within 60 days after a redistricting plan takes effect, the ~~governor~~ municipal committees shall appoint members from the newly drawn districts to serve terms as provided under subdivision 2a.

Sec. 67. Minnesota Statutes 2016, section 473.123, subdivision 4, is amended to read:

Subd. 4. **Chair; appointment, officers, selection; duties and compensation.** (a) ~~The chair of the Metropolitan Council shall be appointed selected by the governor as the 17th voting member thereof by and with the advice and consent of the senate to serve at the pleasure of the governor to represent the metropolitan area at large. Senate~~

confirmation shall be as provided by section 15.066 and from among the members of the Metropolitan Council. The chair shall serve at the pleasure of the council. In addition to any compensation as a local elected official, the council shall pay the chair \$40,000 per year plus reimbursement of actual and necessary expenses as approved by the council.

The chair of the Metropolitan Council shall, if present, preside at meetings of the council, have the primary responsibility for meeting with local elected officials, serve as the principal legislative liaison, present to the governor and the legislature, after council approval, the council's plans for regional governance and operations, serve as the principal spokesperson of the council, and perform other duties assigned by the council or by law.

(b) The Metropolitan Council shall elect other officers as it deems necessary for the conduct of its affairs for a one-year term. A secretary and treasurer need not be members of the Metropolitan Council. Meeting times and places shall be fixed by the Metropolitan Council and special meetings may be called by a majority of the members of the Metropolitan Council or by the chair. ~~The chair and~~ In addition to any compensation as a local elected official, each Metropolitan Council member shall be reimbursed for actual and necessary expenses as approved by the council.

(c) Each member of the council shall attend and participate in council meetings and meet regularly with local elected officials and legislative members from the council member's district. Each council member shall serve on at least one division committee for transportation, environment, or community development.

(d) In the performance of its duties the Metropolitan Council may adopt policies and procedures governing its operation, establish committees, and, when specifically authorized by law, make appointments to other governmental agencies and districts.

Sec. 68. Minnesota Statutes 2016, section 473.123, is amended by adding a subdivision to read:

Subd. 9. **Authority to vote; quorum; votes required for action.** (a) The members appointed by the counties and municipal committees may vote on all matters before the council. The commissioner of transportation or the commissioner's designee and the three members appointed by the commissioner may vote only on matters in which the council is acting as the metropolitan planning organization for the region as provided in section 473.146.

(b) A quorum is a majority of the members permitted to vote on a matter. If a quorum is present, the council may act on a majority vote of the members present, except:

(1) if a quorum is present, the council may adopt its levy only if at least 60 percent of the members present vote in favor of the levy; and

(2) if a quorum is present, the council may adopt a metropolitan system plan or plan amendment only if at least 60 percent of the members present vote in favor of its adoption.

EFFECTIVE DATE; TRANSITION; APPLICATION. This section is effective January 1, 2019, and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington. Metropolitan Council members serving on the effective date of this section shall continue to serve until members are appointed from districts by the municipal committees as provided in this article.

Sec. 69. Minnesota Statutes 2016, section 473.146, subdivision 3, is amended to read:

Subd. 3. **Development guide: transportation.** The transportation chapter must include policies relating to all transportation forms and be designed to promote the legislative determinations, policies, and goals set forth in section 473.371. In addition to the requirements of subdivision 1 regarding the contents of the policy plan, the nontransit element of the transportation chapter must include the following:

(1) a statement of the needs and problems of the metropolitan area with respect to the functions covered, including the present and prospective demand for and constraints on access to regional business concentrations and other major activity centers and the constraints on and acceptable levels of development and vehicular trip generation at such centers;

(2) the objectives of and the policies to be forwarded by the policy plan;

(3) a general description of the physical facilities and services to be developed;

(4) a statement as to the general location of physical facilities and service areas;

(5) a general statement of timing and priorities in the development of those physical facilities and service areas;

(6) a detailed statement, updated every two years, of timing and priorities for improvements and expenditures needed on the metropolitan highway system;

(7) a general statement on the level of public expenditure appropriate to the facilities; and

(8) a long-range assessment of air transportation trends and factors that may affect airport development in the metropolitan area and policies and strategies that will ensure a comprehensive, coordinated, and timely investigation and evaluation of alternatives for airport development.

The council shall develop the nontransit element in consultation with ~~the transportation advisory board and~~ the Metropolitan Airports Commission and cities having an airport located within or adjacent to its corporate boundaries. The council shall also take into consideration the airport development and operations plans and activities of the commission. The council shall transmit the results to the state Department of Transportation.

EFFECTIVE DATE; APPLICATION. This section is effective January 1, 2019, and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 70. Minnesota Statutes 2016, section 473.146, subdivision 4, is amended to read:

Subd. 4. **Transportation planning.** ~~(a)~~ The Metropolitan Council is the designated planning agency for any long-range comprehensive transportation planning required by section 134 of the Federal Highway Act of 1962, Section 4 of Urban Mass Transportation Act of 1964 and Section 112 of Federal Aid Highway Act of 1973 and other federal transportation laws. The council shall assure administration and coordination of transportation planning with appropriate state, regional and other agencies, counties, and municipalities.

~~(b) The council shall establish an advisory body consisting of citizens and representatives of municipalities, counties, and state agencies in fulfillment of the planning responsibilities of the council. The membership of the advisory body must consist of:~~

~~(1) the commissioner of transportation or the commissioner's designee;~~

~~(2) the commissioner of the Pollution Control Agency or the commissioner's designee;~~

~~(3) one member of the Metropolitan Airports Commission appointed by the commission;~~

~~(4) one person appointed by the council to represent nonmotorized transportation;~~

~~(5) one person appointed by the commissioner of transportation to represent the freight transportation industry;~~

- ~~(6) two persons appointed by the council to represent public transit;~~
 - ~~(7) ten elected officials of cities within the metropolitan area, including one representative from each first-class city, appointed by the Association of Metropolitan Municipalities;~~
 - ~~(8) one member of the county board of each county in the seven-county metropolitan area, appointed by the respective county boards;~~
 - ~~(9) eight citizens appointed by the council, one from each council precinct;~~
 - ~~(10) one elected official from a city participating in the replacement service program under section 473.388, appointed by the Suburban Transit Association; and~~
 - ~~(11) one member of the council, appointed by the council.~~
- ~~(c) The council shall appoint a chair from among the members of the advisory body.~~

EFFECTIVE DATE; APPLICATION. This section is effective January 1, 2019, and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 71. **[474A.22] FORT SNELLING NATIONAL LANDMARK REDEVELOPMENT.**

Subdivision 1. Fort Snelling bonding authority allocation. Notwithstanding any law, rule, or policy to the contrary, the commissioner may reserve bonding authority allocated to the Housing Finance Agency entitlement allocation during allocation year 2019 or 2020 for issuance of residential rental project bonds for purposes of the rehabilitation and renovation of the Fort Snelling Upper Post as a qualified residential rental project as provided in this section and section 474A.047. The qualified residential rental project shall be required to enter into a minimum 25-year agreement with the issuer to provide the applicable rental rates and incomes. The commissioner shall determine the needed amount of the bonding allocation to qualify for low-income housing tax credits for the project, as selected by the commissioner of natural resources, and may provide a preliminary resolution to allocate the bonds over one or two years to allow the applicable developer to obtain necessary historical and other approvals and be assured of available bond allocation.

Subd. 2. Issuance; other issuer. The commissioner may either issue the obligation directly or may allocate the bonds under subdivision 1 to a suitable other issuer to issue the obligations. Any such suballocation shall be subject to an agreement that provides for the timing, process, and use for the bonds. Any other issuer receiving this allocation shall be authorized to act as the issuer regardless of the geographical area of the other issuer. In no event shall the bonds issued under this section be guaranteed as to payment by the state or the other issuer.

Subd. 3. Failure to permanently issue. In the event the bonds reserved or allocated under this section are not permanently issued by December 1, 2019, or December 1, 2020, the bonding authority shall be allocated to the Housing Finance Agency for issuance for a qualified residential rental project. The commissioner may utilize the bonds allocated under this section for an alternative use, consistent with this chapter, in the event the commissioner determines no project at the Fort Snelling Upper Post will proceed in a timely fashion.

Subd. 4. Low-income housing tax credits. In the event of issuance of the bonds as provided in this section for a qualified residential rental project, notwithstanding any law, rule, or policy, the Housing Finance Agency shall approve the project for low-income housing tax credits subject to only the minimum requirements as required under section 42 of the Internal Revenue Code, as amended, and shall be deemed meeting the qualified allocation plan in effect at that time. Any such approval shall be timely granted to allow the project to proceed.

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

Sec. 72. Minnesota Statutes 2017 Supplement, section 477A.03, subdivision 2b, is amended to read:

Subd. 2b. **Counties.** (a) For aids payable in 2018 through 2024, the total aid payable under section 477A.0124, subdivision 3, is \$103,795,000, of which \$3,000,000 shall be allocated as required under Laws 2014, chapter 150, article 4, section 6. For aids payable in 2025 and thereafter, the total aid payable under section 477A.0124, subdivision 3, is \$100,795,000. Each calendar year, \$500,000 of this appropriation shall be retained by the commissioner of revenue to make reimbursements to the commissioner of management and budget for payments made under section 611.27. The reimbursements shall be to defray the additional costs associated with court-ordered counsel under section 611.27. Any retained amounts not used for reimbursement in a year shall be included in the next distribution of county need aid that is certified to the county auditors for the purpose of property tax reduction for the next taxes payable year.

(b) For aids payable in 2018 and thereafter, the total aid under section 477A.0124, subdivision 4, is \$130,873,444. The commissioner of revenue shall transfer ~~to the commissioner of management and budget~~ \$207,000 annually for the cost of preparation of local impact notes as required by section 3.987, ~~and other local government activities~~ to the Legislative Coordinating Commission for use by the Legislative Budget Office.

The commissioner of revenue shall transfer to the commissioner of education \$7,000 annually for the cost of preparation of local impact notes for school districts as required by section 3.987. The commissioner of revenue shall deduct the amounts transferred under this paragraph from the appropriation under this paragraph. The amounts transferred are appropriated to the commissioner of management and budget and the commissioner of education respectively.

EFFECTIVE DATE. This section is effective January 8, 2019.

Sec. 73. Minnesota Statutes 2016, section 480.15, is amended by adding a subdivision to read:

Subd. 13. **Emergency operations and continuity of the judicial branch.** The court administrator shall assist the Supreme Court in developing an emergency operations and continuity of government plan, as required by section 12.402.

Sec. 74. Laws 2017, First Special Session chapter 4, article 2, section 1, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~January 8, 2019~~ July 1, 2018.

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 75. Laws 2017, First Special Session chapter 4, article 2, section 3, the effective date, is amended to read:

EFFECTIVE DATE. Except where otherwise provided by law, this section is effective ~~January 8, 2019~~ July 1, 2018.

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 76. Laws 2017, First Special Session chapter 4, article 2, section 58, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~January 8, 2019~~ July 1, 2018. The contract required under this section must be executed no later than November 1, 2018, and must provide for transfer of operational control of the fiscal note tracking system to the Legislative Budget Office effective December 15, 2018.

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 77. **TRANSFER OF DUTIES; RESULTS FIRST PROGRAM EVALUATIONS.**

Responsibilities of the commissioner of management and budget to develop and implement a return on taxpayer investment methodology using the Pew-MacArthur Results First framework, as first authorized by Laws 2015, chapter 77, article 1, section 13, including the advisory committee established by the commissioner to assist in implementing these responsibilities, are transferred from the commissioner to the Legislative Budget Office established in Minnesota Statutes, section 3.8853. Minnesota Statutes, section 15.039, applies to the transfer of these responsibilities. The commissioner of administration may, with the approval of the governor, issue reorganization orders under Minnesota Statutes, section 16B.37, as necessary to complete the transfer of duties required by this section.

EFFECTIVE DATE. This section is effective January 8, 2019.

Sec. 78. **TRANSFER OF DUTIES; DATA PRACTICES AND OPEN MEETINGS LAW.**

(a) Responsibilities of the commissioner of administration under Minnesota Statutes, sections 13.06, 13.07, 13.072, and 13.073, and any other law providing general oversight responsibilities related to operation of the Minnesota Government Data Practices Act and the Minnesota Open Meeting Law, are transferred from the commissioner to the chief administrative law judge in the Office of Administrative Hearings. Minnesota Statutes, section 15.039, applies to the transfer of these responsibilities, except that Minnesota Statutes, section 15.039, subdivision 7, does not apply. The commissioner may, with the approval of the governor, issue reorganization orders under Minnesota Statutes, section 16B.37, as necessary to complete the transfer of duties consistent with the requirements of this section.

(b) Nothing in this section relieves the commissioner of administration from the duty to comply with Minnesota Statutes, chapter 13, or any other applicable law related to data collected, created, or maintained by the commissioner, or to comply with Minnesota Statutes, chapter 13D, related to meetings conducted by the commissioner.

Sec. 79. **ENTERPRISE SOFTWARE PROJECTS; RECODIFICATION OF INFORMATION TECHNOLOGY STATUTES.**

Subdivision 1. **Enterprise software projects.** (a) Except as provided in paragraph (b), an enterprise software project must be either purchased or built through a vendor contract. Vendors must be selected as provided by Minnesota Statutes, chapter 16C. In addition to the requirements of that chapter, a contract required by this section must include terms that provide:

(1) a payment schedule that is conditioned on the vendor's demonstration of satisfactory progress toward project completion; and

(2) a requirement that, upon 30 days written notice to the vendor, the contracting agency must terminate a contract and the vendor must refund to the agency all amounts paid to date, if the vendor fails to demonstrate satisfactory progress towards project completion. The contract terms must permit the contracting agency to fulfill its obligations under this clause without penalty.

(b) Paragraph (a) does not apply to an enterprise software project if the law appropriating money for the project expressly directs the state chief information officer to design or build the project in-house, or otherwise contains an exemption from paragraph (a) by specific reference to this subdivision.

Subd. 2. **Recodification recommendations.** (a) The state chief information officer must recommend, in consultation with the revisor of statutes and other appropriate legislative staff, legislation to clarify and reorganize Minnesota Statutes, chapter 16E, and any other applicable laws that relate to state information technology services or the scope of duties of the Office of MN.IT Services. Except for implementation of the requirements of subdivision 1, the recommendations must not be intended to change the meaning or prior interpretation of any law.

(b) The recommended legislation must be submitted to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over state government finance no later than January 15, 2019.

EFFECTIVE DATE. This section is effective the day following final enactment. The restrictions on enterprise software projects, as described in subdivision 1, apply to projects newly approved for development on or after the effective date of this section.

Sec. 80. STUDY OF VALUATION METHOD OF PIPELINE OPERATING PROPERTY.

(a) The commissioner of revenue shall study and prepare a report on the current methods used to value pipeline operating property in the state of Minnesota. The commissioner must enter a contract with a consultant to assist in completing the study and preparing the report.

(b) The report must:

(1) describe, in detail, prior and current methods used to value pipeline operating property in Minnesota;

(2) evaluate whether the current methods used produce an accurate estimate of market value;

(3) compile and explain, in detail, the number of state-assessed pipeline valuations that have been appealed in the last 20 years, and the extent to which the market value was increased or reduced, by agreement, settlement, or judgment;

(4) evaluate the extent to which host political subdivisions and communities are adequately compensated under the existing Minnesota property tax system for the external costs imposed by pipeline systems;

(5) describe, analyze, and compare the methods used to value pipeline operating property in border states; and

(6) make recommendations and prepare legislation on improvements or alternative valuation methods that produce a more accurate estimate of market value.

(c) The commissioner shall report the findings of the study to the committees of the house of representatives and senate having jurisdiction over taxes by February 15, 2019, and file the report as required by Minnesota Statutes, section 3.195.

Sec. 81. NORDIC WORLD CUP SKI CHAMPIONSHIP.

(a) Upon request of U.S. Ski and Snowboard, The Loppet Foundation, or other affiliated organization, the Minnesota Amateur Sports Commission must support the preparation and submission of a competitive bid to host an International Ski Federation Nordic World Cup Ski Championship event in Minnesota. If the event is awarded, the commission must partner with the organizing committee as an event host. Commission activities may include but are not limited to assisting in the development of public-private partnerships to support the event; soliciting sponsors; participating in public outreach activities; permitting the commission's facilities to be developed and used as event venues; and providing other administrative, technical, logistical, or financial support, within available resources.

(b) Within 30 days after a bid is submitted and, if an event is awarded to Minnesota as a host, within 30 days after receiving notice of the award, the commission must notify the chairs and ranking minority members of the legislative committees with jurisdiction over the commission. The notification must describe the commission's work in support of the event and indicate whether the commission anticipates seeking supplemental state or local funds or other public resources to continue that work.

EFFECTIVE DATE. This section is effective the day following final enactment and expires upon conclusion of a Nordic World Cup Ski Championship event hosted in Minnesota.

Sec. 82. **CERTAIN VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION SERVICE PENSIONS.**

(a) As used in this section, "qualifying volunteer firefighters relief association" means a volunteer firefighters relief association with a funding ratio of greater than 100 percent as of the most recent fiscal year end, and which provides a lump sum pension benefit based on a lump sum pension amount equal to \$9,500 or more, as of the effective date of this section.

(b) Notwithstanding any provision of Minnesota Statutes, section 424A.02, subdivision 3, paragraph (d), to the contrary, the maximum lump-sum pension amount for each year of service credited that may be provided for in the bylaws of a qualifying volunteer firefighters relief association is the maximum service pension figure corresponding to the average amount of available financing per active covered firefighter for the applicable specified period:

Minimum Average Amount of Available
Financing per Firefighter

Maximum Lump-Sum Service Pension
Amount Payable for Each Year of Service

<u>\$...</u>	<u>\$10</u>
<u>11</u>	<u>20</u>
<u>16</u>	<u>30</u>
<u>23</u>	<u>40</u>
<u>27</u>	<u>50</u>
<u>32</u>	<u>60</u>
<u>43</u>	<u>80</u>
<u>54</u>	<u>100</u>
<u>65</u>	<u>120</u>
<u>77</u>	<u>140</u>
<u>86</u>	<u>160</u>
<u>97</u>	<u>180</u>
<u>108</u>	<u>200</u>
<u>131</u>	<u>240</u>
<u>151</u>	<u>280</u>
<u>173</u>	<u>320</u>
<u>194</u>	<u>360</u>
<u>216</u>	<u>400</u>
<u>239</u>	<u>440</u>
<u>259</u>	<u>480</u>
<u>281</u>	<u>520</u>
<u>302</u>	<u>560</u>
<u>324</u>	<u>600</u>
<u>347</u>	<u>640</u>
<u>367</u>	<u>680</u>
<u>389</u>	<u>720</u>
<u>410</u>	<u>760</u>

<u>432</u>	<u>800</u>
<u>486</u>	<u>900</u>
<u>540</u>	<u>1000</u>
<u>594</u>	<u>1100</u>
<u>648</u>	<u>1200</u>
<u>702</u>	<u>1300</u>
<u>756</u>	<u>1400</u>
<u>810</u>	<u>1500</u>
<u>864</u>	<u>1600</u>
<u>918</u>	<u>1700</u>
<u>972</u>	<u>1800</u>
<u>1026</u>	<u>1900</u>
<u>1080</u>	<u>2000</u>
<u>1134</u>	<u>2100</u>
<u>1188</u>	<u>2200</u>
<u>1242</u>	<u>2300</u>
<u>1296</u>	<u>2400</u>
<u>1350</u>	<u>2500</u>
<u>1404</u>	<u>2600</u>
<u>1458</u>	<u>2700</u>
<u>1512</u>	<u>2800</u>
<u>1566</u>	<u>2900</u>
<u>1620</u>	<u>3000</u>
<u>1672</u>	<u>3100</u>
<u>1726</u>	<u>3200</u>
<u>1753</u>	<u>3250</u>
<u>1780</u>	<u>3300</u>
<u>1820</u>	<u>3375</u>
<u>1834</u>	<u>3400</u>
<u>1888</u>	<u>3500</u>
<u>1942</u>	<u>3600</u>
<u>1996</u>	<u>3700</u>
<u>2023</u>	<u>3750</u>
<u>2050</u>	<u>3800</u>
<u>2104</u>	<u>3900</u>
<u>2158</u>	<u>4000</u>
<u>2212</u>	<u>4100</u>
<u>2265</u>	<u>4200</u>
<u>2319</u>	<u>4300</u>
<u>2373</u>	<u>4400</u>
<u>2427</u>	<u>4500</u>
<u>2481</u>	<u>4600</u>
<u>2535</u>	<u>4700</u>
<u>2589</u>	<u>4800</u>
<u>2643</u>	<u>4900</u>
<u>2697</u>	<u>5000</u>
<u>2751</u>	<u>5100</u>
<u>2805</u>	<u>5200</u>
<u>2859</u>	<u>5300</u>
<u>2913</u>	<u>5400</u>
<u>2967</u>	<u>5500</u>

<u>3021</u>	<u>5600</u>
<u>3075</u>	<u>5700</u>
<u>3129</u>	<u>5800</u>
<u>3183</u>	<u>5900</u>
<u>3237</u>	<u>6000</u>
<u>3291</u>	<u>6100</u>
<u>3345</u>	<u>6200</u>
<u>3399</u>	<u>6300</u>
<u>3453</u>	<u>6400</u>
<u>3507</u>	<u>6500</u>
<u>3561</u>	<u>6600</u>
<u>3615</u>	<u>6700</u>
<u>3669</u>	<u>6800</u>
<u>3723</u>	<u>6900</u>
<u>3777</u>	<u>7000</u>
<u>3831</u>	<u>7100</u>
<u>3885</u>	<u>7200</u>
<u>3939</u>	<u>7300</u>
<u>3993</u>	<u>7400</u>
<u>4047</u>	<u>7500</u>
<u>4101</u>	<u>7600</u>
<u>4155</u>	<u>7700</u>
<u>4209</u>	<u>7800</u>
<u>4263</u>	<u>7900</u>
<u>4317</u>	<u>8000</u>
<u>4371</u>	<u>8100</u>
<u>4425</u>	<u>8200</u>
<u>4479</u>	<u>8300</u>
<u>4533</u>	<u>8400</u>
<u>4587</u>	<u>8500</u>
<u>4641</u>	<u>8600</u>
<u>4695</u>	<u>8700</u>
<u>4749</u>	<u>8800</u>
<u>4803</u>	<u>8900</u>
<u>4857</u>	<u>9000</u>
<u>4911</u>	<u>9100</u>
<u>4965</u>	<u>9200</u>
<u>5019</u>	<u>9300</u>
<u>5073</u>	<u>9400</u>
<u>5127</u>	<u>9500</u>
<u>5181</u>	<u>9600</u>
<u>5235</u>	<u>9700</u>
<u>5289</u>	<u>9800</u>
<u>5343</u>	<u>9900</u>
<u>5397</u>	<u>10,000</u>
<u>5451</u>	<u>10,100</u>
<u>5505</u>	<u>10,200</u>
<u>5559</u>	<u>10,300</u>
<u>5613</u>	<u>10,400</u>
<u>5667</u>	<u>10,500</u>
<u>5721</u>	<u>10,600</u>

<u>5775</u>	<u>10,700</u>
<u>5729</u>	<u>10,800</u>
<u>5883</u>	<u>10,900</u>
<u>5937</u>	<u>11,000</u>
<u>5991</u>	<u>11,100</u>
<u>6045</u>	<u>11,200</u>
<u>6099</u>	<u>11,300</u>
<u>6153</u>	<u>11,400</u>
<u>6207</u>	<u>11,500</u>
<u>6261</u>	<u>11,600</u>
<u>6315</u>	<u>11,700</u>
<u>6369</u>	<u>11,800</u>
<u>6423</u>	<u>11,900</u>
<u>6477</u>	<u>12,000</u>
<u>6531</u>	<u>12,100</u>
<u>6585</u>	<u>12,200</u>
<u>6639</u>	<u>12,300</u>
<u>6693</u>	<u>12,400</u>
<u>6747</u>	<u>12,500</u>
<u>any amount in excess of 6747</u>	<u>12,500</u>

(c) The maximum monthly service pension amount per month for each year of service credited that may be provided for in the bylaws of the volunteer firefighters relief association must be set pursuant to Minnesota Statutes, section 424A.02, subdivision 3, paragraph (c).

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

Sec. 83. **VETERANS HOMES CONSTRUCTION.**

Subdivision 1. **Short title.** This section may be cited as the "People's Veterans Homes Act."

Subd. 2. **Veterans homes established.** (a) The commissioner of veterans affairs may apply for federal funding and establish veterans homes with up to 140 beds available to provide a continuum of care, including skilled nursing care, for eligible veterans and their spouses in the following locations:

(1) Preston;

(2) Montevideo; and

(3) Bemidji.

(b) The state shall provide the necessary operating costs for the veterans homes in excess of any revenue and federal funding for the homes that may be required to continue the operation of the homes and care for Minnesota veterans.

Subd. 3. **Nonstate contribution.** The commissioner of administration may accept contributions of land or money from private individuals, businesses, local governments, veterans service organizations, and other nonstate sources for the purpose of providing matching funding when soliciting federal funding for the development of the homes authorized by this section.

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

Sec. 84. **REPORT ON INFORMATION TECHNOLOGY CONSOLIDATION.**

No later than January 15, 2019, the Campaign Finance and Public Disclosure Board, the State Lottery, the Statewide Radio Board, the Minnesota State Retirement System, the Public Employees Retirement Association, the Teachers Retirement Association, and the State Board of Investment must each submit a report to the legislative committees with jurisdiction over state government finance on the impacts of the information technology services consolidation required by this act. The reports required by this section must be developed in consultation with the state chief information officer and must detail:

(1) the expected costs to the entity to complete the consolidation;

(2) whether the state chief information officer and the entity agree that all conditions for the certification required by this act have been met; and

(3) if all conditions for the certification have not been met, the joint work plan of the entity and the state chief information officer to address the unresolved issues in a way that leads to certification and, if applicable, recommendations for any additional legislation needed to complete that work.

Sec. 85. **REVISOR'S INSTRUCTION.**

In Minnesota Statutes, chapter 13, the revisor of statutes shall replace the term "commissioner of administration" with "chief administrative law judge" and the term "commissioner" with "chief administrative law judge" where it is clear the text is referring to the commissioner of administration.

Sec. 86. **REPEALERS.**

Subdivision 1. **Continuity of legislature.** Minnesota Statutes 2016, sections 3.93; 3.94; 3.95; and 3.96, are repealed, effective July 1, 2018.

Subd. 2. **Data practices transfer.** Minnesota Statutes 2016, section 13.02, subdivision 2, is repealed, effective July 1, 2018.

Subd. 3. **Attorney general contingent fees.** Minnesota Statutes 2016, section 8.10, is repealed, effective July 1, 2018.

Subd. 4. **Hair braiding.** Minnesota Statutes 2016, section 155A.28, subdivisions 1, 3, and 4, are repealed, effective July 1, 2018.

Subd. 5. **Legislative Budget Office.** Minnesota Statutes 2017 Supplement, section 3.98, subdivision 4, and Laws 2017, First Special Session chapter 4, article 2, section 59, are repealed, effective January 8, 2018.

Subd. 6. **Metropolitan Council.** Minnesota Statutes 2016, section 473.123, subdivision 3, and Laws 1994, chapter 628, article 1, section 8, are repealed, effective January 1, 2019.

ARTICLE 3
ADMINISTRATIVE RULE MAKING

Section 1. Minnesota Statutes 2016, section 14.03, subdivision 3, is amended to read:

Subd. 3. **Rulemaking procedures.** (a) The definition of a rule in section 14.02, subdivision 4, does not include:

(1) rules concerning only the internal management of the agency or other agencies that do not directly affect the rights of or procedures available to the public;

(2) an application deadline on a form; and the remainder of a form and instructions for use of the form to the extent that they do not impose substantive requirements other than requirements contained in statute or rule;

(3) the curriculum adopted by an agency to implement a statute or rule permitting or mandating minimum educational requirements for persons regulated by an agency, provided the topic areas to be covered by the minimum educational requirements are specified in statute or rule;

(4) procedures for sharing data among government agencies, provided these procedures are consistent with chapter 13 and other law governing data practices.

(b) The definition of a rule in section 14.02, subdivision 4, does not include:

(1) rules of the commissioner of corrections relating to the release, placement, term, and supervision of inmates serving a supervised release or conditional release term, the internal management of institutions under the commissioner's control, and rules adopted under section 609.105 governing the inmates of those institutions;

(2) rules relating to weight limitations on the use of highways when the substance of the rules is indicated to the public by means of signs;

(3) opinions of the attorney general;

(4) the data element dictionary and the annual data acquisition calendar of the Department of Education to the extent provided by section 125B.07;

(5) the occupational safety and health standards provided in section 182.655;

(6) revenue notices and tax information bulletins of the commissioner of revenue;

(7) uniform conveyancing forms adopted by the commissioner of commerce under section 507.09;

(8) standards adopted by the Electronic Real Estate Recording Commission established under section 507.0945; ~~or~~

(9) the interpretive guidelines developed by the commissioner of human services to the extent provided in chapter 245A; or

(10) policies established pursuant to section 14.031.

Sec. 2. **[14.031] POLICY PRONOUNCEMENTS.**

Subdivision 1. **Definition.** (a) As used in this section, "policy" means a public written policy, guideline, bulletin, manual, or similar document providing an interpretation, clarification, or explanation of a statute or rule to provide guidance for agency regulatory functions including but not limited to permits or enforcement actions.

The definition of a policy does not include:

(1) policies concerning only the internal management of the agency or other agencies that do not directly affect the rights of or procedures available to the public;

(2) forms and instructions for use of the form to the extent that they do not impose substantive requirements other than requirements contained in statute or rule;

(3) curriculums adopted by an agency to implement a statute or rule permitting or mandating minimum educational requirements for persons regulated by an agency, provided the topic areas to be covered by the minimum educational requirements are specified in statute or rule;

(4) procedures for sharing data among government agencies, provided these procedures are consistent with chapter 13 and other law governing data practices; or

(5) policies concerning agency actions required to comply with treaty obligations.

(b) A policy does not have the force of law.

(c) Policies established by the agency are subject to all of the following requirements:

(1) a policy shall comply with the statutes and rules that are in existence at the time the policy is established;

(2) a policy shall not establish any new requirement;

(3) a policy shall be established only by the commissioner of the agency; and

(4) the following statement must be printed on the first page of each policy in uppercase letters: "Every five years the agency shall review and update each policy that is established before the effective date of this section or that it establishes after the effective date of this section and shall prepare written documentation certifying that the policy has been reviewed and updated. A policy that has not been reviewed and updated pursuant to this paragraph is void."

Subd. 2. **Notice to legislature.** By January 15 each year, each agency must submit each policy the agency has or intends to publish under subdivision 3 in the upcoming calendar year to the policy and funding committees and divisions with jurisdiction over the agency. Each agency must post a link to its policies on the agency's Web site.

Subd. 3. **Public notice.** Before a policy is in effect, the agency must publish public notice of the proposed policy and solicit public comment. The agency shall use the procedure set forth under section 14.22 to provide public notice and meeting. The agency shall publish the public notice on the agency's Web site. The agency must send a copy of the same notice to the chairs and ranking minority members of the legislative policy and budget committees with jurisdiction over the subject matter of the proposed policy. The public comment period shall be 30 days after the date of a public meeting on the policy.

Subd. 4. **Final publication.** The agency must make all policies that conform to this section available electronically on the agency's Web site within 60 days of the completion of requirements in this section.

Subd. 5. **Committee action; delay action.** The agency shall not use a policy until the legislature adjourns the annual legislative session that began the year the legislature received notice of the policy under subdivision 2. The speaker of the house and the president of the senate shall determine if a committee has jurisdiction over the agency before a committee may act under this section.

Subd. 6. **Policy docket.** (a) Each agency shall maintain a policy docket with the agency's current public rulemaking docket under section 14.366.

(b) The policy docket must contain:

(1) a listing of the precise subject matter;

(2) the name and address of agency personnel with whom persons may communicate with respect to the matter and an indication of its present status within the agency;

(3) any known timetable for agency decisions or other action in the proceeding;

(4) the date of the public hearing on the policy;

(5) the schedule for public comments on the policy; and

(6) the date the policy became or becomes effective.

Sec. 3. Minnesota Statutes 2016, section 14.127, subdivision 4, is amended to read:

Subd. 4. **Exceptions.** (a) Subdivision 3 does not apply if the administrative law judge approves an agency's determination that the legislature has appropriated money to sufficiently fund the expected cost of the rule upon the business or city proposed to be regulated by the rule.

(b) Subdivision 3 does not apply if the administrative law judge approves an agency's determination that the rule has been proposed pursuant to a specific federal statutory or regulatory mandate.

(c) This section does not apply if the rule is adopted under section 14.388 or under another law specifying that the rulemaking procedures of this chapter do not apply.

(d) This section does not apply to a rule adopted by the Public Utilities Commission.

~~(e) Subdivision 3 does not apply if the governor waives application of subdivision 3. The governor may issue a waiver at any time, either before or after the rule would take effect, but for the requirement of legislative approval. As soon as possible after issuing a waiver under this paragraph, the governor must send notice of the waiver to the speaker of the house and the president of the senate and must publish notice of this determination in the State Register.~~

Sec. 4. **[14.1275] RULES IMPACTING RESIDENTIAL CONSTRUCTION OR REMODELING; LEGISLATIVE NOTICE AND REVIEW.**

Subdivision 1. **Definition.** As used in this section, "residential construction" means the new construction or remodeling of any building subject to the Minnesota Residential Code.

Subd. 2. **Impact on housing; agency determination.** (a) An agency must determine if implementation of a proposed rule, or any portion of a proposed rule, will, on average, increase the cost of residential construction or remodeling by \$1,000 or more per unit, and whether the proposed rule meets the state regulatory policy objectives described in section 14.002. In calculating the cost of implementing a proposed rule, the agency may consider the impact of other related proposed rules on the overall cost of residential construction. If applicable, the agency may include offsetting savings that may be achieved through implementation of related proposed rules in its calculation under this subdivision.

(b) The agency must make the determination required by paragraph (a) before the close of the hearing record, or before the agency submits the record to the administrative law judge if there is no hearing. Upon request of a party affected by the proposed rule, the administrative law judge must review and approve or disapprove an agency's determination under this subdivision.

Subd. 3. **Notice to legislature; legislative review.** If the agency determines that the impact of a proposed rule meets or exceeds the cost threshold provided in subdivision 2, or if the administrative law judge separately confirms the cost of any portion of a rule exceeds the cost threshold provided in subdivision 2, the agency must notify, in writing, the chair and ranking minority members of the policy committees of the house of representatives and the senate with jurisdiction over the subject matter of the proposed rule within ten days of the determination. The agency shall not adopt the proposed rule until after the adjournment of the next annual session of the legislature convened on or after the date that notice required in this subdivision is given to the chairs and ranking minority members.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to administrative rules proposed on or after that date.

Sec. 5. Minnesota Statutes 2016, section 14.381, is amended by adding a subdivision to read:

Subd. 4. **Fees and expenses.** (a) The administrative law judge shall award fees and other expenses to the prevailing party under subdivision 1, unless special circumstances make an award unjust.

(b) A party seeking an award of fees and other expenses shall, within 30 days of administrative law judge's report issued in the action, submit to the administrative law judge an application of fees and other expenses that shows that the party is a prevailing party and is eligible to receive an award, and the amount sought, including an itemized statement from any attorney or expert witness representing or appearing on behalf of the party stating the actual time expended and the rate at which fees and other expenses were computed.

(c) The administrative law judge may reduce the amount to be awarded under this section, or deny an award, to the extent that during the proceedings the prevailing party engaged in conduct that unduly and unreasonably protracted the final resolution of the matter in controversy. The decision of an administrative law judge under this section must be made a part of the record containing the final decision of the agency and must include written findings and conclusions.

(d) This section does not preclude a party from recovering costs, disbursements, fees, and expenses under other applicable law.

Sec. 6. **REPEALER.**

Minnesota Statutes 2016, section 14.381, subdivision 3, is repealed.

Sec. 7. **EFFECTIVE DATE; APPLICATION.**

(a) This article is effective August 1, 2018, and applies to rules for which a notice of hearing under Minnesota Statutes, section 14.14; a notice of intent to adopt under Minnesota Statutes, section 14.22; or a dual notice under Minnesota Statutes, section 14.225, is published in the State Register on or after that date.

(b) This article also applies to policies established on or after January 1, 2019. All policies existing on or before the date of enactment shall be posted on the agency's public docket on or before January 1, 2019.

ARTICLE 4
CAMPAIGN FINANCE

Section 1. Minnesota Statutes 2016, section 10A.02, subdivision 13, is amended to read:

Subd. 13. **Rules.** (a) Chapter 14 applies to the board. The board may adopt rules to carry out the purposes of this chapter if, before June 1, 2018, the board has published a notice of intent to adopt a rule without public hearing under section 14.22, subdivision 1, 14.389, subdivision 2, or 14.3895, subdivision 3; a dual notice under section 14.22, subdivision 2; or a notice of hearing on a proposed rule under section 14.14.

(b) After May 31, 2018, the board may only adopt rules that:

(1) incorporate specific changes set forth in applicable statutes when no interpretation of law is required; or

(2) make changes to rules that do not alter the sense, meaning, or effect of a rule.

(c) In addition to the notice required under chapter 14, the board shall notify the chairs and ranking minority members of the committees or subcommittees in the senate and house of representatives with primary jurisdiction over elections within seven calendar days of taking the following actions:

(1) publication of a notice of intent to adopt rules or a notice of hearing;

(2) publication of proposed rules in the State Register;

(3) issuance of a statement of need and reasonableness; or

(4) adoption of final rules.

EFFECTIVE DATE. This section is effective the day following final enactment for rules for which a notice of intent to adopt a rule without public hearing under Minnesota Statutes, section 14.22, subdivision 1, 14.389, subdivision 2, or 14.3895, subdivision 3; a dual notice under Minnesota Statutes, section 14.22, subdivision 2; or a notice of hearing on a proposed rule under Minnesota Statutes, section 14.14, was published before June 1, 2018.

Sec. 2. Minnesota Statutes 2016, section 10A.31, subdivision 1, is amended to read:

Subdivision 1. **Designation.** An individual resident of this state who files an income tax return or a renter and homeowner property tax refund return with the commissioner of revenue may designate on their original return that \$5 be paid from the general fund of the state into the state elections campaign account. If a husband and wife file a joint return, each spouse may designate that \$5 be paid. No individual is allowed to designate \$5 more than once in any year. ~~The taxpayer may designate that the amount be paid into the account of a political party or into the general account.~~

Sec. 3. Minnesota Statutes 2016, section 10A.31, subdivision 3, is amended to read:

Subd. 3. **Form.** The commissioner of revenue must provide on the first page of the income tax form and the renter and homeowner property tax refund return a space for the individual to indicate a wish to pay \$5 (\$10 if filing a joint return) from the general fund of the state to finance election campaigns. ~~The form must also contain language prepared by the commissioner that permits the individual to direct the state to pay the \$5 (or \$10 if filing a joint return) to: (1) one of the major political parties; (2) any minor political party that qualifies under subdivision 3a; or (3) all qualifying candidates as provided by subdivision 7.~~ The renter and homeowner property tax refund return must include instructions that the individual filing the return may designate \$5 on the return only if the individual has not designated \$5 on the income tax return.

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

Subd. 4. **Appropriation.** (a) The amounts designated by individuals for the state elections campaign account, less three percent, ~~are appropriated from the general fund,~~ must be transferred and credited to the ~~appropriate account in the~~ state elections campaign account, and are annually appropriated for distribution as set forth in ~~subdivisions 5, 5a, 6, and 7~~ this section. The remaining three percent must be kept in the general fund for administrative costs.

(b) In addition to the amounts in paragraph (a), \$1,020,000 for each general election is appropriated from the general fund for transfer to the general account of the state elections campaign account.

Sec. 5. Minnesota Statutes 2016, section 10A.31, subdivision 5, is amended to read:

Subd. 5. **Allocation.** ~~(a) General account.~~ In each calendar year the money in the general account must be allocated to candidates as follows:

(1) 21 percent for the offices of governor and lieutenant governor together;

(2) 4.2 percent for the office of attorney general;

(3) 2.4 percent each for the offices of secretary of state and state auditor;

(4) in each calendar year during the period in which state senators serve a four-year term, 23-1/3 percent for the office of state senator, and 46-2/3 percent for the office of state representative; and

(5) in each calendar year during the period in which state senators serve a two-year term, 35 percent each for the offices of state senator and state representative.

~~(b) Party account. In each calendar year the money in each party account must be allocated as follows:~~

~~(1) 14 percent for the offices of governor and lieutenant governor together;~~

~~(2) 2.8 percent for the office of attorney general;~~

~~(3) 1.6 percent each for the offices of secretary of state and state auditor;~~

~~(4) in each calendar year during the period in which state senators serve a four year term, 23 1/3 percent for the office of state senator, and 46 2/3 percent for the office of state representative;~~

~~(5) in each calendar year during the period in which state senators serve a two year term, 35 percent each for the offices of state senator and state representative; and~~

~~(6) ten percent or \$50,000, whichever is less, for the state committee of a political party; one third of any amount in excess of that allocated to the state committee of a political party under this clause must be allocated to the office of state senator and two thirds must be allocated to the office of state representative under clause (4).~~

~~Money allocated to each state committee under clause (6) must be deposited in a separate account and must be spent for only those items enumerated in section 10A.275. Money allocated to a state committee under clause (6) must be paid to the committee by the board as it is received in the account on a monthly basis, with payment on the 15th day of the calendar month following the month in which the returns were processed by the Department of Revenue, provided that these distributions would be equal to 90 percent of the amount of money indicated in the~~

~~Department of Revenue's weekly unedited reports of income tax returns and property tax refund returns processed in the month, as notified by the Department of Revenue to the board. The amounts paid to each state committee are subject to biennial adjustment and settlement at the time of each certification required of the commissioner of revenue under subdivisions 7 and 10. If the total amount of payments received by a state committee for the period reflected on a certification by the Department of Revenue is different from the amount that should have been received during the period according to the certification, each subsequent monthly payment must be increased or decreased to the fullest extent possible until the amount of the overpayment is recovered or the underpayment is distributed.~~

Sec. 6. Minnesota Statutes 2016, section 10A.31, subdivision 7, is amended to read:

Subd. 7. **Distribution of general account.** (a) As soon as the board has obtained the results of the primary election from the secretary of state, but no later than one week after certification of the primary results by the State Canvassing Board, the board must distribute the available money in the general state elections campaign account, as certified by the commissioner of revenue one week before the state primary and according to allocations set forth in subdivision 5, in equal amounts to all candidates of a major political party whose names are to appear on the ballot in the general election and who:

- (1) have signed a spending limit agreement under section 10A.322;
- (2) have filed the affidavit of contributions required by section 10A.323; and
- (3) were opposed in either the primary election or the general election.

(b) The public subsidy paid under this subdivision may not ~~be paid in an amount that would cause the sum of the public subsidy paid from the party account plus the public subsidy paid from the general account to exceed~~ 50 percent of the expenditure limit for the candidate or 50 percent of the expenditure limit that would have applied to the candidate if the candidate had not been freed from expenditure limits under section 10A.25, subdivision 10. Money from the general account not paid to a candidate because of the 50 percent limit must be distributed equally among all other qualifying candidates for the same office until all have reached the 50 percent limit or the balance in the general account is exhausted.

Sec. 7. Minnesota Statutes 2016, section 10A.31, subdivision 10, is amended to read:

Subd. 10. **December distribution.** In the event that on the date of either certification by the commissioner of revenue as provided in subdivision ~~6 or~~ 7, less than 98 percent of the tax returns have been processed, the commissioner of revenue must certify to the board by December 1 the amount accumulated in ~~each the~~ each the account since the previous certification. By December 15, the board must distribute to each candidate according to the ~~allocations in subdivisions 5 and 5a~~ allocation in subdivision 5 the amounts to which the candidates are entitled.

Sec. 8. Minnesota Statutes 2016, section 10A.31, subdivision 10b, is amended to read:

Subd. 10b. **Remainder.** Money accumulated after the final certification must be kept in the ~~respective accounts~~ state elections campaign account for distribution in the next general election year.

Sec. 9. Minnesota Statutes 2016, section 10A.315, is amended to read:

10A.315 SPECIAL ELECTION SUBSIDY.

(a) Each eligible candidate for a legislative office in a special election must be paid a public subsidy equal to the ~~sum of:~~

~~(1) the party account money at the last general election for the candidate's party for the office the candidate is seeking; and~~

~~(2) the general account~~ amount of state elections campaign money paid to a candidate for the same office at the last general election.

(b) A candidate who wishes to receive this public subsidy must submit a signed agreement under section 10A.322 to the board and must meet the contribution requirements of section 10A.323. The special election subsidy must be distributed in the same manner as money in the ~~party and general accounts~~ state elections campaign account is distributed to legislative candidates in a general election.

(c) The amount necessary to make the payments required by this section is appropriated from the general fund for transfer to the state special elections campaign account for distribution by the board as set forth in this section.

Sec. 10. Minnesota Statutes 2016, section 10A.321, subdivision 1, is amended to read:

Subdivision 1. **Calculation and certification of estimates.** The commissioner of revenue must calculate and certify to the board one week before the first day for filing for office in each election year an estimate of the total amount in the ~~state general account of the~~ state elections campaign account and the amount of money each candidate who qualifies, as provided in section 10A.31, ~~subdivisions 6 and~~ subdivision 7, may receive from the ~~candidate's party account in the state elections campaign~~ account. This estimate must be based upon the allocations ~~and formulas in section 10A.31, subdivisions 5 and 5a, any necessary vote totals provided by the secretary of state to apply the formulas in section 10A.31, subdivisions 5 and 5a, subdivision 5,~~ and the amount of money expected to be available after 100 percent of the tax returns have been processed.

Sec. 11. Minnesota Statutes 2016, section 290.06, subdivision 23, is amended to read:

Subd. 23. **Refund of contributions to political parties and candidates.** (a) A taxpayer may claim a refund equal to the amount of the taxpayer's contributions made in the calendar year to candidates and to a political party. The maximum refund for an individual must not exceed \$50 and for a married couple, filing jointly, must not exceed \$100. A refund of a contribution is allowed only if the taxpayer files a form required by the commissioner and attaches to the form a copy of an official refund receipt form issued by the candidate or party and signed by the candidate, the treasurer of the candidate's principal campaign committee, or the chair or treasurer of the party unit, after the contribution was received. The receipt forms must be numbered, and the data on the receipt that are not public must be made available to the campaign finance and public disclosure board upon its request. A claim must be filed with the commissioner no sooner than January 1 of the calendar year in which the contribution was made and no later than April 15 of the calendar year following the calendar year in which the contribution was made. A taxpayer may file only one claim per calendar year. Amounts paid by the commissioner after June 15 of the calendar year following the calendar year in which the contribution was made must include interest at the rate specified in section 270C.405.

(b) No refund is allowed under this subdivision for a contribution to a candidate unless the candidate:

(1) has signed an agreement to limit campaign expenditures as provided in section 10A.322;

(2) is seeking an office for which voluntary spending limits are specified in section 10A.25; and

(3) has designated a principal campaign committee.

This subdivision does not limit the campaign expenditures of a candidate who does not sign an agreement but accepts a contribution for which the contributor improperly claims a refund.

(c) For purposes of this subdivision, "political party" means a major political party as defined in section 200.02, subdivision 7, or a minor political party ~~qualifying for inclusion on the income tax or property tax refund form under section 10A.31, subdivision 3a~~ as defined in section 200.02, subdivision 23.

A "major party" or "minor party" includes the aggregate of that party's organization within each house of the legislature, the state party organization, and the party organization within congressional districts, counties, legislative districts, municipalities, and precincts.

"Candidate" means a candidate as defined in section 10A.01, subdivision 10, except a candidate for judicial office.

"Contribution" means a gift of money.

(d) The commissioner shall make copies of the form available to the public and candidates upon request.

(e) The following data collected or maintained by the commissioner under this subdivision are private: the identities of individuals claiming a refund, the identities of candidates to whom those individuals have made contributions, and the amount of each contribution.

(f) The commissioner shall report to the campaign finance and public disclosure board by each August 1 a summary showing the total number and aggregate amount of political contribution refunds made on behalf of each candidate and each political party. These data are public.

(g) The amount necessary to pay claims for the refund provided in this section is appropriated from the general fund to the commissioner of revenue.

(h) For a taxpayer who files a claim for refund via the Internet or other electronic means, the commissioner may accept the number on the official receipt as documentation that a contribution was made rather than the actual receipt as required by paragraph (a).

Sec. 12. **REPEALER.**

Minnesota Statutes 2016, sections 10A.30, subdivision 2; and 10A.31, subdivisions 3a, 5a, 6, and 6a, are repealed.

Sec. 13. **EFFECTIVE DATE; APPLICABILITY.**

This article is effective the day following final enactment, and provisions impacting the public subsidy for candidates apply to elections held on or after that date. No later than July 1, 2018, the Campaign Finance and Public Disclosure Board must notify, in writing, all candidates who have signed an agreement applicable for the 2018 general election of the changes enacted by this article, and provide each candidate an opportunity, at the candidate's discretion, to sign a new agreement that reflects these changes. Agreements applicable for the 2018 general election that were signed prior to the effective date of this section remain valid for the sole purpose of establishing the candidate's eligibility to participate in the political contribution refund program authorized by Minnesota Statutes, section 290.06, subdivision 23, but are otherwise unenforceable and invalid for any other purpose.

ARTICLE 5
MINNESOTA SPORTS FACILITIES AUTHORITY

Section 1. Minnesota Statutes 2016, section 13.55, subdivision 1, is amended to read:

Subdivision 1. **Not public classification.** The following data received, created, or maintained by or for publicly owned and operated convention facilities, civic center authorities, or the ~~Metropolitan Minnesota Sports Facilities Commission~~ Authority are classified as nonpublic data pursuant to section 13.02, subdivision 9; or private data on individuals pursuant to section 13.02, subdivision 12:

(a) a letter or other documentation from any person who makes inquiry to or who is contacted by the facility regarding the availability of the facility for staging events;

(b) identity of firms and corporations which contact the facility;

(c) type of event which they wish to stage in the facility;

(d) suggested terms of rentals; and

(e) responses of authority staff to these inquiries.

Sec. 2. Minnesota Statutes 2016, section 13.55, subdivision 2, is amended to read:

Subd. 2. **Public data.** (a) The data made not public by the provisions of subdivision 1 shall become public upon the occurrence of any of the following:

~~(a)~~ (1) five years elapse from the date on which the lease or contract is entered into between the facility and the inquiring party or parties or the event which was the subject of inquiry occurs at the facility, whichever occurs earlier;

~~(b)~~ (2) the event which was the subject of inquiry does not occur; or

~~(c)~~ (3) the event which was the subject of inquiry occurs elsewhere.

(b) Data regarding persons receiving free or discounted admission, tickets, or other gifts from publicly owned and operated convention facilities, civic center authorities, or the Minnesota Sports Facilities Authority are public data unless the data are subject to the provisions of subdivision 1 or 4, paragraph (b).

Sec. 3. Minnesota Statutes 2016, section 16A.965, is amended by adding a subdivision to read:

Subd. 11. **Prepayment of bonds.** By June 30, 2024, and every fourth fiscal year thereafter, the commissioner shall set aside, in a separate account in the general fund, an amount equal to the cumulative reduction in the payment for stadium operating expenses under section 473J.13, subdivision 2, paragraph (b), over the previous four fiscal years. When a sufficient amount has accumulated in that account to make it practicable, the commissioner must use amounts in the account to prepay or defease bonds in a manner that preserves the tax exempt status of the bonds.

EFFECTIVE DATE. This section is effective July 1, 2020, and applies to reductions to stadium operating expenses payments made in that fiscal year and thereafter.

Sec. 4. Minnesota Statutes 2016, section 297A.994, subdivision 4, is amended to read:

Subd. 4. **General fund allocations.** The commissioner must retain and deposit to the general fund the following amounts, as required by subdivision 3, clause (3):

(1) for state bond debt service support beginning in calendar year 2021, and for each calendar year thereafter through calendar year 2046, periodic amounts so that not later than December 31, 2046, an aggregate amount equal to a present value of \$150,000,000 has been deposited in the general fund. To determine aggregate present value, the commissioner must consult with the commissioner of management and budget regarding the present value dates, discount rate or rates, and schedules of annual amounts. The present value date or dates must be based on the date or dates bonds are sold under section 16A.965, or the date or dates other state funds, if any, are deposited into the construction fund. The discount rate or rates must be based on the true interest cost of the bonds issued under section 16A.965, or an equivalent 30-year bond index, as determined by the commissioner of management and budget. The schedule of annual amounts must be certified to the commissioner by the commissioner of management and budget and the finance officer of the city;

(2) for the capital improvement reserve appropriation to the Minnesota Sports Facilities Authority beginning in calendar year 2021, and for each calendar year thereafter through calendar year 2046, an aggregate annual amount equal to the amount paid by the state for this purpose in that calendar year under section 473J.13, subdivision 4;

(3) for the operating expense appropriation to the Minnesota Sports Facilities Authority beginning in calendar year 2021, and for each calendar year thereafter through calendar year 2046, an aggregate annual amount equal to the amount paid by the state for this purpose in that calendar year under section 473J.13, subdivision 2, determined without regard to any reduction under section 473J.13, subdivision 2, paragraph (b);

(4) for recapture of state advances for capital improvements and operating expenses for calendar years 2016 through 2020 beginning in calendar year 2021, and for each calendar year thereafter until all amounts under this clause have been paid, proportionate amounts periodically until an aggregate amount equal to the present value of all amounts paid by the state have been deposited in the general fund. To determine the present value of the amounts paid by the state to the authority and the present value of amounts deposited to the general fund under this clause, the commissioner shall consult with the commissioner of management and budget regarding the present value dates, discount rate or rates, and schedule of annual amounts. The present value dates must be based on the dates state funds are paid to the authority, or the dates the commissioner of revenue deposits taxes for purposes of this clause to the general fund. The discount rates must be based on the reasonably equivalent cost of state funds as determined by the commissioner of management and budget. The schedule of annual amounts must be revised to reflect amounts paid under section 473J.13, subdivision 2, paragraph (b), for 2016 to 2020, and subdivision 4, paragraph (c), for 2016 to 2020, and taxes deposited to the general fund from time to time under this clause, and the schedule and revised schedules must be certified to the commissioner by the commissioner of management and budget and the finance officer of the city, and are transferred as accrued from the general fund for repayment of advances made by the state to the authority. Determination of the present value amounts must be made without regard to any reduction in the state advances resulting from a reduction in the payments under section 473J.13, subdivision 2, paragraph (b); and

(5) to capture increases in taxes imposed under the special law, for the benefit of the Minnesota Sports Facilities Authority, beginning in calendar year 2013 and for each calendar year thereafter through 2046, there shall be deposited to the general fund in proportionate periodic payments in the following year, an amount equal to the following:

(i) 50 percent of the difference, if any, by which the amount of the net annual taxes for the previous year exceeds the sum of the net actual taxes in calendar year 2011 plus \$1,000,000, inflated at two percent per year since 2011, minus

(ii) 25 percent of the difference, if any, by which the amount of the net annual taxes for the preceding year exceeds the sum of the net actual taxes in calendar year 2011 plus \$3,000,000, inflated at two percent per year since 2011.

EFFECTIVE DATE. This section is effective upon compliance by the governing body of the city of Minneapolis with Minnesota Statutes, section 645.021.

Sec. 5. Minnesota Statutes 2016, section 297E.021, subdivision 3, is amended to read:

Subd. 3. **Available revenues.** For purposes of this section, "available revenues" equals the amount determined under subdivision 2, ~~plus up to \$20,000,000 each fiscal year from the taxes imposed under section 290.06, subdivision 1;~~

(1) reduced by the following amounts paid for the fiscal year under:

(i) the appropriation to principal and interest on appropriation bonds under section 16A.965, subdivision 8;

(ii) the appropriation from the general fund to make operating expense payments under section 473J.13, subdivision 2, paragraph (b);

(iii) the appropriation for contributions to the capital reserve fund under section 473J.13, subdivision 4, paragraph (c);

(iv) the appropriations under Laws 2012, chapter 299, article 4, for administration and any successor appropriation;

(v) the reduction in revenues resulting from the sales tax exemptions under section 297A.71, subdivision 43;

(vi) reimbursements authorized by section 473J.15, subdivision 2, paragraph (d);

(vii) the compulsive gambling appropriations under section 297E.02, subdivision 3, paragraph (c), and any successor appropriation; and

(viii) the appropriation for the city of St. Paul under section 16A.726, paragraph (c); and

(2) increased by the revenue deposited in the general fund under section 297A.994, subdivision 4, clauses (1) to (3), for the fiscal year.

EFFECTIVE DATE. This section is effective for fiscal years beginning after June 30, 2019.

Sec. 6. Minnesota Statutes 2016, section 297E.021, subdivision 4, is amended to read:

Subd. 4. **Appropriation; general reserve account.** (a) To the extent the commissioner determines that revenues are available under subdivision 3 for the fiscal year, those amounts are appropriated from the general fund for deposit in a general reserve account established by order of the commissioner of management and budget. Appropriations under this subdivision for each fiscal year are limited to the amounts necessary to provide a balance in the reserve account up to the limit under paragraph (b). Amounts in this reserve are appropriated as necessary for application against any shortfall in the amounts deposited to the general fund under section 297A.994 or, after consultation with the Legislative Commission on Planning and Fiscal Policy, amounts in this reserve are appropriated to the commissioner of management and budget for other uses related to the stadium authorized under section 473J.03, subdivision 8, that the commissioner deems financially prudent including but not limited to reimbursements for capital and operating costs relating to the stadium, refundings, and prepayment of debt. In no

event, shall available revenues be pledged, nor shall the appropriations of available revenues made by this section constitute a pledge of available revenues as security for the prepayment of principal and interest on the appropriation bonds under section 16A.965.

(b) The balance in the reserve account established by the commissioner under this subdivision must not exceed \$26,821,000.

EFFECTIVE DATE. This section is effective July 1, 2019, and any amount above the limit set in paragraph (b) on that date cancels to the general fund.

Sec. 7. Minnesota Statutes 2016, section 340A.404, subdivision 1, is amended to read:

Subdivision 1. **Cities.** (a) A city may issue an on-sale intoxicating liquor license to the following establishments located within its jurisdiction:

(1) hotels;

(2) restaurants;

(3) bowling centers;

(4) clubs or congressionally chartered veterans organizations with the approval of the commissioner, provided that the organization has been in existence for at least three years and liquor sales will only be to members and bona fide guests, except that a club may permit the general public to participate in a wine tasting conducted at the club under section 340A.419;

(5) sports facilities, restaurants, clubs, or bars located on land owned or leased by the Minnesota Sports Facilities Authority; and

~~(6) sports facilities located on land owned by the Metropolitan Sports Commission; and~~

~~(7) (6)~~ exclusive liquor stores.

(b) A city may issue an on-sale intoxicating liquor license, an on-sale wine license, or an on-sale malt liquor license to a theater within the city, notwithstanding any law, local ordinance, or charter provision. A license issued under this paragraph authorizes sales on all days of the week to persons attending events at the theater.

(c) A city may issue an on-sale intoxicating liquor license, an on-sale wine license, or an on-sale malt liquor license to a convention center within the city, notwithstanding any law, local ordinance, or charter provision. A license issued under this paragraph authorizes sales on all days of the week to persons attending events at the convention center. This paragraph does not apply to convention centers located in the seven-county metropolitan area.

(d) A city may issue an on-sale wine license and an on-sale malt liquor license to a person who is the owner of a summer collegiate league baseball team, or to a person holding a concessions or management contract with the owner, for beverage sales at a ballpark or stadium located within the city for the purposes of summer collegiate league baseball games at the ballpark or stadium, notwithstanding any law, local ordinance, or charter provision. A license issued under this paragraph authorizes sales on all days of the week to persons attending baseball games at the ballpark or stadium.

Sec. 8. Minnesota Statutes 2016, section 352.01, subdivision 2a, is amended to read:

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

- (1) employees of the Minnesota Historical Society;
- (2) employees of the State Horticultural Society;
- (3) employees of the Minnesota Crop Improvement Association;
- (4) employees of the adjutant general whose salaries are paid from federal funds and who are not covered by any federal civilian employees retirement system;
- (5) employees of the Minnesota State Colleges and Universities who are employed under the university or college activities program;
- (6) currently contributing employees covered by the system who are temporarily employed by the legislature during a legislative session or any currently contributing employee employed for any special service as defined in subdivision 2b, clause (6);
- (7) employees of the legislature who are appointed without a limit on the duration of their employment;
- (8) trainees who are employed on a full-time established training program performing the duties of the classified position for which they will be eligible to receive immediate appointment at the completion of the training period;
- (9) employees of the Minnesota Safety Council;
- (10) any employees who are on authorized leave of absence from the Transit Operating Division of the former Metropolitan Transit Commission and who are employed by the labor organization which is the exclusive bargaining agent representing employees of the Transit Operating Division;
- (11) employees of the Metropolitan Council, Metropolitan Parks and Open Space Commission, ~~Metropolitan Sports Facilities Commission~~, or Metropolitan Mosquito Control Commission unless excluded under subdivision 2b or are covered by another public pension fund or plan under section 473.415, subdivision 3;
- (12) judges of the Tax Court;
- (13) personnel who were employed on June 30, 1992, by the University of Minnesota in the management, operation, or maintenance of its heating plant facilities, whose employment transfers to an employer assuming operation of the heating plant facilities, so long as the person is employed at the University of Minnesota heating plant by that employer or by its successor organization;
- (14) personnel who are employed as seasonal employees in the classified or unclassified service;
- (15) persons who are employed by the Department of Commerce as a peace officer in the Commerce Fraud Bureau under section 45.0135 who have attained the mandatory retirement age specified in section 43A.34, subdivision 4;
- (16) employees of the University of Minnesota unless excluded under subdivision 2b, clause (3);

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

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

(19) employees of the Minnesota Sports Facilities Authority;

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

(21) employees of the Minnesota State Retirement System;

(22) employees of the State Agricultural Society;

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

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

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

Sec. 9. Minnesota Statutes 2016, section 473.121, subdivision 5a, is amended to read:

Subd. 5a. **Metropolitan agency.** "Metropolitan agency" means the Metropolitan Parks and Open Space Commission, and the Metropolitan Airports Commission, and Metropolitan Sports Facilities Commission.

Sec. 10. Minnesota Statutes 2016, section 473.164, is amended to read:

473.164 SPORTS, AIRPORT COMMISSIONS COMMISSION TO PAY COUNCIL COSTS.

Subdivision 1. **Annually reimburse.** The ~~Metropolitan Sports Facilities Commission and the Metropolitan Airports Commission~~ shall annually reimburse the council for costs incurred by the council in the discharge of its responsibilities relating to the commission. The costs may be charged against any revenue sources of the commission as determined by the commission.

Subd. 2. **Estimates, budget, transfer.** On or before May 1 of each year, the council shall transmit to ~~each the~~ commission an estimate of the costs which the council will incur in the discharge of its responsibilities related to the commission in the next budget year including, without limitation, costs in connection with the preparation, review, implementation and defense of plans, programs and budgets of the commission. ~~Each The~~ commission shall include the estimates in its budget for the next budget year and may transmit its comments concerning the estimated amount to the council during the budget review process. Prior to December 15 of each year, the amount budgeted by ~~each the~~ commission for the next budget year may be changed following approval by the council. During each budget year, the commission shall transfer budgeted funds to the council in advance when requested by the council.

Subd. 3. **Final statement.** At the conclusion of each budget year, the council, in cooperation with ~~each the~~ commission, shall adopt a final statement of costs incurred by the council for ~~each the~~ commission. Where costs incurred in the budget year have exceeded the amount budgeted, ~~each the~~ commission shall transfer to the council

the additional moneys needed to pay the amount of the costs in excess of the amount budgeted, and shall include a sum in its next budget. Any excess of budgeted costs over actual costs may be retained by the council and applied to the payment of budgeted costs in the next year.

Sec. 11. Minnesota Statutes 2016, section 473.565, subdivision 1, is amended to read:

Subdivision 1. **In MSRS; exceptions.** All employees of the former commission shall be members of the Minnesota State Retirement System with respect to service rendered on or after May 17, 1977, except as provided in this section.

Sec. 12. Minnesota Statutes 2016, section 473.755, subdivision 4, is amended to read:

Subd. 4. **Bylaws.** The authority shall adopt bylaws to establish rules of procedure, the powers and duties of its officers, and other matters relating to the governance of the authority and the exercise of its powers. Except as provided in this section, the bylaws adopted under this subdivision shall be similar in form and substance to bylaws adopted by the Metropolitan Sports Facilities Commission pursuant to Minnesota Statutes 2012, section 473.553.

Sec. 13. Minnesota Statutes 2016, section 473.763, subdivision 2, is amended to read:

Subd. 2. **Acquisition.** Subject to the rules of Major League Baseball, the governor ~~and the Metropolitan Sports Facilities Commission~~ must attempt to facilitate the formation of a corporation to acquire the baseball franchise and to identify an individual private managing owner of the corporation. The corporation formed to acquire the franchise shall have a capital structure in compliance with all of the following provisions:

(1) there may be two classes of capital stock: common stock and preferred stock. Both classes of stock must give holders voting rights with respect to any relocation or voluntary contraction of the franchise;

(2) the private managing owner must own no less than 25 percent and no more than 35 percent of the common stock. For purposes of this restriction, shares of common stock owned by the private managing owner include shares of common stock owned by any related taxpayer as defined in section 1313(c) of the Internal Revenue Code of 1986, as amended. Other than the rights of all other holders of common stock and preferred stock with respect to relocation or voluntary contraction of the franchise, the private managing owner must control all aspects of the operation of the corporation;

(3) other than the private managing owner, no individual or entity may own more than five percent of the common stock of the corporation;

(4) at least 50 percent of the ownership of the common stock must be sold to members of the general public in a general solicitation and a person or entity must not own more than one percent of common stock of the corporation; and

(5) the articles of incorporation, bylaws, and other governing documents must provide that the franchise may not move outside of the state or agree to voluntary contraction without approval of at least 75 percent of the shares of common stock and at least 75 percent of the shares of preferred stock. Notwithstanding any law to the contrary, these 75 percent approval requirements shall not be amended by the shareholders or by any other means.

Except as specifically provided by Laws 2006, chapter 257, no state agency may spend money from any state fund for the purpose of generating revenue under this subdivision or for the purpose of providing operating support or defraying operating losses of a professional baseball franchise.

Sec. 14. Minnesota Statutes 2016, section 473J.03, is amended by adding a subdivision to read:

Subd. 13. Stadium space. "Stadium space" means a seat, personal seat license, suite, club room, parking, or any other part of the stadium or license to access any part of the stadium that a member of the general public would have to pay to use or access.

Sec. 15. Minnesota Statutes 2016, section 473J.07, subdivision 2, is amended to read:

Subd. 2. Membership. (a) The authority shall consist of five members.

(b) ~~The chair and two~~ Three members shall be appointed by the governor and confirmed by the house of representatives and the senate. One member appointed by the governor shall serve until December 31 of the third year following appointment and one member shall serve until December 31 of the fourth year following appointment. Thereafter, members appointed by the governor shall serve four-year terms, beginning January 1. Each member serves until a successor is appointed and takes office unless removed by the appointing authority for cause. Cause for removal includes violation of the employee code of ethics in section 43A.38. ~~The chair serves at the pleasure of the governor.~~

(c) The mayor of the city shall appoint and the house of representatives and the senate shall confirm two members to the authority. One member appointed by the mayor of the city shall serve until December 31 of the third year following appointment and one member shall serve until December 31 of the fourth year following appointment. Thereafter, members appointed under this paragraph shall serve four-year terms beginning January 1. Each member serves until a successor is appointed and takes office unless removed by the appointing authority for cause. Cause for removal includes violation of the employee code of ethics in section 43A.38. Members appointed under this paragraph may reside within the city and may be appointed officials of a political subdivision.

~~(d) The initial members of the authority must be appointed not later than June 13, 2012.~~

EFFECTIVE DATE. This section is effective the day following final enactment and applies to members appointed on or after the day following final enactment.

Sec. 16. Minnesota Statutes 2016, section 473J.07, subdivision 3, is amended to read:

Subd. 3. Compensation. The authority may compensate its members, ~~other than the chair,~~ as provided in section 15.0575. ~~The chair shall receive, unless otherwise provided by other law, a salary in an amount fixed by the authority, no more than half of the salary of the executive director of the authority in fiscal year 2019~~ and shall be reimbursed for reasonable expenses to the same extent as a member.

Sec. 17. Minnesota Statutes 2016, section 473J.07, subdivision 4, is amended to read:

Subd. 4. Chair. The chair presides at all meetings of the authority, if present, and performs all other assigned duties and functions. The members of the authority shall biennially elect a chair from among its members. The authority may appoint from among its members a vice-chair to act for the chair during the temporary absence or disability of the chair, and any other officers the authority determines are necessary or convenient.

Sec. 18. Minnesota Statutes 2016, section 473J.07, subdivision 7, is amended to read:

Subd. 7. Audit. The legislative auditor shall audit the books and accounts of the authority once each year or as often as the legislative auditor's funds and personnel permit. The authority shall pay the total cost of the audit pursuant to section 3.9741. The legislative auditor may conduct examinations of the authority's finances, budgets, expenditures, revenues, and its operation. The legislative auditor may periodically examine the authority's use of stadium space by the authority's members, staff, family, friends, charitable organizations, and vendors.

Sec. 19. Minnesota Statutes 2016, section 473J.07, subdivision 8, is amended to read:

Subd. 8. **Executive director; employees.** The authority may appoint an executive director to serve as the chief executive officer of the authority. The executive director serves at the pleasure of the authority and receives compensation as determined by the authority not to exceed \$135,000. The executive director may be responsible for the operation, management, and promotion of activities of the authority, as prescribed by the authority. The executive director has the powers necessarily incident to the performance of duties required and powers granted by the authority, but does not have authority to incur liability or make expenditures on behalf of the authority without general or specific directions by the authority, as shown by the bylaws or minutes of a meeting of the authority. The executive director is responsible for hiring, supervision, and dismissal of all other employees of the authority. The authority must conduct an annual employee evaluation of the executive director, which must be reviewed and approved by the entire board.

Sec. 20. Minnesota Statutes 2016, section 473J.07, is amended by adding a subdivision to read:

Subd. 8a. **Budget; report.** After adoption, the authority shall submit its annual budget to the commissioner of management and budget and to the chairs and ranking minority members of the senate finance and house of representatives ways and means committees.

Sec. 21. Minnesota Statutes 2016, section 473J.07, is amended by adding a subdivision to read:

Subd. 8b. **Contracts.** The authority may not enter a contract with a value of more than \$5,000 unless the terms of the contract have been approved by the authority by public vote at a regular or special meeting. The authority may not delegate or authorize the executive director to execute contracts on behalf of the authority in a manner that conflicts with this subdivision.

Sec. 22. Minnesota Statutes 2016, section 473J.07, subdivision 9, is amended to read:

Subd. 9. **Web site.** The authority shall establish a Web site for purposes of providing information to the public concerning all actions taken by the authority. At a minimum, the Web site must contain a current version of the authority's bylaws, notices of upcoming meetings, minutes of the authority's meetings, each annual budget, each use agreement, each management agreement, each sponsorship agreement, meeting minutes for all meetings, policies, and procedures, and contact telephone, electronic mail, and facsimile numbers for public comments. This subdivision does not apply to information that is classified as not public data, as defined in section 13.02, subdivision 8a, under other law.

Sec. 23. Minnesota Statutes 2016, section 473J.09, is amended by adding a subdivision to read:

Subd. 7a. **Code of conduct and political activities.** (a) The authority shall adopt and comply with the latest version of the state code of conduct promulgated by Minnesota Management and Budget, and sections 43A.32 and 43A.38 apply to the authority members and the authority's employees.

(b) For purposes of section 43A.38, subdivision 4, use of or preferential access to stadium space by an authority member or employee constitutes an impermissible use of state property for the employee's private interest, unless the use or terms of access are expressly permitted by this section.

Sec. 24. Minnesota Statutes 2016, section 473J.09, subdivision 13, is amended to read:

Subd. 13. **Legislative report.** (a) The authority must report in writing to the chairs and ranking minority members of the legislative committees with jurisdiction over state government finance and to the senate Finance Committee and the house of representatives Ways and Means Committee by January 15 of each year on the following, and in person to the Legislative Commission on Minnesota Sports Facilities at least quarterly. The reports must describe:

- (1) any recommended increases in the rate or dollar amount of tax;
- (2) any recommended increases in the debt of the authority;
- (3) the overall work and role of the authority;
- (4) the authority's proposed operating and capital budgets; ~~and~~

(5) the authority's implementation of the operating and capital budgets, including information on actual revenues and expenditures, events conducted, and all expected or unexpected maintenance and capital repair needs arising since the time of the last report;

(6) a listing of all stadium amenities under the control of the authority since the time of the last report, and how the amenities were used; and

(7) at least once each year, a detailed accounting of amounts expended for operating expenses of the stadium for the most recently available year by functional category or object or both, estimates of those expenses for the current and coming year, and description of any plans for managing and improving efficiencies in the operation of the stadium.

(b) Copies of each report containing the information required by paragraph (a), clause (5), must also be provided to the commissioner of management and budget. The authority must also provide, at the request of the commissioner, any additional information on its expenditures on and plans for managing and budgeting for the costs of operating the stadium, including the reserve for capital expenditures. The commissioner must, at least once each biennium, review the amounts expended for stadium operations and make recommendations to the governor on the amount needed for state payment of those costs. The governor's budget must include recommendations for the payments under section 473J.13, subdivisions 2, paragraph (b), and 4, paragraph (c), and whether modification of the statutorily appropriated amounts is recommended or required.

Sec. 25. Minnesota Statutes 2016, section 473J.09, is amended by adding a subdivision to read:

Subd. 15. **Consignment agreement; authority's suites.** (a) The authority must negotiate an agreement providing for consignment of the authority's suites to the primary tenant consistent with the use agreement and subject to this subdivision. The final terms of the consignment must be approved by the chairs of the committees of the house of representatives and the senate with jurisdiction over state government finance and must include the following:

(1) the primary tenant is the consignee and must make all commercially reasonable efforts to sell access to the suites to third parties;

(2) the authority must receive a percentage of the revenues from consignment of the suites each year equal to at least 90 percent of the first \$400,000 of revenue and 65 percent of any amount in excess of that and the amount of revenue retained by the primary tenant must not exceed its actual transaction, marketing, and administrative costs that it would not have incurred but for the consignment; and

(3) the terms of the consignment agreement are effective for a period of five years beginning no later than August 1, 2018, and must be renegotiated no later than August 1, 2023, and every five years thereafter.

(b) Data collected, created, or maintained by the authority related to negotiation of the consignment required by this paragraph are nonpublic data, as defined in section 13.02, subdivision 9. Data provided to the legislative chairs under the approval requirement in paragraph (a) may not be disclosed without the consent of the primary tenant.

(c) The authority must use revenues from the consignment agreement to pay the operating expenses of the stadium.

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

Sec. 26. Minnesota Statutes 2016, section 473J.09, is amended by adding a subdivision to read:

Subd. 16. Report on stadium space use by authority members, staff, and vendors. The authority shall report the following information annually to the governor, the mayor of the city of Minneapolis, the chair of the Legislative Commission on Minnesota Sports Facilities, and the chairs and ranking minority members of the senate Finance Committee and the house of representatives Ways and Means Committee regarding use of stadium space by authority members, staff, family, friends, charitable organizations, and vendors or their guests:

(1) the costs of use;

(2) the identity of each adult attendee and their legitimate business purpose for attendance;

(3) the date, time, and a general description of the stadium event at which the suite was used; and

(4) the value and description of any food, parking, or other benefits provided to attendees.

Sec. 27. **[473J.095] AUTHORITY'S USE OF STADIUM SPACE.**

Subdivision 1. Application. The restrictions in this section apply to the use of stadium space provided to the authority under the terms of the lease or use agreement required under section 473J.15, subdivision 3.

Subd. 2. Use of stadium space by authority members and staff. (a) Authority members and authority staff, including the executive director of the authority, may not use stadium space unless the use is for a legitimate business purpose. For purposes of this subdivision, "legitimate business purpose" means:

(1) in the case of a suite, the executive director's use of the suite to conduct oversight of stadium operations; or

(2) in the case of stadium space other than a suite:

(i) participating in a marketing effort arranged by the authority's management vendor;

(ii) conducting oversight of stadium operations; or

(iii) making stadium space available to nonprofit charitable organizations to provide access to events at the stadium for people served by the charitable organization.

The executive director of the authority must ensure that use of stadium space does not violate open meeting laws.

(b) Use of stadium space by authority staff must be based on an express written assignment of duties by the executive director or, in the case of use by the executive director, an express written assignment of duties by the authority chair. In all cases, use of stadium space by authority staff must be approved by a vote of the authority at a public meeting, and the legitimate business purpose for use must be made a part of the public record. Authority staff may not be provided free food, beverages, or stadium parking unless necessary to complete the assigned duties.

Subd. 4. Use of stadium space by family, friends, and other guests. The authority or its members may not grant access to stadium space to family members, friends, or other guests of the authority's members or staff unless the use is for a legitimate business purpose. The use must be approved by a vote of the authority at a public meeting, and the legitimate business purpose must be made a part of the public record. For purposes of this subdivision, "legitimate business purpose" means being a prospective user of the stadium.

Subd. 5. Open market purchase. This section does not prohibit an authority member, authority staff, or family, friends, or other guests of authority members or staff from attending events or renting stadium space, if a ticket or a right of access to the space was purchased on the open market through the same channels, and for the same price, as those available to the general public.

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

Sec. 28. Minnesota Statutes 2016, section 473J.13, subdivision 2, is amended to read:

Subd. 2. Operating expenses. (a) The authority must pay or cause to be paid all operating expenses of the stadium. The authority must require in the lease or use agreement with the NFL team that the NFL team pay the authority, beginning January 1, 2016, or other date as mutually agreed upon by the parties, toward operating costs of the stadium, \$8,500,000 each year, increased by a three percent annual inflation rate.

(b) (1) Beginning January 1, 2016, or other date as mutually agreed upon by the parties, and continuing through 2020, the state shall pay the authority operating expenses, \$6,000,000 each year, increased by an annual adjustment factor. The payment of \$6,000,000 per year beginning in 2016 is a payment by the state, which shall be repaid to the state, using funds as provided under section 297A.994, subdivision 4, clause (4). After 2020, the state shall assume this payment, using funds generated in accordance with the city of Minneapolis as specified under section 297A.994, subdivision 4, clause (3); and

(2) beginning for fiscal year 2020, the payment under this section must be reduced by the additional revenue received by the authority under the consignment under section 473J.09, subdivision 15, in the prior fiscal year.

(c) The authority may establish an operating reserve to cover operating expense shortfalls and may accept funds from any source for deposit in the operating reserve. The establishment or funding of an authority operating reserve must not decrease the amounts required to be paid to the authority toward operating costs under this subdivision unless agreed to by the authority.

(d) The authority will be responsible for operating cost overruns.

(e) After the joint selection of the third-party manager or program manager, the authority may agree with a program manager or other third-party manager of the stadium on a fixed cost operating, management, or employment agreement with operating cost protections under which the program manager or third-party manager assumes responsibility for stadium operating costs and shortfalls. The agreement with the manager must require the manager to prepare an initial and ongoing operating plan and operating budgets for approval by the authority in consultation with the NFL team. The manager must agree to operate the stadium in accordance with the approved operating plan and operating budget.

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 29. Minnesota Statutes 2016, section 473J.13, subdivision 3, is amended to read:

Subd. 3. Public access. The authority will work to maximize access for public and amateur sports, community, and civic events, and other public events in type and on terms consistent with those ~~currently~~ held at the ~~existing~~ football stadium, as defined in Minnesota Statutes 2012, section 473.551, subdivision 9. The authority may provide that these events have exclusive use of the premises at agreed-upon times subject to the scheduling rights of the NFL team under the lease or use agreement.

Sec. 30. Minnesota Statutes 2016, section 473J.25, subdivision 3, is amended to read:

Subd. 3. **Metropolitan Sports Facilities Commission abolished; interim powers conferred on authority.** Upon transfer to the authority of all remaining assets, liabilities, and obligations of the Metropolitan Sports Facilities Commission, in subdivision 2, the Metropolitan Sports Facilities Commission is abolished. When the remaining assets, liabilities, and obligations of the Metropolitan Sports Facilities Commission have been transferred to the authority and the commission has been abolished, the powers and duties of the commission under Minnesota Statutes 2012, sections 473.551 to 473.599, and any other law shall devolve upon the authority, in addition to the powers and duties of the authority under chapter 473J, until the first NFL home game is played at the stadium.

Sec. 31. Minnesota Statutes 2016, section 473J.27, subdivision 2, is amended to read:

Subd. 2. **High school league.** The lessee of the stadium must make the facilities of the stadium available for use by the Minnesota State High School League for at least seven days each year for high school soccer and football tournaments. The lessee of the stadium must provide, and may not directly, or through a management company, charge the league a fee for, this use, including security, ticket takers, custodial or cleaning services, or other similar services in connection with this use.

Sec. 32. **RECOVERY; MINNESOTA SPORTS FACILITIES AUTHORITY.**

The Minnesota Sports Facilities Authority must make every effort to recover the fair market value of any food, parking, tickets, and access to stadium suites provided to a person prior to January 1, 2017, if the provision of those benefits to the person was not in the public interest. The authority shall report on recovery efforts to the commissioner of management and budget and to the chairs and ranking minority members of the senate finance and house of representatives ways and means committees by May 31, 2018. Money recovered under this section is transferred by July 1, 2018, to the commissioner of management and budget for deposit in the general reserve account established under Minnesota Statutes, section 297E.021, subdivision 4.

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

Sec. 33. **CHAIR SALARY; MINNESOTA SPORTS FACILITIES AUTHORITY.**

By February 15, 2019, the committees in the house of representatives and the senate with jurisdiction over state government finance shall recommend legislation limiting the salary of the chair of the Minnesota Sports Facilities Authority that shall apply beginning in fiscal year 2020.

Sec. 34. **REPEALER.**

(a) Minnesota Statutes 2016, sections 137.50, subdivision 5; 473.551; 473.552; 473.553, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, and 13; 473.556, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 16, and 17; 473.561; 473.564, subdivisions 2 and 3; 473.572; 473.581; 473.592, subdivision 1; 473.595; 473.598; 473.599; and 473.76, are repealed.

(b) Minnesota Statutes 2016, section 473J.09, subdivision 14, is repealed.

Sec. 35. **EFFECTIVE DATE.**

This article is effective the day following final enactment. The terms of all current members of the Minnesota Sports Facilities Authority terminate January 31, 2019. Appointing authorities must appoint new members of the authority by January 15, 2019, to serve terms beginning February 1, 2019. Appointments shall be effective and the appointees may exercise the duties of the office upon receipt of the letter of appointment by the president of the senate and the speaker of the house."

Delete the title and insert:

"A bill for an act relating to state government; appropriating money for certain agencies and reducing appropriations for certain agencies; approving transfers of money from certain accounts; requiring enhanced cybersecurity; establishing principles for districting; establishing the Legislative Budget Office Oversight Commission; establishing provisions for the Legislative Budget Office; modifying provisions for the operations of state government; modifying provisions for the state auditor, governor's office, Office of Administrative Hearings, Metropolitan Council, and attorney general; establishing emergency operations and continuity of government plans; establishing an office to receive and investigate harassment, misconduct, and discrimination claims; establishing Fort Snelling National Landmark Redevelopment bonding authority; transferring certain duties of Minnesota Management and Budget to the Legislative Budget Office; transferring duties for data practices and open meeting law from the Department of Administration to the Office of Administrative Hearings; requiring a report on valuation method of pipeline operating property; establishing certain pension amounts for volunteer firefighters relief association; approving submission of a bid to host a Nordic World Cup Ski Championship; approving construction of additional veterans homes; changing administrative rulemaking provisions; changing campaign finance provisions; modifying provisions for Minnesota Sports Facilities Authority; requiring reports; amending Minnesota Statutes 2016, sections 1.26, subdivisions 1, 2; 3.303, by adding a subdivision; 3.8841, subdivision 9; 8.065; 10A.01, subdivision 35; 10A.02, subdivisions 7, 13; 10A.31, subdivisions 1, 3, 4, 5, 7, 10, 10b; 10A.315; 10A.321, subdivision 1; 12.09, subdivision 2; 12.21, subdivision 3; 13.02, by adding subdivisions; 13.072; 13.08, subdivision 4; 13.085, subdivisions 2, 3, 4, 5, 6, by adding a subdivision; 13.55, subdivisions 1, 2; 13.64, by adding a subdivision; 13.685; 13D.06, subdivision 4; 14.03, subdivision 3; 14.127, subdivision 4; 14.381, by adding a subdivision; 16A.013, by adding a subdivision; 16A.11, subdivision 1, by adding a subdivision; 16A.965, by adding a subdivision; 16D.09; 16E.016; 16E.03, subdivisions 4, 7, by adding a subdivision; 155A.23, subdivision 8; 155A.25, subdivision 1a; 155A.28, by adding a subdivision; 155A.29, subdivisions 1, 6; 240.01, by adding a subdivision; 240.02, subdivision 6; 240.08, subdivision 5; 240.131, subdivision 7; 240.22; 270C.13, subdivision 1; 290.06, subdivision 23; 297A.994, subdivision 4; 297E.021, subdivisions 3, 4; 340A.404, subdivision 1; 340A.412, by adding a subdivision; 349A.06, subdivision 11; 352.01, subdivision 2a; 424B.20, subdivision 4; 473.121, subdivision 5a; 473.123, subdivisions 1, 2a, 3a, 4, by adding subdivisions; 473.146, subdivisions 3, 4; 473.164; 473.565, subdivision 1; 473.755, subdivision 4; 473.763, subdivision 2; 473J.03, by adding a subdivision; 473J.07, subdivisions 2, 3, 4, 7, 8, 9, by adding subdivisions; 473J.09, subdivision 13, by adding subdivisions; 473J.13, subdivisions 2, 3; 473J.25, subdivision 3; 473J.27, subdivision 2; 480.15, by adding a subdivision; Minnesota Statutes 2017 Supplement, sections 3.8853, subdivisions 1, 2, by adding subdivisions; 3.98, subdivision 1; 6.481, subdivision 3; 15A.0815, subdivision 3; 477A.03, subdivision 2b; Laws 2017, First Special Session chapter 4, article 2, sections 1; 3; 58; proposing coding for new law in Minnesota Statutes, chapters 2; 4; 5; 12; 13; 14; 43A; 473J; 474A; repealing Minnesota Statutes 2016, sections 3.93; 3.94; 3.95; 3.96; 8.10; 10A.30, subdivision 2; 10A.31, subdivisions 3a, 5a, 6, 6a; 13.02, subdivision 2; 14.381, subdivision 3; 137.50, subdivision 5; 155A.28, subdivisions 1, 3, 4; 473.123, subdivision 3; 473.551; 473.552; 473.553, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13; 473.556, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 16, 17; 473.561; 473.564, subdivisions 2, 3; 473.572; 473.581; 473.592, subdivision 1; 473.595; 473.598; 473.599; 473.76; 473J.09, subdivision 14; Minnesota Statutes 2017 Supplement, section 3.98, subdivision 4; Laws 1994, chapter 628, article 1, section 8; Laws 2017, First Special Session chapter 4, article 2, section 59."

With the recommendation that when so amended 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. 4328, A bill for an act relating to education finance; providing funding for prekindergarten through grade 12 education, including general education, education excellence, special education, facilities and technology, libraries, early childhood and family support, self-sufficiency and lifelong learning, and state agencies; appropriating money; amending Minnesota Statutes 2016, sections 120B.30, subdivision 1a; 122A.63, subdivisions 1, 4, 5, 6, by adding a subdivision; 123B.595, by adding a subdivision; 123B.61; 124D.151, subdivision 2; 125A.76, subdivisions 1, 2a; 125A.79, subdivision 5; 126C.10, subdivisions 2d, 2e, 24; 126C.126; 126C.17, subdivisions 1, 2, 5, 6, 7, 7a; 126C.44; 134.355, subdivision 10; 245C.02, by adding a subdivision; 245C.12; Minnesota Statutes 2017 Supplement, sections 120B.30, subdivision 1; 122A.415, subdivision 4; 124D.151, subdivisions 5, 6; 124D.165, subdivisions 2, 3; 124D.55; 124D.83, subdivision 2; 126C.05, subdivision 1; 126C.10, subdivision 13a; 245C.08, subdivision 1; Laws 2017, First Special Session chapter 5, article 1, section 19, subdivision 2; article 2, section 57, subdivisions 25, 26; article 4, section 12, subdivision 2, as amended; article 8, section 9, subdivisions 2, 5, 6; article 10, section 6, subdivision 3; article 11, sections 9, subdivision 2; 12; proposing coding for new law in Minnesota Statutes, chapters 124D; 245C; repealing Minnesota Statutes 2016, sections 122A.63, subdivisions 7, 8; 126C.17, subdivision 9a; Laws 2017, First Special Session chapter 5, article 8, section 8.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1 GENERAL EDUCATION

Section 1. Minnesota Statutes 2017 Supplement, section 123B.41, subdivision 2, is amended to read:

Subd. 2. **Textbook.** (a) "Textbook" means any book or book substitute, including electronic books as well as other printed materials delivered electronically, which a pupil uses as a text or text substitute in a particular class or program in the school regularly attended and a copy of which is expected to be available for the individual use of each pupil in this class or program. Textbook includes an online book with an annual subscription cost. Textbook includes a teacher's edition or teacher's guide that accompanies a textbook that a pupil uses.

(b) For purposes of calculating the annual nonpublic pupil aid entitlement for textbooks, the term shall be limited to books, workbooks, or manuals, whether bound or in loose-leaf form, as well as electronic books and other printed materials delivered electronically, intended for use as a principal source of study material for a given class or a group of students.

(c) For purposes of sections 123B.40 to 123B.48, the terms "textbook" and "software or other educational technology" include only such secular, neutral, and nonideological materials as are available, used by, or of benefit to Minnesota public school pupils.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2019 and later.

Sec. 2. Minnesota Statutes 2016, section 123B.41, subdivision 5, is amended to read:

Subd. 5. **Individualized instructional or cooperative learning materials.** "Individualized instructional or cooperative learning materials" means educational materials which:

(a) (1) are designed primarily for individual pupil use or use by pupils in a cooperative learning group in a particular class or program in the school the pupil regularly attends, including a teacher's edition or teacher's guide that accompanies materials that a pupil uses;

(b) (2) are secular, neutral, nonideological and not capable of diversion for religious use; and

(c) (3) are available, used by, or of benefit to Minnesota public school pupils.

Subject to the requirements in clauses (a) (1), (b) (2), and (c) (3), "individualized instructional or cooperative learning materials" include, but are not limited to, the following if they do not fall within the definition of "textbook" in subdivision 2: published materials; periodicals; documents; pamphlets; photographs; reproductions; pictorial or graphic works; prerecorded video programs; prerecorded tapes, cassettes and other sound recordings; manipulative materials; desk charts; games; study prints and pictures; desk maps; models; learning kits; blocks or cubes; flash cards; individualized multimedia systems; prepared instructional computer software programs; choral and band sheet music; electronic books and other printed materials delivered electronically; and CD-Rom.

"Individualized instructional or cooperative learning materials" do not include instructional equipment, instructional hardware, or ordinary daily consumable classroom supplies.

Sec. 3. Minnesota Statutes 2017 Supplement, 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 accredited 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.

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

Sec. 4. Minnesota Statutes 2016, section 124D.09, subdivision 4, is amended to read:

Subd. 4. **Alternative pupil.** (a) "Alternative pupil" means ~~an a 10th, 11th, or 12th grade student, subject to paragraph (b), who is not enrolled in a public school district, and includes.~~ Alternative pupil includes students attending nonpublic schools and students who are home schooled. An alternative pupil is considered a pupil for purposes of this section only. An alternative pupil must register with the commissioner of education before participating in the postsecondary enrollment options program. The commissioner ~~shall~~ must prescribe the form and manner of the registration, in consultation with the Nonpublic Education Council under section 123B.445, and may request any necessary information from the alternative pupil.

(b) A 10th grade student qualifies as an alternative pupil if the student: (1) is enrolled in a career or technical education course offered by an eligible institution; and (2) received a passing score on the 8th grade Minnesota Comprehensive Assessment, or another reading assessment accepted by the enrolling postsecondary institution. A career or technical education course must meet the requirements under subdivision 5a. If an alternative pupil in 10th

grade receives a grade of "C" or better in the career or technical education course taken under this subdivision, the postsecondary institution must allow the student to take additional postsecondary courses for credit at that institution, not to exceed the limits in subdivision 8.

EFFECTIVE DATE. This section is effective for applications submitted on or after July 1, 2018.

Sec. 5. Minnesota Statutes 2016, section 126C.15, subdivision 5, is amended to read:

Subd. 5. **Annual expenditure report.** (a) Each year, a district that receives basic skills revenue must submit a report to the commissioner of education identifying the expenditures it incurred to meet the needs of eligible learners under subdivision 1.

(b) The report must:

(1) conform to uniform financial and reporting standards established for this purpose;

(2) categorize expenditures by each of the permitted uses authorized in subdivision 1, in the form and manner specified by the commissioner; and

(3) report under section 120B.11, using valid and reliable data and measurement criteria, ~~the report also must determine~~ whether increased expenditures raised student achievement levels.

EFFECTIVE DATE. This section is effective for reports issued after July 1, 2018.

Sec. 6. Minnesota Statutes 2016, section 126C.15, is amended by adding a subdivision to read:

Subd. 6. **Commissioner's report.** By February 15 of each year, the commissioner shall compile the district data submitted under subdivision 5, report the results to the legislative committees with jurisdiction over education, and file the report according to section 3.195.

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 7. Minnesota Statutes 2016, section 127A.41, as amended by Laws 2017, chapter 40, article 1, section 16, and Laws 2017, First Special Session chapter 5, article 1, section 15, is amended to read:

127A.41 DISTRIBUTION OF SCHOOL AIDS; APPROPRIATION.

Subdivision 1. **Commissioner duties.** The commissioner shall supervise distribution of school aids and grants in accordance with law. The commissioner may make rules consistent with law for the distribution to enable districts to perform efficiently the services required by law and further education in the state, including reasonable requirements for the reports and accounts to it as will assure accurate and lawful apportionment of aids. State and federal aids and discretionary or entitlement grants distributed by the commissioner shall not be subject to the contract approval procedures of the commissioner of administration or to chapter 16A, 16B, or 16C. The commissioner shall adopt internal procedures for administration and monitoring of aids and grants.

Subd. 2. **Errors in distribution.** On determining that the amount of state aid distributed to a school district is in error or has been spent contrary to statutorily established revenue uses, the commissioner is authorized to adjust the amount of aid consistent with this subdivision. On determining that the amount of aid is in excess of the school district's entitlement, the commissioner is authorized to recover the amount of the excess by any appropriate means. Notwithstanding the fiscal years designated by the appropriation, the excess may be recovered by reducing future aid payments to the district. Notwithstanding any law to the contrary, if the aid reduced is not of the same type as

that overpaid, the district must adjust all necessary financial accounts to properly reflect all revenues earned in accordance with the uniform financial accounting and reporting standards pursuant to sections 123B.75 to 123B.83. Notwithstanding the fiscal years designated by the appropriation, on determining that the amount of an aid paid is less than the school district's entitlement, the commissioner is authorized to increase such aid from the current appropriation. If the aid program has been discontinued and has no appropriation, the appropriation for general education shall be used for recovery or payment of the aid decrease or increase. Any excess of aid recovery over aid payment shall be canceled to the state general fund.

Subd. 3. **Audits.** The commissioner shall establish procedures for conducting and shall conduct audits of district records and files for the purpose of verifying district pupil counts, levy limitations, ~~and aid entitlements, and appropriate revenue uses.~~ The commissioner shall establish procedures for selecting and shall select districts to be audited. Disparities, if any, between pupil counts, levy limitations, ~~or aid entitlements, or revenue uses~~ determined by audit of district records and files and data reported by districts in reports, claims and other documents shall be reviewed by the commissioner who shall order increases or decreases accordingly. The commissioner may reduce an allocation to a district or charter school if the statutorily prescribed uses of the revenue are not being met. Whenever possible, the commissioner shall audit at least ~~25~~ 50 districts each year pursuant to this subdivision. Procedures adopted under this subdivision are not subject to chapter 14, including section 14.386, and may differ from the procedures under section 127A.42.

Subd. 4. **Less than 25 50 districts audited.** If the commissioner audits fewer than ~~25~~ 50 districts in a fiscal year pursuant to subdivision 3, the commissioner shall report the reasons for the number audited to the following legislative committees: house of representatives education, house of representatives appropriations, senate education, and senate finance.

Subd. 5. **District appeal of aid reduction; inspection of district schools and accounts and records.** Public schools shall at all times be open to the inspection of the commissioner. The accounts and records of any district must be open to inspection by the state auditor, or the commissioner for the purpose of audits conducted under this section. Each district shall keep for a minimum of three years at least the following: (1) identification of the annual session days held, together with a record of the length of each session day, (2) a record of each pupil's daily attendance, with entrance and withdrawal dates, and (3) identification of the to-and-from school transportation category for each pupil as defined in section 123B.92, subdivision 1.

Subd. 7. **Schedule adjustments.** (a) It is the intention of the legislature to encourage efficient and effective use of staff and facilities by districts. Districts are encouraged to consider both cost and energy saving measures.

(b) Any district operating a program pursuant to sections 124D.12 to 124D.127 or 124D.128, or operating a commissioner-designated area learning center program under section 123A.09, or that otherwise receives the approval of the commissioner to operate its instructional program to avoid an aid reduction in any year, may adjust the annual school schedule for that program throughout the calendar year.

Subd. 8. **Appropriation transfers.** (a) If a direct appropriation from the general fund to the department for any education aid or grant authorized in this chapter and chapters 122A, 123A, 123B, 124D, 124E, 125A, 126C, and 134, excluding appropriations under sections 124D.135, 124D.16, 124D.20, 124D.22, 124D.52, 124D.531, 124D.55, and 124D.56, exceeds the amount required, the commissioner may transfer the excess to any education aid or grant appropriation that is insufficient. However, section 126C.20 applies to a deficiency in the direct appropriation for general education aid. Excess appropriations must be allocated proportionately among aids or grants that have insufficient appropriations. The commissioner of management and budget shall make the necessary transfers among appropriations according to the determinations of the commissioner. If the amount of the direct appropriation for the aid or grant plus the amount transferred according to this subdivision is insufficient, the commissioner shall prorate the available amount among eligible districts. The state is not obligated for any additional amounts.

(b) Transfers for aids paid under section 127A.45, subdivisions 12 and 13, shall be made during the fiscal year after the fiscal year of the entitlement. Transfers for aids paid under section 127A.45, subdivisions 11 and 12a, shall be made during the fiscal year of the appropriation.

Subd. 9. **Appropriation transfers for community education programs.** If a direct appropriation from the general fund to the Department of Education for an education aid or grant authorized under section 124D.135, 124D.16, 124D.20, 124D.22, 124D.52, 124D.531, 124D.55, or 124D.56 exceeds the amount required, the commissioner of education may transfer the excess to any education aid or grant appropriation that is insufficiently funded under these sections. Excess appropriations shall be allocated proportionately among aids or grants that have insufficient appropriations. The commissioner of management and budget shall make the necessary transfers among appropriations according to the determinations of the commissioner of education. If the amount of the direct appropriation for the aid or grant plus the amount transferred according to this subdivision is insufficient, the commissioner shall prorate the available amount among eligible districts. The state is not obligated for any additional amounts.

~~Subd. 10. **Health and safety aid transfer.** The commissioner, with the approval of the commissioner of management and budget, annually may transfer an amount from the appropriation for health and safety aid to the appropriation for debt service aid for the same fiscal year. The amount of the transfer equals the amount necessary to fund any shortage in the debt service aid appropriation created by a data correction that occurs between November 1 and June 30 of the preceding fiscal year.~~

EFFECTIVE DATE. This section is effective for fiscal year 2019 and later.

Sec. 8. Minnesota Statutes 2016, section 127A.45, subdivision 11, is amended to read:

Subd. 11. **Payment percentage for reimbursement aids.** One hundred percent of the aid for the previous fiscal year must be paid in the current year for the following aids: telecommunications/Internet access equity and according to section 125B.26, special education special pupil aid according to section 125A.75, subdivision 3, ~~aid for litigation costs according to section 125A.75, subdivision 9,~~ aid for court-placed special education expenses according to section 125A.79, subdivision 4, and aid for special education out-of-state tuition according to section 125A.79, subdivision 8, and shared time aid according to section 126C.01, subdivision 7.

Sec. 9. Minnesota Statutes 2016, section 127A.45, subdivision 16, is amended to read:

Subd. 16. **Payments to third parties.** Notwithstanding subdivision 3, the current year aid payment percentage of the ~~amounts~~ amount under ~~sections 123A.26, subdivision 3, and section 124D.041;~~ shall be paid in equal installments on August 30, December 30, and March 30, with a final adjustment payment on October 30 of the next fiscal year of the remaining amount.

Sec. 10. Minnesota Statutes 2016, section 471.59, subdivision 1, is amended to read:

Subdivision 1. **Agreement.** (a) Two or more governmental units, by agreement entered into through action of their governing bodies, may jointly or cooperatively exercise any power common to the contracting parties or any similar powers, including those which are the same except for the territorial limits within which they may be exercised. The agreement may provide for the exercise of such powers by one or more of the participating governmental units on behalf of the other participating units.

(b) The term "governmental unit" as used in this section includes every city, county, town, school district, service cooperative under section 123A.21, independent nonprofit firefighting corporation, other political subdivision of this or another state, another state, federally recognized Indian tribe, the University of Minnesota, the Minnesota Historical Society, nonprofit hospitals licensed under sections 144.50 to 144.56, rehabilitation facilities

and extended employment providers that are certified by the commissioner of employment and economic development, day and supported employment services licensed under chapter 245D, and any agency of the state of Minnesota or the United States, and includes any instrumentality of a governmental unit. For the purpose of this section, an instrumentality of a governmental unit means an instrumentality having independent policy-making and appropriating authority.

Sec. 11. Laws 2017, First Special Session chapter 5, article 1, section 19, subdivision 2, is amended to read:

Subd. 2. **General education aid.** For general education aid under Minnesota Statutes, section 126C.13, subdivision 4:

\$ 7,032,051,000 <u>7,078,769,000</u>	.....	2018
\$ 7,227,809,000 <u>7,239,221,000</u>	.....	2019

The 2018 appropriation includes \$686,828,000 for 2017 and ~~\$6,345,223,000~~ \$6,391,941,000 for 2018.

The 2019 appropriation includes ~~\$705,024,000~~ \$683,110,000 for 2018 and ~~\$6,522,785,000~~ \$6,556,111,000 for 2019.

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

Sec. 12. **FUND TRANSFERS.**

Subdivision 1. **Minnetonka school district.** (a) Notwithstanding Minnesota Statutes, section 123B.79, 123B.80, or 124D.20, subdivision 10, on June 30, 2018, Independent School District No. 276, Minnetonka, may permanently transfer up to \$2,400,000 from its community education reserve fund balance to its reserved for operating capital account in the general fund.

(b) The transferred funds must be used only to design, construct, furnish, and equip an early childhood classroom addition.

Subd. 2. **Ivanhoe school district.** Notwithstanding Minnesota Statutes, section 123B.79, 123B.80, or 124D.20, subdivision 10, on June 30, 2018, Independent School District No. 403, Ivanhoe, may permanently transfer up to \$79,000 from its community education reserve fund balance to its undesignated general fund.

Subd. 3. **Minneapolis school district.** (a) Notwithstanding Minnesota Statutes, section 123B.79, 123B.80, or 124D.20, subdivision 10, on June 30, 2018, Special School District No. 1, Minneapolis, may permanently transfer up to \$5,500,000 from its community education reserve fund balance to its undesignated general fund.

(b) The transferred funds must be used only for school support services, including mental health services.

Subd. 4. **Hopkins school district.** (a) Notwithstanding Minnesota Statutes, section 123B.79, 123B.80, or 124D.20, subdivision 10, on June 30, 2018, Independent School District No. 270, Hopkins, may permanently transfer up to \$500,000 from its community education reserve fund balance to its reserved for operating capital account in the general fund.

(b) The transferred funds must be used only to design, construct, furnish, and equip an early childhood classroom addition.

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

Sec. 13. **SCHOOL REVENUE GENERATION AND SPENDING; LEGISLATIVE AUDITOR STUDY.**

(a) The legislative auditor is requested to conduct a study of how students in prekindergarten through grade 12 generate revenue and compare how that revenue is spent and reported at the school level for a sample of school districts.

(b) The study shall focus on a sample of school districts and include the following topics:

(1) the extent to which the funding generated by students is spent at the school sites those students attend;

(2) how district calculations of actual salaries for teachers and staff compare to average salaries and how those calculations may impact per pupil expenditures at the school level;

(3) how per pupil expenditures within a given school district compare across school sites, including expenditures to reduce class sizes, hire additional support staff, and support other resources;

(4) the extent to which revenue sources for a given school district vary by school site, including state and local funding and philanthropic and parent association funds;

(5) whether there is currently variation in reporting across schools in the Uniform Financial Accounting and Reporting Standards (UFARS) system; and

(6) what steps the Department of Education can take to ensure consistent and accurate UFARS reporting from schools and districts on school-level revenue and expenditures.

(c) The legislative auditor must deliver the study findings to the chairs and ranking minority members of the legislative committees with primary jurisdiction over kindergarten through grade 12 education no later than February 1, 2019.

Sec. 14. **APPROPRIATIONS.**

Subdivision 1. **Commissioner of education.** The sum indicated in this section is appropriated from the general fund to the commissioner of education in the fiscal year designated.

Subd. 2. **St. Cloud English language learner summer program.** (a) For a grant to Independent School District No. 742, St. Cloud, for a summer language academy providing targeted services and extended year programming for English language learners:

\$420,000

.....

2019

(b) A program funded under this subdivision must:

(1) provide a research-based language summer instructional program to help English learners, as defined in Minnesota Statutes, section 124D.59, subdivision 2, acquire English and achieve academic excellence;

(2) be consistent with English language development standards under Minnesota Rules, parts 3501.1200 and 3501.1210; and

(3) provide instruction by a highly qualified teacher of English as a second language.

(c) Independent School District No. 742, St. Cloud, must report to the education committees of the legislature by January 15, 2021, on the program's design, student participation levels, and any measurable outcomes of the program.

(d) This is a onetime appropriation.

(e) This appropriation does not cancel and is available until June 30, 2021.

Subd. 3. **School bus safety campaign.** (a) For transfer to the commissioner of public safety for an education and awareness campaign on passing school buses:

\$50,000

.....

2019

(b) This is a onetime appropriation.

(c) The campaign must be designed to: (1) help reduce occurrences of motor vehicles unlawfully passing school buses; and (2) inform drivers about the safety of pupils boarding and unloading from school buses, including (i) laws requiring a motor vehicle to stop when a school bus has extended the stop-signal arm and is flashing red lights, and (ii) penalties for violations. When developing the campaign, the commissioner must identify best practices, review effective communication methods to educate drivers, and consider multiple forms of media to convey the information.

Sec. 15. **APPROPRIATION; SCHOOL REVENUE GENERATION AND SPENDING; LEGISLATIVE AUDITOR STUDY.**

\$200,000 in fiscal year 2019 is appropriated from the general fund to the Office of the Legislative Auditor for the legislative auditor to study and report on school revenue generation and spending outlined in section 13.

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

ARTICLE 2 STUDENT AND SCHOOL SAFETY

Section 1. **[121A.35] SCHOOL THREAT ASSESSMENTS.**

Subdivision 1. **School threat assessment.** "School threat assessment" means a fact-based process using an integrated team approach that helps schools evaluate and assess potentially threatening situations or students whose behavior may pose a threat to the safety of school staff or students.

Subd. 2. **Policy.** A school board must adopt a policy to establish threat assessment teams to conduct school threat assessments consistent with subdivision 1. A threat assessment policy must be consistent with district policies developed in accordance with sections 121A.031 and 121A.035, and with any guidance provided by the Department of Public Safety's School Safety Center. A threat assessment policy must include procedures for referrals to mental health centers or health care providers for evaluation or treatment, when appropriate.

Subd. 3. **Oversight committees.** The superintendent of a school district must establish a committee charged with oversight of the threat assessment teams operating within the district, which may be an existing committee established by the school board.

Subd. 4. **Threat assessment teams.** (a) The superintendent of a school district must establish, for each school, a threat assessment team that includes, to the extent practicable, school officials with expertise in counseling, school administration, students with disabilities, and law enforcement. A threat assessment team may serve one or more schools, as determined by the superintendent.

(b) A threat assessment team must:

(1) provide guidance to students, faculty, and staff regarding recognition of threatening or aberrant behavior that may represent a threat to the community, school, or self;

(2) consider whether there is sufficient information to determine whether or not a student poses a threat;

(3) identify members of the community to whom threatening behavior should be reported;

(4) implement a policy adopted by the school board under subdivision 2; and

(5) report summary data on its activities according to guidance developed by the School Safety Center.

(c) Upon a preliminary determination that a student poses a threat of violence or physical harm to self or others, a threat assessment team must immediately report its determination to the district superintendent or the superintendent's designee, who must immediately attempt to notify the student's parent or legal guardian. The threat assessment team must consider services to address the student's underlying issues, which may include counseling, social work services, character education consistent with section 120B.232, evidence-based academic and positive behavioral interventions and supports, mental health services, and referrals for special education or section 504 evaluations.

(d) Upon determining that a student exhibits suicidal ideation or self-harm, a school threat assessment team must follow the district's suicide prevention policy or protocol or refer the student to an appropriate school-linked mental health professional or other support personnel.

(e) Nothing in this section precludes a school district official or employee from acting immediately to address an imminent threat.

Subd. 5. **Redisclosure.** (a) A threat assessment team member must not redisclose educational records or use any record of an individual beyond the purpose for which the disclosure was made to the threat assessment team.

(b) Nothing in this section prohibits the disclosure of educational records in health, including mental health, and safety emergencies in accordance with state and federal law.

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

Sec. 2. Minnesota Statutes 2016, section 121A.41, is amended by adding a subdivision to read:

Subd. 12. **Nonexclusionary disciplinary policies and practices; alternatives to pupil dismissal.** "Nonexclusionary disciplinary policies and practices" means policies and practices that require school officials to intervene in, redirect, and support a pupil's behavior before dismissing a pupil from school. Nonexclusionary disciplinary policies and practices include evidence-based positive behavioral interventions and supports, social and emotional learning, character education consistent with section 120B.232, school-linked mental health services, counseling services, social work services, referrals for special education or 504 evaluations, academic screening for Title I services or reading interventions, and alternative education services.

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

Sec. 3. **[121A.441] EXPULSION FOR MAKING A THREAT OF VIOLENCE.**

Notwithstanding the time limitation in section 121A.41, subdivision 5, a school board must expel for a period of at least one year a pupil who makes a threat of gun violence against another person or makes a threat of violence with the intent to cause evacuation of a school site or school administration building. A school board may modify this expulsion requirement for a pupil on a case-by-case basis.

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

Sec. 4. Minnesota Statutes 2016, section 121A.45, subdivision 1, is amended to read:

Subdivision 1. **Provision of alternative programs.** ~~No school shall dismiss any pupil without attempting to provide alternative educational services.~~ Schools must consider, where appropriate, using nonexclusionary disciplinary policies and practices before dismissal proceedings, except where it appears that the pupil will create an immediate and substantial danger to self or to surrounding persons or property.

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

Sec. 5. Minnesota Statutes 2016, section 121A.46, is amended by adding a subdivision to read:

Subd. 5. **Suspensions exceeding five consecutive school days.** The school administrator must ensure that alternative education services are provided when a pupil is suspended for more than five consecutive school days.

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

Sec. 6. Minnesota Statutes 2016, section 121A.46, is amended by adding a subdivision to read:

Subd. 6. **Minimum education services.** School officials must give a suspended pupil the opportunity to complete all school work assigned during the pupil's suspension and to receive full credit for satisfactorily completing the assignments. The school principal or other person having administrative control of the school building or program is encouraged to designate a district or school employee as a liaison to work with the pupil's teachers to allow the suspended pupil to: (1) receive timely course materials and other information; and (2) complete daily and weekly assignments and receive teachers' feedback.

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

Sec. 7. Minnesota Statutes 2016, section 121A.47, subdivision 2, is amended to read:

Subd. 2. **Written notice.** Written notice of intent to take action ~~shall~~ must:

~~(a)~~ (1) be served upon the pupil and the pupil's parent or guardian personally or by mail;

~~(b)~~ (2) contain a complete statement of the facts, a list of the witnesses and a description of their testimony;

(3) explain the grounds for expelling the pupil instead of imposing nonexclusionary disciplinary policies and practices under section 121A.41, subdivision 12;

~~(c)~~ (4) state the date, time, and place of the hearing;

~~(d)~~ (5) be accompanied by a copy of sections 121A.40 to 121A.56;

(e) ~~(6) describe alternative educational services the nonexclusionary disciplinary policies and practices~~ accorded the pupil in an attempt to avoid the expulsion proceedings; and

~~(f) (7) inform the pupil and parent or guardian of the right to:~~

~~(1) (i) have a representative of the pupil's own choosing, including legal counsel, at the hearing. The district shall must~~ advise the pupil's parent or guardian that free or low-cost legal assistance may be available and that a legal assistance resource list is available from the Department of Education and is posted on the department's Web site;

~~(2) (ii) examine the pupil's records before the hearing;~~

~~(3) (iii) present evidence; and~~

~~(4) (iv) confront and cross-examine witnesses.~~

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

Sec. 8. Minnesota Statutes 2016, section 121A.47, subdivision 14, is amended to read:

Subd. 14. **Admission or readmission plan.** (a) A school administrator ~~shall~~ must prepare and enforce an admission or readmission plan for any pupil who is excluded or expelled from school. The plan ~~may~~ must include measures to improve the pupil's behavior, ~~including which may include~~ completing a character education program, consistent with section 120B.232, subdivision 1, ~~and social and emotional learning, counseling, social work services, mental health services, referrals for special education or 504 evaluation, and evidence-based academic interventions.~~ The plan must require parental involvement in the admission or readmission process, and may indicate the consequences to the pupil of not improving the pupil's behavior.

(b) The definition of suspension under section 121A.41, subdivision 10, does not apply to a student's dismissal from school for one school day or less, except as provided under federal law for a student with a disability. Each suspension action may include a readmission plan. A readmission plan must provide, where appropriate, alternative education services, which must not be used to extend the student's current suspension period. Consistent with section 125A.091, subdivision 5, a readmission plan must not obligate a parent or guardian to provide psychotropic drugs to their student as a condition of readmission. School officials must not use the refusal of a parent or guardian to consent to the administration of psychotropic drugs to their student or to consent to a psychiatric evaluation, screening or examination of the student as a ground, by itself, to prohibit the student from attending class or participating in a school-related activity, or as a basis of a charge of child abuse, child neglect or medical or educational neglect.

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

Sec. 9. Minnesota Statutes 2016, section 121A.53, subdivision 1, is amended to read:

Subdivision 1. **Exclusions and expulsions; physical assaults.** Consistent with subdivision 2, the school board must report through the department electronic reporting system each exclusion or expulsion and each physical assault of a district employee by a ~~student~~ pupil within 30 days of the effective date of the dismissal action or assault to the commissioner of education. This report must include a statement of ~~alternative educational services nonexclusionary disciplinary policies and practices,~~ or other sanction, intervention, or resolution in response to the assault given the pupil and the reason for, the effective date, and the duration of the exclusion or expulsion or other sanction, intervention, or resolution. The report must also include the ~~student's~~ pupil's age, grade, gender, race, and special education status.

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

Sec. 10. Minnesota Statutes 2016, section 121A.55, is amended to read:

121A.55 POLICIES TO BE ESTABLISHED.

(a) The commissioner of education shall promulgate guidelines to assist each school board. Each school board ~~shall~~ must establish uniform criteria for dismissal and adopt written policies and rules to effectuate the purposes of sections 121A.40 to 121A.56. The policies ~~shall~~ must include nonexclusionary disciplinary policies and practices consistent with section 121A.41, subdivision 12, and emphasize preventing dismissals through early detection of problems ~~and shall~~. The policies must be designed to address students' inappropriate behavior from recurring.

(b) The policies shall recognize the continuing responsibility of the school for the education of the pupil during the dismissal period. The school is responsible for ensuring that the alternative educational services, if to be provided to the pupil ~~wishes to take advantage of them, must be~~ are adequate to allow the pupil to make progress towards meeting the graduation standards adopted under section 120B.02 ~~and~~ help prepare the pupil for readmission, and are consistent with section 121A.46, subdivision 6.

(c) For expulsion and exclusion dismissals:

(1) the school district's continuing responsibility includes reviewing the pupil's school work and grades on a quarterly basis to ensure the pupil is on track for readmission with the pupil's peers until the student enrolls in a new district. School districts must communicate on a regular basis with the pupil's parent or guardian to ensure the pupil is completing the work assigned through the alternative educational services;

(2) a pupil remains eligible for school-linked mental health services under section 245.4889 in the manner determined by the district until the pupil is enrolled in a new district; and

(3) the school district must provide to the pupil's parent or guardian a list of community mental health programs after expulsion.

~~(b)~~ (d) An area learning center under section 123A.05 may not prohibit an expelled or excluded pupil from enrolling solely because a district expelled or excluded the pupil. The board of the area learning center may use the provisions of the Pupil Fair Dismissal Act to exclude a pupil or to require an admission plan.

~~(e)~~ (e) Each school district shall develop a policy and report it to the commissioner on the appropriate use of peace officers and crisis teams to remove students who have an individualized education program from school grounds.

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

Sec. 11. Minnesota Statutes 2016, section 121A.61, subdivision 2, is amended to read:

Subd. 2. **Grounds for removal from class.** The policy must establish the various grounds for which a ~~student~~ pupil may be removed from a class in the district for a period of time under the procedures specified in the policy. The policy must include a procedure for notifying and meeting with a ~~student's~~ pupil's parent or guardian to discuss the problem that is causing the ~~student~~ pupil to be removed from class after the ~~student~~ pupil has been removed from class more than ~~ten~~ five times in one school year. The grounds in the policy must include at least the following provisions as well as other grounds determined appropriate by the board:

~~(a)~~ (1) willful conduct that significantly disrupts the rights of others to an education, including conduct that interferes with a teacher's ability to teach or communicate effectively with ~~students~~ pupils in a class or with the ability of other ~~students~~ pupils to learn;

~~(b)~~ (2) willful conduct that endangers surrounding persons, including school district employees, the ~~student pupil~~, or other ~~students pupils~~, or the property of the school; and

~~(c)~~ (3) willful violation of any rule of conduct specified in the discipline policy adopted by the board.

Sec. 12. Minnesota Statutes 2016, section 121A.67, is amended by adding a subdivision to read:

Subd. 3. **Parent notification.** A school administrator must make and document efforts to immediately contact the parent or guardian of a pupil removed from a school building or school grounds by a peace officer unless such notice is specifically prohibited by law.

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

Sec. 13. Minnesota Statutes 2016, section 123B.595, as amended by Laws 2017, First Special Session chapter 5, article 5, sections 3 and 4, is amended to read:

123B.595 LONG-TERM FACILITIES MAINTENANCE REVENUE.

Subdivision 1. **Long-term facilities maintenance revenue.** ~~(a) For fiscal year 2017 only, long-term facilities maintenance revenue equals the greater of (1) the sum of (i) \$193 times the district's adjusted pupil units times the lesser of one or the ratio of the district's average building age to 35 years, plus the cost approved by the commissioner for indoor air quality, fire alarm and suppression, and asbestos abatement projects under section 123B.57, subdivision 6, with an estimated cost of \$100,000 or more per site, plus (ii) for a school district with an approved voluntary prekindergarten program under section 124D.151, the cost approved by the commissioner for remodeling existing instructional space to accommodate prekindergarten instruction, or (2) the sum of (i) the amount the district would have qualified for under Minnesota Statutes 2014, section 123B.57, Minnesota Statutes 2014, section 123B.59, and Minnesota Statutes 2014, section 123B.591, and (ii) for a school district with an approved voluntary prekindergarten program under section 124D.151, the cost approved by the commissioner for remodeling existing instructional space to accommodate prekindergarten instruction.~~

~~(b)~~ (a) For fiscal year 2018 only, long-term facilities maintenance revenue equals the greater of (1) the sum of (i) \$292 times the district's adjusted pupil units times the lesser of one or the ratio of the district's average building age to 35 years, plus (ii) the cost approved by the commissioner for indoor air quality, fire alarm and suppression, and asbestos abatement projects under section 123B.57, subdivision 6, with an estimated cost of \$100,000 or more per site, plus (iii) for a school district with an approved voluntary prekindergarten program under section 124D.151, the cost approved by the commissioner for remodeling existing instructional space to accommodate prekindergarten instruction, or (2) the sum of (i) the amount the district would have qualified for under Minnesota Statutes 2014, section 123B.57, Minnesota Statutes 2014, section 123B.59, and Minnesota Statutes 2014, section 123B.591, and (ii) for a school district with an approved voluntary prekindergarten program under section 124D.151, the cost approved by the commissioner for remodeling existing instructional space to accommodate prekindergarten instruction.

~~(c)~~ (b) For fiscal year 2019 and later, long-term facilities maintenance revenue equals the greater of (1) the sum of (i) \$380 times the district's adjusted pupil units times the lesser of one or the ratio of the district's average building age to 35 years, plus (ii) the cost approved by the commissioner for indoor air quality, fire alarm and suppression, and asbestos abatement projects under section 123B.57, subdivision 6, with an estimated cost of \$100,000 or more per site, plus (iii) for a school district with an approved voluntary prekindergarten program under section 124D.151, the cost approved by the commissioner for remodeling existing instructional space to accommodate prekindergarten instruction, or (2) the sum of (i) the amount the district would have qualified for under Minnesota Statutes 2014, section 123B.57, Minnesota Statutes 2014, section 123B.59, and Minnesota Statutes 2014, section 123B.591, and (ii) for a school district with an approved voluntary prekindergarten program under section 124D.151, the cost approved by the commissioner for remodeling existing instructional space to accommodate prekindergarten instruction.

~~(d)~~ (c) Notwithstanding paragraphs (a), and (b), ~~and (c)~~, a school district that qualified for eligibility under Minnesota Statutes 2014, section 123B.59, subdivision 1, paragraph (a), for fiscal year 2010 remains eligible for funding under this section as a district that would have qualified for eligibility under Minnesota Statutes 2014, section 123B.59, subdivision 1, paragraph (a), for fiscal year 2017 and later.

Subd. 2. **Long-term facilities maintenance revenue for a charter school.** ~~(a) For fiscal year 2017 only, long-term facilities maintenance revenue for a charter school equals \$34 times the adjusted pupil units.~~

~~(b)~~ (a) For fiscal year 2018 only, long-term facilities maintenance revenue for a charter school equals \$85 times the adjusted pupil units.

~~(c)~~ (b) For fiscal year 2019 and later, long-term facilities maintenance revenue for a charter school equals \$132 times the adjusted pupil units.

Subd. 3. **Intermediate districts and other cooperative units.** Upon approval through the adoption of a resolution by each member district school board of an intermediate district or other cooperative units under section 123A.24, subdivision 2, and the approval of the commissioner of education, a school district may include in its authority under this section a proportionate share of the long-term maintenance costs of the intermediate district or cooperative unit. The cooperative unit may issue bonds to finance the project costs or levy for the costs, using long-term maintenance revenue transferred from member districts to make debt service payments or pay project costs. Authority under this subdivision is in addition to the authority for individual district projects under subdivision 1.

Subd. 4. **Facilities plans.** (a) To qualify for revenue under this section, a school district or intermediate district, not including a charter school, must have a ten-year facility plan adopted by the school board and approved by the commissioner. The plan must include provisions for implementing a health and safety program that complies with health, safety, and environmental regulations and best practices, including indoor air quality management and remediation of lead hazards. The plan may include provisions for enhancing school safety through physical modifications to school facilities as described in subdivision 4a.

(b) The district must annually update the plan, submit the plan to the commissioner for approval by July 31, and indicate whether the district will issue bonds to finance the plan or levy for the costs.

(c) For school districts issuing bonds to finance the plan, the plan must include a debt service schedule demonstrating that the debt service revenue required to pay the principal and interest on the bonds each year will not exceed the projected long-term facilities revenue for that year.

Subd. 4a. **School safety facility enhancements.** A school district may include in its facilities plan a school safety facilities plan. School safety projects may include remodeling and new construction for school security enhancements, public announcement systems, emergency communications devices, and equipment and facility modifications related to violence prevention and facility security.

Subd. 5. **Bond authorization.** (a) A school district may issue general obligation bonds under this section to finance facilities plans approved by its board and the commissioner. Chapter 475, except sections 475.58 and 475.59, must be complied with. The authority to issue bonds under this section is in addition to any bonding authority authorized by this chapter or other law. The amount of bonding authority authorized under this section must be disregarded in calculating the bonding or net debt limits of this chapter, or any other law other than section 475.53, subdivision 4.

(b) At least 20 days before the earliest of solicitation of bids, the issuance of bonds, or the final certification of levies under subdivision 6, the district must publish notice of the intended projects, the amount of the bond issue, and the total amount of district indebtedness.

(c) The portion of revenue under this section for bonded debt must be recognized in the debt service fund.

Subd. 6. **Levy authorization.** A district may levy for costs related to an approved plan under subdivision 4 as follows:

(1) if the district has indicated to the commissioner that bonds will be issued, the district may levy for the principal and interest payments on outstanding bonds issued under subdivision 5 after reduction for any aid receivable under subdivision 9;

(2) if the district has indicated to the commissioner that the plan will be funded through levy, the district may levy according to the schedule approved in the plan after reduction for any aid receivable under subdivision 9; or

(3) if the debt service revenue for a district required to pay the principal and interest on bonds issued under subdivision 5 exceeds the district's long-term facilities maintenance revenue for the same fiscal year, the district's general fund levy must be reduced by the amount of the excess.

Subd. 7. **Long-term facilities maintenance equalization revenue.** ~~(a) For fiscal year 2017 only, a district's long-term facilities maintenance equalization revenue equals the lesser of (1) \$193 times the adjusted pupil units or (2) the district's revenue under subdivision 1.~~

~~(b)~~ (a) For fiscal year 2018 only, a district's long-term facilities maintenance equalization revenue equals the lesser of (1) \$292 times the adjusted pupil units or (2) the district's revenue under subdivision 1.

~~(c)~~ (b) For fiscal year 2019 and later, a district's long-term facilities maintenance equalization revenue equals the lesser of (1) \$380 times the adjusted pupil units or (2) the district's revenue under subdivision 1.

~~(d)~~ (c) Notwithstanding paragraphs (a) ~~to (c)~~ and (b), a district's long-term facilities maintenance equalization revenue must not be less than the lesser of the district's long-term facilities maintenance revenue or the amount of aid the district received for fiscal year 2015 under Minnesota Statutes 2014, section 123B.59, subdivision 6.

Subd. 8. **Long-term facilities maintenance equalized levy.** ~~(a) For fiscal year 2017 and later,~~ A district's long-term facilities maintenance equalized levy equals the district's long-term facilities maintenance equalization revenue minus the greater of:

(1) the lesser of the district's long-term facilities maintenance equalization revenue or the amount of aid the district received for fiscal year 2015 under Minnesota Statutes 2014, section 123B.59, subdivision 6; or

(2) the district's long-term facilities maintenance equalization revenue times the greater of (i) zero or (ii) one minus the ratio of its adjusted net tax capacity per adjusted pupil unit in the year preceding the year the levy is certified to 123 percent of the state average adjusted net tax capacity per adjusted pupil unit for all school districts in the year preceding the year the levy is certified.

(b) For purposes of this subdivision, "adjusted net tax capacity" means the value described in section 126C.01, subdivision 2, paragraph (b).

Subd. 8a. **Long-term facilities maintenance unequalized levy.** ~~For fiscal year 2017 and later,~~ A district's long-term facilities maintenance unequalized levy equals the difference between the district's revenue under subdivision 1 and the district's equalization revenue under subdivision 7.

Subd. 9. **Long-term facilities maintenance equalized aid.** ~~For fiscal year 2017 and later,~~ A district's long-term facilities maintenance equalized aid equals its long-term facilities maintenance equalization revenue minus its long-term facilities maintenance equalized levy times the ratio of the actual equalized amount levied to the permitted equalized levy.

Subd. 10. **Allowed uses for long-term facilities maintenance revenue.** (a) A district may use revenue under this section for any of the following:

- (1) deferred capital expenditures and maintenance projects necessary to prevent further erosion of facilities;
- (2) increasing accessibility of school facilities;
- (3) health and safety capital projects under section 123B.57;
- (4) school safety facility enhancements authorized under subdivision 4a; or

~~(4)~~ (5) by board resolution, to transfer money from the general fund reserve for long-term facilities maintenance to the debt redemption fund to pay the amounts needed to meet, when due, principal and interest on general obligation bonds issued under subdivision 5.

(b) A charter school may use revenue under this section for any purpose related to the school, including school safety facility enhancements.

Subd. 11. **Restrictions on long-term facilities maintenance revenue.** Notwithstanding subdivision 10, for projects other than school safety facility enhancements, long-term facilities maintenance revenue may not be used:

- (1) for the construction of new facilities, remodeling of existing facilities, or the purchase of portable classrooms;
- (2) to finance a lease purchase agreement, installment purchase agreement, or other deferred payments agreement;
- (3) for energy-efficiency projects under section 123B.65, for a building or property or part of a building or property used for postsecondary instruction or administration, or for a purpose unrelated to elementary and secondary education; or
- (4) ~~for violence prevention and facility security, ergonomics, or emergency communication devices.~~

Subd. 12. **Reserve account.** The portion of long-term facilities maintenance revenue not recognized under subdivision 5, paragraph (c), must be maintained in a reserve account within the general fund.

Sec. 14. Minnesota Statutes 2016, section 123B.61, is amended to read:

123B.61 PURCHASE OF CERTAIN EQUIPMENT.

(a) The board of a district may issue general obligation certificates of indebtedness or capital notes subject to the district debt limits to:

~~(a)~~ (1) purchase vehicles, computers, telephone systems, cable equipment, photocopy and office equipment, technological equipment for instruction, public announcement systems, emergency communications devices, other equipment related to violence prevention and facility security, and other capital equipment having an expected useful life at least as long as the terms of the certificates or notes;

~~(b)~~ (2) purchase computer hardware and software, without regard to its expected useful life, whether bundled with machinery or equipment or unbundled, together with application development services and training related to the use of the computer; and

~~(c)~~ (3) prepay special assessments.

(b) The certificates or notes must be payable in not more than ten years and must be issued on the terms and in the manner determined by the board, except that certificates or notes issued to prepay special assessments must be payable in not more than 20 years. The certificates or notes may be issued by resolution and without the requirement for an election. The certificates or notes are general obligation bonds for purposes of section 126C.55.

(c) A tax levy must be made for the payment of the principal and interest on the certificates or notes, in accordance with section 475.61, as in the case of bonds. The sum of the tax levies under this section and section 123B.62 for each year must not exceed the lesser of the sum of the amount of the district's total operating capital revenue and safe schools revenue or the sum of the district's levy in the general and community service funds excluding the adjustments under this section for the year preceding the year the initial debt service levies are certified.

(d) The district's general fund levy for each year must be reduced by the sum of:

(1) the amount of the tax levies for debt service certified for each year for payment of the principal and interest on the certificates or notes issued under this section as required by section 475.61;

(2) the amount of the tax levies for debt service certified for each year for payment of the principal and interest on bonds issued under section 123B.62; and

(3) any excess amount in the debt redemption fund used to retire bonds, certificates, or notes issued under this section or section 123B.62 after April 1, 1997, other than amounts used to pay capitalized interest.

(e) If the district's general fund levy is less than the amount of the reduction, the balance shall be deducted first from the district's community service fund levy, and next from the district's general fund or community service fund levies for the following year.

(f) A district using an excess amount in the debt redemption fund to retire the certificates or notes shall report the amount used for this purpose to the commissioner by July 15 of the following fiscal year. A district having an outstanding capital loan under section 126C.69 or an outstanding debt service loan under section 126C.68 must not use an excess amount in the debt redemption fund to retire the certificates or notes.

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 15. Minnesota Statutes 2016, section 126C.44, is amended to read:

126C.44 SAFE SCHOOLS LEVY REVENUE.

Subdivision 1. Safe schools revenue. (a) A school district's total safe schools revenue equals the sum of:

(1) the greater of \$30,000 or \$54 per adjusted pupil unit;

(2) the amounts under subdivision 6; and

(3) for a district not accessing revenue under subdivision 6, the amount under subdivision 7.

(b) A school district's equalized safe schools revenue equals \$36 times the district's adjusted pupil units for that year.

(c) A charter school's safe schools revenue equals \$18 times its adjusted pupil units for that year. The revenue must be reserved and used only for costs associated with safe schools activities authorized under subdivision 5, paragraph (a), clauses (1) to (9), or for building lease expenses not funded by charter school building lease aid that are attributable to facility security enhancements made by the landlord after March 1, 2018.

Subd. 2. **Safe schools equalized levy.** (a) Each district may make a levy on all taxable property located within the district for the purposes specified in this section. The maximum amount which may be levied for all costs under this section shall be equal to \$36 multiplied by the district's A school district's safe school equalized levy equals the product of its equalized safe schools revenue under subdivision 1 times the lesser of one or the ratio of its adjusted net tax capacity per adjusted pupil units for the school year unit to 68.5 percent of the statewide adjusted net tax capacity equalizing factor.

Subd. 3. **Safe schools aid.** (a) A school district's safe schools aid equals the sum of:

(1) \$18 times its adjusted pupil units for that year;

(2) its safe schools equalization aid equal to the difference between its safe schools equalized revenue minus its safe schools equalized levy;

(3) its cooperative unit aid under subdivision 7; and

(4) for fiscal year 2019 only, \$6.50 times its adjusted pupil units for that year for school district members of intermediate school districts.

(b) A charter school's safe schools aid equals its safe schools revenue.

Subd. 4. **Revenue reserved.** ~~The proceeds of the levy~~ A school district's safe schools revenue must be reserved and used for ~~directly funding the following purposes or for reimbursing the cities and counties who contract with the district for the following purposes:~~ authorized in subdivision 5.

Subd. 5. **Revenue uses.** (a) A school district must use its safe schools revenue for the following:

(1) to pay the costs incurred for the salaries, benefits, and transportation costs of peace officers and sheriffs for liaison in services in the district's schools, ~~whether through contract or reimbursement to the city or county employing authority;~~

(2) to pay the costs for a drug abuse prevention program as defined in section 609.101, subdivision 3, paragraph (e), in the elementary schools;

(3) to pay the costs for a gang resistance education training curriculum in the district's schools;

(4) to pay the costs for security in the district's schools and on school property;

(5) to pay the costs for other crime prevention, drug abuse, student and staff safety, voluntary opt-in suicide prevention tools, and violence prevention measures taken by the school district;

(6) to pay costs for licensed school counselors, licensed school nurses, licensed school social workers, licensed school psychologists, and licensed alcohol and chemical dependency counselors to help provide early responses to problems;

(7) to pay for facility security enhancements including laminated glass, public announcement systems, emergency communications devices, and equipment and facility modifications related to violence prevention and facility security;

(8) to pay for costs associated with improving the school climate; ~~or~~

(9) to pay costs for colocating and collaborating with mental health professionals who are not district employees or contractors; or

(10) by board resolution, to transfer money into the debt redemption fund to pay the amounts needed to meet, when due, principal and interest payments on obligations issued under sections 123B.61 and 123B.62 for purposes included in clause (7).

(b) For expenditures under paragraph (a), clause (1), the district must initially attempt to contract for services to be provided by peace officers or sheriffs with the police department of each city or the sheriff's department of the county within the district containing the school receiving the services. If a local police department or a county sheriff's department does not wish to provide the necessary services, the district may contract for these services with any other police or sheriff's department located entirely or partially within the school district's boundaries.

Subd. 6. Intermediate school districts. ~~(e)~~ A school district that is a member of an intermediate school district may ~~include in~~ add to its levy authority under this section the costs associated with safe schools activities authorized under ~~paragraph (a)~~ subdivision 5 for intermediate school district programs. This levy authority must not exceed \$15 times the adjusted pupil units of the member districts. This levy authority is in addition to any other authority authorized under this section. Revenue raised under this ~~paragraph~~ subdivision must be transferred to the intermediate school district.

Subd. 7. Other cooperative units. A school district that is a member of a cooperative unit defined under section 123A.24, subdivision 2, other than a member of an intermediate school district, is eligible for additional safe schools aid equal to \$7.50 times its adjusted pupil units for that year. Revenue raised under this subdivision must be transferred to the cooperative unit.

Subd. 8. Reporting. A school district or charter school receiving revenue under this section must annually report safe schools expenditures to the commissioner, in the form and manner specified by the commissioner. The report must show spending by functional area and align with the revenue uses according to subdivision 5.

EFFECTIVE DATE. This section is effective for fiscal year 2019 and later.

Sec. 16. Laws 2017, First Special Session chapter 5, article 2, section 56, is amended to read:

Sec. 56. INTERMEDIATE SCHOOL DISTRICT MENTAL HEALTH INNOVATION GRANT PROGRAM; APPROPRIATION.

(a) \$2,450,000 in fiscal year 2018 and \$2,450,000 in fiscal year 2019 are appropriated from the general fund to the commissioner of human services for a grant program to fund innovative projects to improve mental health outcomes for youth attending a qualifying school unit.

(b) A "qualifying school unit" means an intermediate district organized under Minnesota Statutes, section 136D.01, or a service cooperative organized under Minnesota Statutes, section 123A.21, subdivision 1, paragraph (a), clause (2), that provides instruction to students in a setting of federal instructional level 4 or higher. Grants under paragraph (a) must be awarded to eligible applicants such that the services are proportionately provided among qualifying school units. The commissioner shall calculate the share of the appropriation to be used in each qualifying school unit by dividing the qualifying school unit's average daily membership in a setting of federal instructional level 4 or higher for fiscal year 2016 by the total average daily membership in a setting of federal instructional level 4 or higher for the same year for all qualifying school units.

(c) An eligible applicant is an entity that has demonstrated capacity to serve the youth identified in paragraph (a) and that is:

- (1) certified under Minnesota Rules, parts 9520.0750 to 9520.0870;
- (2) a community mental health center under Minnesota Statutes, section 256B.0625, subdivision 5;
- (3) an Indian health service facility or facility owned and operated by a tribe or tribal organization operating under United States Code, title 25, section 5321; ~~or~~
- (4) a provider of children's therapeutic services and supports as defined in Minnesota Statutes, section 256B.0943~~;~~ or
- (5) enrolled in medical assistance as a mental health or substance use disorder provider agency and must employ at least two full-time equivalent mental health professionals as defined in Minnesota Statutes, section 245.4871, subdivision 27, clauses (1) to (6), or alcohol and drug counselors licensed or exempt from licensure under chapter 148F who are qualified to provide clinical services to children and families.

(d) An eligible applicant must employ or contract with at least two licensed mental health professionals as defined in Minnesota Statutes, section 245.4871, subdivision 27, clauses (1) to (6), who have formal training in evidence-based practices.

(e) A qualifying school unit must submit an application to the commissioner in the form and manner specified by the commissioner. The commissioner may approve an application that describes models for innovative projects to serve the needs of the schools and students. The commissioner may provide technical assistance to the qualifying school unit. The commissioner shall then solicit grant project proposals and award grant funding to the eligible applicants whose project proposals best meet the requirements of this section and most closely adhere to the models created by the intermediate districts and service cooperatives.

(f) To receive grant funding, an eligible applicant must obtain a letter of support for the applicant's grant project proposal from each qualifying school unit the eligible applicant is proposing to serve. An eligible applicant must also demonstrate the following:

- (1) the ability to seek third-party reimbursement for services;
- (2) the ability to report data and outcomes as required by the commissioner; and
- (3) the existence of partnerships with counties, tribes, substance use disorder providers, and mental health service providers, including providers of mobile crisis services.

(g) Grantees shall obtain all available third-party reimbursement sources as a condition of receiving grant funds. For purposes of this grant program, a third-party reimbursement source does not include a public school as defined in Minnesota Statutes, section 120A.20, subdivision 1.

(h) The base budget for this program is \$0. This appropriation is available until June 30, 2020.

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

Sec. 17. **APPROPRIATIONS.**

Subdivision 1. **Commissioner of education.** The sums indicated in this section are appropriated from the general fund to the commissioner of education for the specified purposes.

Subd. 2. **Safe schools aid.** (a) For safe schools aid under Minnesota Statutes, section 126C.44:

<u>\$20,256,000</u>	<u>.....</u>	<u>2019</u>
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(b) For fiscal year 2019 only, each district's safe schools state aid equals its safe schools revenue for fiscal year 2019 minus the safe schools levy certified by the school district for taxes payable in 2018.

Subd. 3. **Children's school-linked mental health grants.** For transfer to the commissioner of human services for children's school-linked mental health grants under Minnesota Statutes, section 245.4889, subdivision 1, paragraph (b), clause (8):

<u>\$5,000,000</u>	<u>.....</u>	<u>2019</u>
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(b) Grants must be used to expand services, including to school districts or counties in which school-linked mental health services are not available, and to fund transportation for children using school-linked mental health services when school is not in session.

(c) The commissioner must require grantees to use all available third-party reimbursement sources as a condition of the receipt of grant funds. For purposes of this appropriation, a third-party reimbursement source does not include a public school within the meaning of Minnesota Statutes, section 120A.20, subdivision 1.

(d) The base for fiscal year 2020 is \$5,000,000.

Subd. 4. **Physical security audit grants for public schools.** (a) For transfer to the commissioner of public safety for grants to school districts and charter schools to reimburse applicants for up to 100 percent of the cost for an audit of the physical security of public school campuses and crisis management policies adopted pursuant to Minnesota Statutes, section 121A.035, subdivision 2:

<u>\$2,000,000</u>	<u>.....</u>	<u>2019</u>
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(b) The commissioner of public safety must establish specific eligibility and application criteria including a requirement that audits be conducted by consultants holding professional certification deemed acceptable by the commissioner, including but not limited to a Certified Protection Professional certification from the American Society for Industrial Security.

(c) This is a onetime appropriation.

Subd. 5. **School resource officer training grants.** (a) For grants to reimburse school districts and charter schools for up to one-half of the costs of school resource officer training:

\$400,000 2019

(b) The commissioner and the director of the Minnesota School Safety Center are encouraged to develop school resource officer training guidelines and provide school districts and charter schools a list of approved school resource officer training programs.

(c) A district or charter school seeking a grant under this subdivision must submit an application in the form and manner specified by the commissioner of education. Reimbursement must not exceed \$500 per officer. The commissioner must prorate grant amounts if the appropriation is insufficient to fully fund the state's share of the training.

(d) A recipient school district or charter school and the local law enforcement agency must enter into an agreement to pay for the remaining training costs for school resource officer training. The school district or charter school and the law enforcement agency may seek private funds to pay for the local share of the school resource officer training costs.

(e) This is a onetime appropriation.

Subd. 6. **Threat assessment grants.** (a) For grants to school districts for training for members of threat assessment teams and oversight committees under Minnesota Statutes, section 121A.35:

\$300,000 2019

(b) The commissioner and the director of the Minnesota School Safety Center are encouraged to develop threat assessment training guidelines and provide school districts a list of approved threat assessment training programs.

(c) This is a onetime appropriation.

(d) Notwithstanding Minnesota Statutes, section 16A.28, the fiscal year 2019 appropriation is available until June 30, 2021. Any remaining balance is canceled to the general fund.

Subd. 7. **Suicide prevention training for teachers.** (a) For a grant to a nationally recognized organization to offer evidence-based online training for teachers on suicide prevention and engaging students experiencing mental distress:

\$273,000 2019

(b) This is a onetime appropriation.

(c) The recipient of the suicide prevention training grant under this subdivision must make the training accessible to all Minnesota school districts, cooperative units defined under Minnesota Statutes, section 123A.24, subdivision 2, tribal schools, and charter schools.

Subd. 8. **For Jake's Sake Foundation.** (a) For a grant to the For Jake's Sake Foundation to collaborate with school districts throughout Minnesota to integrate evidence-based substance misuse prevention instruction on the dangers of substance misuse, particularly the use of opioids, into school district programs and curricula, including health education curricula:

\$350,000 2019

(b) Funds appropriated in this subdivision are to:

(1) identify effective substance misuse prevention tools and strategies, including innovative uses of technology and media;

(2) develop and promote a comprehensive substance misuse prevention curriculum for students in grades 5 through 12 that educates students and families about the dangers of substance misuse;

(3) integrate substance misuse prevention into curricula across subject areas;

(4) train school district teachers, athletic coaches, and other school staff in effective substance misuse prevention strategies; and

(5) collaborate with school districts to evaluate the effectiveness of districts' substance misuse prevention efforts.

(c) By February 15, 2019, the grantee must submit a report detailing expenditures and outcomes of the grant to the chairs and ranking minority members of the legislative committees with primary jurisdiction over kindergarten through grade 12 education policy and finance. The report must identify the school districts that have implemented or plan to implement the substance misuse prevention curriculum.

(d) This is a onetime appropriation.

(e) Notwithstanding Minnesota Statutes, section 16A.28, the fiscal year 2019 appropriation is available until June 30, 2021. Any remaining balance is canceled to the general fund.

ARTICLE 3 EDUCATION EXCELLENCE

Section 1. Minnesota Statutes 2016, section 120A.20, subdivision 2, is amended to read:

Subd. 2. **Education, residence, and transportation of homeless.** (a) Notwithstanding subdivision 1, a district must not deny free admission to a homeless pupil solely because the district cannot determine that the pupil is a resident of the district.

(b) The school district of residence for a homeless pupil shall be the school district in which the parent or legal guardian resides, unless: (1) parental rights have been terminated by court order; (2) the parent or guardian is not living within the state; or (3) the parent or guardian having legal custody of the child is an inmate of a Minnesota correctional facility or is a resident of a halfway house under the supervision of the commissioner of corrections. If any of clauses (1) to (3) apply, the school district of residence shall be the school district in which the pupil resided when the qualifying event occurred. If no other district of residence can be established, the school district of residence shall be the school district in which the pupil currently resides. If there is a dispute between school districts regarding residency, the district of residence is the district designated by the commissioner of education.

(c) Except as provided in paragraph (d), the serving district is responsible for transporting a homeless pupil to and from the pupil's district of residence. The district may transport from a permanent home in another district but only through the end of the academic school year. When a pupil is enrolled in a charter school, the district or school that provides transportation for other pupils enrolled in the charter school is responsible for providing transportation. When a homeless student with or without an individualized education program attends a public school other than an independent or special school district or charter school, the district of residence is responsible for transportation.

(d) For a homeless pupil with an individualized education plan enrolled in a program authorized by an intermediate school district, special education cooperative, service cooperative, or education district, the serving district at the time of the pupil's enrollment in the program remains responsible for transporting that pupil for the remainder of the school year unless the initial serving district and the current serving district mutually agree that the current serving district is responsible for transporting the homeless pupil.

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 2. Minnesota Statutes 2016, section 120A.22, subdivision 12, is amended to read:

Subd. 12. **Legitimate exemptions.** (a) A parent, guardian, or other person having control of a child may apply to a school district to have the child excused from attendance for the whole or any part of the time school is in session during any school year. Application may be made to any member of the board, a truant officer, a principal, or the superintendent. The school district may state in its school attendance policy that it may ask the student's parent or legal guardian to verify in writing the reason for the child's absence from school. A note from a physician or a licensed mental health professional stating that the child cannot attend school is a valid excuse. The board of the district in which the child resides may approve the application upon the following being demonstrated to the satisfaction of that board:

(1) that the child's physical or mental health is such as to prevent attendance at school or application to study for the period required, which includes:

(i) child illness, medical, dental, orthodontic, or counseling appointments;

(ii) family emergencies;

(iii) the death or serious illness or funeral of an immediate family member;

~~(iv) active duty in any military branch of the United States;~~

~~(v)~~ (iv) the child has a condition that requires ongoing treatment for a mental health diagnosis; or

~~(vi)~~ (v) other exemptions included in the district's school attendance policy;

(2) that the child's parent, guardian, or other person having control of the child is in active duty in any branch of the United States armed forces;

(3) that the child is participating in any activity necessary for the child to join any branch of the United States armed forces and may be excused for up to three days for such purpose;

~~(2)~~ (4) that the child has already completed state and district standards required for graduation from high school; or

~~(3)~~ (5) that it is the wish of the parent, guardian, or other person having control of the child, that the child attend for a period or periods not exceeding in the aggregate three hours in any week, a school for religious instruction conducted and maintained by some church, or association of churches, or any Sunday school association incorporated under the laws of this state, or any auxiliary thereof. This school for religious instruction must be conducted and maintained in a place other than a public school building, and it must not, in whole or in part, be conducted and maintained at public expense. However, a child may be absent from school on such days as the child attends upon instruction according to the ordinances of some church.

(b) Notwithstanding subdivision 6, paragraph (a), a parent may withdraw a child from an all-day, every day kindergarten program and put their child in a half-day program, if offered, or an alternate-day program without being truant. A school board must excuse a kindergarten child from a part of a school day at the request of the child's parent.

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

Sec. 3. Minnesota Statutes 2017 Supplement, 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, consistent with subdivision 1b; 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) The department must adopt the most recent 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) A school district may include child sexual abuse prevention instruction in a health curriculum, consistent with paragraph (a), clause (6). Child sexual abuse prevention instruction may include age appropriate instruction on recognizing sexual abuse and assault, boundary violations, and ways offenders groom or desensitize victims, as well as strategies to promote disclosure, reduce self-blame, and mobilize bystanders. A school district may provide instruction under this paragraph in a variety of ways, including at an annual assembly or classroom presentation. A school district may also provide parents information on the warning signs of child sexual abuse and available resources.~~

~~(e)~~ (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. 4. Minnesota Statutes 2016, section 120B.021, is amended by adding a subdivision to read:

Subd. 1b. **Health standards.** (a) A school district's locally developed health standards may include instruction on:

(1) child sexual abuse, exploitation, and sexual assault prevention; and

(2) substance misuse prevention in grades 5 through 12.

Instruction under this subdivision must be age-appropriate. Nothing in this subdivision requires a school district to use a specific methodology or curriculum. A school district may provide instruction under this subdivision in a variety of ways, including at an annual assembly or classroom presentation.

(b) Child sexual abuse, exploitation, and sexual assault prevention instruction in a health curriculum may include instruction on recognizing sexual abuse, exploitation and assault, boundary violations, and ways offenders groom or desensitize victims, as well as strategies to promote disclosure, reduce self-blame, and mobilize bystanders. Child sexual exploitation prevention instruction must be consistent with the definition of sexually exploited youth under section 260C.007, subdivision 31. A school district may provide information to parents on the warning signs of child sexual abuse and sexual exploitation and available resources. A school district is encouraged to include in sexual assault prevention instruction:

(1) character education, as defined in section 120B.232;

(2) age-appropriate strategies and techniques to recognize and report sexual abuse, assault, or exploitation; and

(3) age-appropriate information to deter boundary violations and unwanted forms of touching and contact.

(c) A school district's substance misuse prevention curriculum must be evidence-based. Substance misuse prevention must include instruction on opioids and controlled substances as defined in section 121A.25, subdivision 2, chemical abuse as defined in section 121A.25, subdivision 3, prescription and nonprescription medications, and illegal drugs.

(d) A school district may consult with other federal, state, or local agencies and community-based organizations to identify research-based tools, curricula, and programs to develop instruction required under this subdivision. The Department of Education must assist districts when requested and may provide resources including information on best practices, developing standards, curricula, and programs consistent with this subdivision.

(e) Instruction under this subdivision is subject to the requirements of section 120B.20.

(f) The commissioner of education must conduct a survey of school districts and charter schools during the 2021-2022 school year on locally adopted health standards to determine whether school districts and charter schools have implemented instruction consistent with this subdivision. The commissioner must report the findings of the survey to the chairs and ranking minority members of the legislative committees with jurisdiction over kindergarten through grade 12 education in accordance with section 3.195 no later than January 15, 2023.

Sec. 5. Minnesota Statutes 2016, section 120B.024, subdivision 1, is amended to read:

Subdivision 1. **Graduation requirements.** Students ~~beginning 9th grade in the 2011-2012 school year and later~~ must successfully complete the following high school level credits for graduation:

- (1) four credits of language arts sufficient to satisfy all of the academic standards in English language arts;
- (2) three credits of mathematics, including an algebra II credit or its equivalent, sufficient to satisfy all of the academic standards in mathematics;
- (3) an algebra I credit by the end of 8th grade sufficient to satisfy all of the 8th grade standards in mathematics;
- (4) three credits of science, including at least one credit of biology, one credit of chemistry or physics, and one elective credit of science. The combination of credits under this clause must be sufficient to satisfy (i) all of the academic standards in either chemistry or physics and (ii) all other academic standards in science;
- (5) three and one-half credits of social studies, including credit for a specific course in government and citizenship in either 11th or 12th grade for students beginning 9th grade in the 2020-2021 school year and later, and a combination of other credits encompassing at least United States history, geography, government and citizenship, world history, and economics sufficient to satisfy all of the academic standards in social studies;
- (6) one credit of the arts sufficient to satisfy all of the state or local academic standards in the arts; and
- (7) a minimum of seven elective credits.

Sec. 6. Minnesota Statutes 2016, section 120B.11, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For the purposes of this section and section 120B.10, the following terms have the meanings given them.

(a) "Instruction" means methods of providing learning experiences that enable a student to meet state and district academic standards and graduation requirements including applied and experiential learning.

(b) "Curriculum" means district or school adopted programs and written plans for providing students with learning experiences that lead to expected knowledge and skills and career and college readiness.

(c) "World's best workforce" means striving to: meet school readiness goals; have all third grade students achieve grade-level literacy; close the academic achievement gap among all racial and ethnic groups of students and between students living in poverty and students not living in poverty; have all students attain career and college readiness before graduating from high school; and have all students graduate from high school.

(d) "Experiential learning" means learning for students that includes career exploration through a specific class or course or through work-based experiences such as job shadowing, mentoring, entrepreneurship, service learning, volunteering, internships, other cooperative work experience, youth apprenticeship, or employment.

(e) "State plan" means the plan submitted by the commissioner in accordance with the Elementary and Secondary Education Act, as most recently authorized, and approved by the United States Department of Education, including state goals.

(f) "Ineffective teacher" means a teacher whose most recent summative teacher evaluation resulted in placing or otherwise keeping the teacher on an improvement process pursuant to section 122A.40, subdivision 8, or 122A.41, subdivision 5.

(g) "Inexperienced teacher" means a licensed teacher who has been employed as a teacher for three years or less.

(h) "Out-of-field teacher" means a licensed teacher who is providing instruction in an area in which the teacher is not licensed.

Sec. 7. Minnesota Statutes 2016, section 120B.11, subdivision 1a, is amended to read:

Subd. 1a. **Performance measures.** Measures to determine school district and school site progress in striving to create the world's best workforce must include at least:

(1) the size of the academic achievement gap; as measured on the Minnesota Comprehensive Assessments;

(2) rigorous course taking under section 120B.35, subdivision 3, paragraph (c), clause (2), and enrichment experiences by student subgroup group;

~~(2)~~ (3) student performance on the Minnesota Comprehensive Assessments in reading and mathematics;

~~(3)~~ (4) high school graduation rates; ~~and~~

(4) (5) career and college readiness under section 120B.30, subdivision 1, paragraph (p), as measured by student performance on the high school Minnesota Comprehensive Assessments in reading and mathematics, and successful completion of rigorous coursework that is part of a well-rounded education, including advanced placement, international baccalaureate, or concurrent enrollment coursework, or attainment of a certificate or industry-recognized credential; and

(6) performance measures consistent with the state plan not otherwise required by this subdivision.

Sec. 8. Minnesota Statutes 2016, section 120B.11, subdivision 2, is amended to read:

Subd. 2. **Adopting plans and budgets.** A school board, at a public meeting, ~~shall~~ must adopt a comprehensive, long-term strategic plan to support and improve teaching and learning that is aligned with creating the world's best workforce and includes:

(1) clearly defined district and school site ~~goals and benchmarks for~~ toward meeting statewide goals for instruction and student achievement for all student subgroups identified in section 120B.35, subdivision 3, paragraph (b), clause (2);

(2) a process to assess and evaluate each student's progress toward meeting state and local academic standards, assess and identify students to participate in gifted and talented programs and accelerate their instruction, and adopt early-admission procedures consistent with section 120B.15, and identifying the strengths and weaknesses of instruction in pursuit of student and school success and curriculum affecting students' progress and growth toward career and college readiness and leading to the world's best workforce;

(3) a system to periodically review and evaluate the effectiveness of all instruction and curriculum, taking into account strategies and best practices, student outcomes, school principal evaluations under section 123B.147, subdivision 3, students' access to effective teachers who are members of populations underrepresented among the licensed teachers in the district or school and who reflect the diversity of enrolled students under section 120B.35, subdivision 3, paragraph (b), clause (2), and teacher evaluations under section 122A.40, subdivision 8, or 122A.41, subdivision 5;

(4) strategies for improving instruction, curriculum, and student achievement, including the English and, where practicable, the native language development and the academic achievement of English learners;

(5) a process to examine the equitable distribution of teachers and strategies to ensure low-income and minority children are not taught at higher rates than other children by inexperienced, ineffective, or out-of-field teachers;

(6) education effectiveness practices that integrate high-quality instruction, rigorous curriculum, technology, and a collaborative professional culture that develops and supports teacher quality, performance, and effectiveness; and

(7) an annual budget for continuing to implement the district plan.

Sec. 9. Minnesota Statutes 2016, section 120B.11, subdivision 5, is amended to read:

Subd. 5. **Report.** ~~Consistent with requirements for school performance reports under section 120B.36, subdivision 1, the school board shall publish a report in the local newspaper with the largest circulation in the district, by mail, or by electronic means on the district Web site.~~ (a) The school board shall must hold an annual public meeting to review, and revise where appropriate, student achievement goals, local assessment outcomes, plans, strategies, and practices for improving curriculum and instruction and cultural competency, and efforts to equitably distribute diverse, effective, experienced, and in-field teachers, and to review district success in realizing the previously adopted student achievement goals and related benchmarks and the improvement plans leading to the world's best workforce. The school board must transmit an electronic summary of its report to the commissioner in the form and manner the commissioner determines.

(b) The commissioner must annually include in the school performance reports required under section 120B.36, subdivision 1, student performance at each school district and school site using the performance measures in subdivision 1a and other information required under this subdivision. The school board must post a copy of the school performance report for the district and each school site on the district's Web site, or provide a link to the district and school site performance reports on the Department of Education's Web site.

Sec. 10. Minnesota Statutes 2016, section 120B.11, subdivision 9, is amended to read:

Subd. 9. **Annual evaluation.** (a) The commissioner must identify effective strategies, practices, and use of resources by districts and school sites in striving for the world's best workforce. The commissioner must assist districts and sites throughout the state in implementing these effective strategies, practices, and use of resources.

(b) The commissioner must use the performance measures in the accountability system of the state plan, including academic achievement in math and reading, graduation rates, and a school quality indicator, to identify those districts in any consecutive three-year period and school sites not making sufficient progress in any consecutive three-year period toward improving teaching and learning for all students, including English learners with varied needs, consistent with section 124D.59, subdivisions 2 and 2a, and striving for the world's best workforce, meeting state goals. The commissioner must implement evaluation timelines and measures consistent with the state plan. The commissioner may identify districts or school sites that do not provide information required for evaluation as failing to make sufficient progress toward meeting state goals. The commissioner may evaluate, designate, and report on school districts and charter schools separately, consistent with the evaluation process under the state plan.

(c) The commissioner must review the curricula of a sample of three to five identified school sites to ensure the curricula are aligned with statewide reading and math standards for grades 3, 5, and 8. The sample of school sites must be of varied size and geographic distribution.

(d) The commissioner, in collaboration with the identified district, may require the district to use up to two percent of its basic general education revenue per fiscal year during the proximate three school years to implement ~~commissioner-specified~~ evidence-based strategies and best practices, consistent with paragraph (a), to improve and accelerate its progress in realizing its goals under this section. In implementing this section, the commissioner must consider districts' budget constraints and legal obligations.

~~(c)~~ (e) The commissioner ~~shall~~ must report by January 25 of each year to the committees of the legislature having jurisdiction over kindergarten through grade 12 education the list of school districts that have not submitted their report to the commissioner under subdivision 5 and the list of school districts ~~not achieving their performance goals established in their plan under subdivision 2~~ identified as not making sufficient progress toward meeting world's best workforce goals under paragraph (b).

Sec. 11. Minnesota Statutes 2016, section 120B.12, as amended by Laws 2017, First Special Session chapter 5, article 2, sections 5, 6, and 7, is amended to read:

120B.12 READING PROFICIENTLY NO LATER THAN THE END OF GRADE 3.

Subdivision 1. **Literacy goal.** The legislature seeks to have every child reading at or above grade level no later than the end of grade 3, including English learners, and that teachers provide comprehensive, scientifically based reading instruction consistent with section 122A.06, subdivision 4. To the extent practicable, a school district must direct its literacy incentive aid received under section 124D.98 toward this goal consistent with its local literacy plan adopted under this section.

Subd. 2. **Identification; report.** (a) Each school district ~~shall~~ must identify before the end of kindergarten, grade 1, and grade 2 students who are not reading at grade level before the end of the current school year and ~~shall~~ must identify students in grade 3 or higher who demonstrate a reading difficulty to a classroom teacher. A school district must screen for dyslexia:

(1) all students in kindergarten, grade 1, and grade 2 who are not reading at grade level; and

(2) any student in grade 3 or higher who demonstrates a reading difficulty.

(b) Reading assessments in English, and in the predominant languages of district students where practicable, must identify and evaluate students' areas of academic need related to literacy. The district also must monitor the progress and provide reading instruction appropriate to the specific needs of English learners. The district must use a locally adopted, developmentally appropriate, and culturally responsive assessment and annually report summary assessment results to the commissioner by July 1.

(c) The district ~~also~~ must annually report to the commissioner by July 1 a summary of the district's efforts to screen and identify students with:

(1) dyslexia, using screening tools such as those recommended by the department's dyslexia and literacy specialist; or

(2) convergence insufficiency disorder.

~~(b)~~ (d) A student identified under this subdivision must be provided with alternate instruction under section 125A.56, subdivision 1.

Subd. 2a. **Parent notification and involvement.** Schools, at least annually, must give the parent of each student who is not reading at or above grade level timely information about:

- (1) the student's reading proficiency as measured by a locally adopted assessment;
- (2) reading-related services currently being provided to the student and the student's progress; and
- (3) strategies for parents to use at home in helping their student succeed in becoming grade-level proficient in reading in English and in their native language.

A district may not use this section to deny a student's right to a special education evaluation.

Subd. 3. Intervention. (a) For each student identified under subdivision 2, the district ~~shall~~ must provide reading intervention to accelerate student growth and reach the goal of reading at or above grade level by the end of the current grade and school year. If a student does not read at or above grade level by the end of grade 3, the district must continue to provide reading intervention until the student reads at grade level. District intervention methods shall encourage family engagement and, where possible, collaboration with appropriate school and community programs. Intervention methods may include, but are not limited to, requiring attendance in summer school, intensified reading instruction that may require that the student be removed from the regular classroom for part of the school day, extended-day programs, or programs that strengthen students' cultural connections.

(b) A school district or charter school is strongly encouraged to provide a personal learning plan for a student who is unable to demonstrate grade-level proficiency, as measured by the statewide reading assessment in grade 3. The district or charter school must determine the format of the personal learning plan in collaboration with the student's educators and other appropriate professionals. The school must develop the learning plan in consultation with the student's parent or guardian. The personal learning plan must address knowledge gaps and skill deficiencies through strategies such as specific exercises and practices during and outside of the regular school day, periodic assessments, and reasonable timelines. The personal learning plan may include grade retention, if it is in the student's best interest. A school must maintain and regularly update and modify the personal learning plan until the student reads at grade level. This paragraph does not apply to a student under an individualized education program.

Subd. 4. Staff development. (a) Each district ~~shall~~ must use the data under subdivision 2 to identify the staff development needs so that:

(1) elementary teachers are able to implement comprehensive, scientifically based reading and oral language instruction in the five reading areas of phonemic awareness, phonics, fluency, vocabulary, and comprehension as defined in section 122A.06, subdivision 4, and other literacy-related areas including writing until the student achieves grade-level reading proficiency;

(2) elementary teachers have sufficient training to provide comprehensive, scientifically based reading and oral language instruction that meets students' developmental, linguistic, and literacy needs using the intervention methods or programs selected by the district for the identified students;

(3) licensed teachers employed by the district have regular opportunities to improve reading and writing instruction, including screenings, intervention strategies, and accommodations for students showing characteristics associated with dyslexia;

(4) licensed teachers recognize students' diverse needs in cross-cultural settings and are able to serve the oral language and linguistic needs of students who are English learners by maximizing strengths in their native languages in order to cultivate students' English language development, including oral academic language development, and build academic literacy; and

(5) licensed teachers are well trained in culturally responsive pedagogy that enables students to master content, develop skills to access content, and build relationships.

(b) A school district may use its literacy incentive aid under section 124D.98 for the staff development purposes of this subdivision.

Subd. 4a. **Local literacy plan.** (a) Consistent with this section, a school district must adopt a local literacy plan to have every child reading at or above grade level no later than the end of grade 3, including English learners. The plan must be consistent with section 122A.06, subdivision 4, and include the following:

(1) a process to assess students' level of reading proficiency and data to support the effectiveness of an assessment used to screen and identify a student's level of reading proficiency;

(2) a process to notify and involve parents;

(3) a description of how schools in the district will determine the proper reading intervention strategy for a student and the process for intensifying or modifying the reading strategy in order to obtain measurable reading progress;

(4) evidence-based intervention methods for students who are not reading at or above grade level and progress monitoring to provide information on the effectiveness of the intervention; and

(5) identification of staff development needs, including a program to meet those needs.

(b) The district must post its literacy plan on the official school district Web site.

Subd. 5. **Commissioner.** The commissioner ~~shall~~ must recommend to districts multiple assessment tools to assist districts and teachers with identifying students under subdivision 2. The commissioner ~~shall~~ must also make available examples of nationally recognized and research-based instructional methods or programs to districts to provide comprehensive, scientifically based reading instruction and intervention under this section.

EFFECTIVE DATE. Subdivision 2 is effective July 1, 2019. Subdivisions 1 and 3 to 5 are effective for revenue for fiscal year 2019 and later.

Sec. 12. Minnesota Statutes 2017 Supplement, section 120B.122, subdivision 1, is amended to read:

Subdivision 1. **Purpose Duties.** (a) The department must employ a dyslexia specialist to provide technical assistance for dyslexia and related disorders and to serve as the primary source of information and support for schools in addressing the needs of students with dyslexia and related disorders.

(b) The dyslexia specialist ~~shall also~~ must act to increase professional awareness and instructional competencies to meet the educational needs of students with dyslexia or identified with risk characteristics associated with dyslexia and ~~shall~~ must develop implementation guidance and make recommendations to the commissioner consistent with section 122A.06, subdivision 4, to be used to assist general education teachers and special education teachers to recognize educational needs and to improve literacy outcomes for students with dyslexia or identified with risk characteristics associated with dyslexia, including recommendations related to increasing the availability of online and asynchronous professional development programs and materials.

(c) The dyslexia specialist must provide guidance to school districts and charter schools on how to:

(1) access tools to screen and identify students showing characteristics associated with dyslexia in accordance with section 120B.12, subdivision 2, paragraph (a);

(2) implement screening for characteristics associated with dyslexia in accordance with section 120B.12, subdivision 2, paragraph (a), and in coordination with other early childhood screenings; and

(3) participate in professional development opportunities on intervention strategies and accommodations for students with dyslexia or characteristics associated with dyslexia.

Sec. 13. Minnesota Statutes 2017 Supplement, section 120B.125, is amended to read:

120B.125 PLANNING FOR STUDENTS' SUCCESSFUL TRANSITION TO POSTSECONDARY EDUCATION AND EMPLOYMENT; PERSONAL LEARNING PLANS.

(a) Consistent with sections 120B.13, 120B.131, 120B.132, 120B.14, 120B.15, 120B.30, subdivision 1, paragraph (c), 125A.08, and other related sections, school districts, beginning in the 2013-2014 school year, must assist all students by no later than grade 9 to explore their educational, college, and career interests, aptitudes, and aspirations and develop a plan for a smooth and successful transition to postsecondary education or employment. All students' plans must:

(1) provide a comprehensive plan to prepare for and complete a career and college ready curriculum by meeting state and local academic standards and developing career and employment-related skills such as team work, collaboration, creativity, communication, critical thinking, and good work habits;

(2) emphasize academic rigor and high expectations and inform the student, and the student's parent or guardian if the student is a minor, of the student's achievement level score on the Minnesota Comprehensive Assessments that are administered during high school;

(3) help students identify interests, aptitudes, aspirations, and personal learning styles that may affect their career and college ready goals and postsecondary education and employment choices;

(4) set appropriate career and college ready goals with timelines that identify effective means for achieving those goals;

(5) help students access education and career options, including armed forces career options;

(6) integrate strong academic content into career-focused courses and applied and experiential learning opportunities and integrate relevant career-focused courses and applied and experiential learning opportunities into strong academic content;

(7) help identify and access appropriate counseling and other supports and assistance that enable students to complete required coursework, prepare for postsecondary education and careers, and obtain information about postsecondary education costs and eligibility for financial aid and scholarship;

(8) help identify collaborative partnerships among prekindergarten through grade 12 schools, postsecondary institutions, economic development agencies, and local and regional employers that support students' transition to postsecondary education and employment and provide students with applied and experiential learning opportunities; and

(9) be reviewed and revised at least annually by the student, the student's parent or guardian, and the school or district to ensure that the student's course-taking schedule keeps the student making adequate progress to meet state and local academic standards and high school graduation requirements and with a reasonable chance to succeed with employment or postsecondary education without the need to first complete remedial course work.

(b) A school district may develop grade-level curricula or provide instruction that introduces students to various careers, but must not require any curriculum, instruction, or employment-related activity that obligates an elementary or secondary student to involuntarily select or pursue a career, career interest, employment goals, or related job training.

(c) Educators must possess the knowledge and skills to effectively teach all English learners in their classrooms. School districts must provide appropriate curriculum, targeted materials, professional development opportunities for educators, and sufficient resources to enable English learners to become career and college ready.

(d) When assisting students in developing a plan for a smooth and successful transition to postsecondary education and employment, districts must recognize the unique possibilities of each student and ensure that the contents of each student's plan reflect the student's unique talents, skills, and abilities as the student grows, develops, and learns.

(e) If a student with a disability has an individualized education program (IEP) or standardized written plan that meets the plan components of this section, the IEP satisfies the requirement and no additional transition plan is needed.

(f) Students who do not meet or exceed Minnesota academic standards, as measured by the Minnesota Comprehensive Assessments that are administered during high school, shall be informed that admission to a public school is free and available to any resident under 21 years of age or who meets the requirements of section 120A.20, subdivision 1, paragraph (c). A student's plan under this section shall continue while the student is enrolled.

(g) A school district must provide military recruiters and representatives of organizations promoting careers in the skilled trades and manufacturing the same access to secondary school students as the district provides to institutions of higher education or to prospective employers of students.

(h) School districts are encouraged to sponsor an armed forces career opportunity day each school year prior to the third Thursday of November. A school district that sponsors an armed forces career opportunity day must extend invitations to recruiters from each branch of the United States armed forces and allow the recruiters to make presentations to all interested secondary school students.

Sec. 14. **[120B.215] SUBSTANCE MISUSE PREVENTION.**

(a) This section may be cited as "Jake's Law."

(b) School districts and charter schools are encouraged to provide substance misuse prevention instruction for students in grades 5 through 12 integrated into existing programs, curriculum, or the general school environment of a district or charter school. The commissioner of education, in consultation with the director of the Alcohol and Other Drug Abuse Section under section 254A.03 and substance misuse prevention and treatment organizations, must, upon request, provide districts and charter schools with:

(1) information regarding substance misuse prevention services; and

(2) assistance in using Minnesota student survey results to inform prevention programs.

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 15. Minnesota Statutes 2016, section 120B.299, subdivision 10, is amended to read:

Subd. 10. **Proficiency.** "Proficiency" for purposes of reporting growth on school performance report cards under section 120B.36, subdivision 1, means those students who, in the previous school year, scored at or above "meets standards" on the statewide assessments under section 120B.30. ~~Each year, school performance report cards must separately display: (1) the numbers and percentages of students who achieved low growth, medium growth, and high growth and achieved proficiency in the previous school year; and (2) the numbers and percentages of students who achieved low growth, medium growth, and high growth and did not achieve proficiency in the previous school year.~~

Sec. 16. Minnesota Statutes 2017 Supplement, 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~~ must 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~~ must establish ~~one or more months during which schools shall administer the tests to students~~ a testing period as late as possible each school year during which schools must administer the Minnesota Comprehensive Assessments to students. The commissioner must publish the testing schedule at least two years before the beginning of the testing period except for a year in which revised standards are implemented.

~~(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) 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

(2) 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 (1), 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 who is eligible for a free or reduced-price meal, 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 free or reduced-price meal eligible 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. Notwithstanding sections 123B.34 to 123B.39, a school district may require a student that is not eligible for a free or reduced-price meal to pay the cost of taking a nationally recognized college entrance exam. The district must waive the cost for a student unable to pay.

(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~~ must determine the testing process and the order of administration. The statewide results ~~shall~~ must be aggregated at the site and district level, consistent with subdivision 1a.

(o) The commissioner ~~shall~~ must 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 of families and educators to interact effectively with people of different cultures, native languages, and socioeconomic backgrounds.

EFFECTIVE DATE. This section is effective for testing calendars in the 2020-2021 school year and later.

Sec. 17. Minnesota Statutes 2016, section 120B.30, subdivision 1a, is amended to read:

Subd. 1a. **Statewide and local assessments; results.** ~~(a) For purposes of this section, the following definitions have the meanings given them.~~

~~(1) "Computer adaptive assessments" means fully adaptive assessments.~~

~~(2) "Fully adaptive assessments" include test items that are on grade level and items that may be above or below a student's grade level.~~

~~(3) "On grade level" test items contain subject area content that is aligned to state academic standards for the grade level of the student taking the assessment.~~

~~(4) "Above grade level" test items contain subject area content that is above the grade level of the student taking the assessment and is considered aligned with state academic standards to the extent it is aligned with content represented in state academic standards above the grade level of the student taking the assessment. Notwithstanding the student's grade level, administering above grade level test items to a student does not violate the requirement that state assessments must be aligned with state standards.~~

~~(5) "Below grade level" test items contain subject area content that is below the grade level of the student taking the test and is considered aligned with state academic standards to the extent it is aligned with content represented in state academic standards below the student's current grade level. Notwithstanding the student's grade level, administering below grade level test items to a student does not violate the requirement that state assessments must be aligned with state standards.~~

~~(b) The commissioner must use fully adaptive mathematics and reading assessments for grades 3 through 8.~~

~~(e)~~ (a) For purposes of conforming with existing federal educational accountability requirements, the commissioner must develop and implement computer-adaptive reading and mathematics assessments for grades 3 through 8, state-developed high school reading and mathematics tests aligned with state academic standards, a high school writing test aligned with state standards when it becomes available, and science assessments under clause (2) that districts and sites must use to monitor student growth toward achieving those standards. The commissioner must not develop statewide assessments for academic standards in social studies, health and physical education, and the arts. The commissioner must require:

(1) annual computer-adaptive reading and mathematics assessments in grades 3 through 8, and high school reading, writing, and mathematics tests; and

(2) annual science assessments in one grade in the grades 3 through 5 span, the grades 6 through 8 span, and a life sciences assessment in the grades 9 through 12 span, and the commissioner must not require students to achieve a passing score on high school science assessments as a condition of receiving a high school diploma.

~~(d)~~ (b) The commissioner must ensure that for annual computer-adaptive assessments:

(1) individual student performance data and achievement reports are available to school districts and teachers within three school days of when students take an assessment except in a year when an assessment reflects new performance standards;

(2) growth information is available for each student from the student's first assessment to each proximate assessment using a constant measurement scale;

(3) parents, teachers, and school administrators are able to use elementary and middle school student performance data to project students' secondary and postsecondary achievement; and

(4) useful diagnostic information about areas of students' academic strengths and weaknesses is available to teachers and school administrators for improving student instruction and indicating the specific skills and concepts that should be introduced and developed for students at given performance levels, organized by strands within subject areas, and aligned to state academic standards.

~~(e)~~ (c) The commissioner must ensure that all state tests administered to elementary and secondary students measure students' academic knowledge and skills and not students' values, attitudes, and beliefs.

~~(f)~~ (d) Reporting of state assessment results must:

(1) provide timely, useful, and understandable information on the performance of individual students, schools, school districts, and the state;

(2) include a growth indicator of student achievement; and

(3) determine whether students have met the state's academic standards.

~~(g)~~ (e) Consistent with applicable federal law, the commissioner must include appropriate, technically sound accommodations or alternative assessments for the very few students with disabilities for whom statewide assessments are inappropriate and for English learners.

~~(h)~~ (f) A school, school district, and charter school must administer statewide assessments under this section, as the assessments become available, to evaluate student progress toward career and college readiness in the context of the state's academic standards. A school, school district, or charter school may use a student's performance on a statewide assessment as one of multiple criteria to determine grade promotion or retention. A school, school district, or charter school may use a high school student's performance on a statewide assessment as a percentage of the student's final grade in a course, or place a student's assessment score on the student's transcript.

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

Sec. 18. Minnesota Statutes 2016, section 120B.30, subdivision 3, is amended to read:

Subd. 3. **Reporting.** (a) The commissioner ~~shall~~ must report test results publicly and to stakeholders, including the performance achievement levels developed from students' unweighted test scores in each tested subject and a listing of demographic factors that strongly correlate with student performance, including student homelessness, as data are available, among other factors. The test results must not include personally identifiable information as defined in Code of Federal Regulations, title 34, section 99.3. The commissioner ~~shall~~ must also report data that compares performance results among school sites, school districts, Minnesota and other states, and Minnesota and other nations.

(b) The commissioner ~~shall~~ must disseminate to schools and school districts a more comprehensive report containing testing information that meets local needs for evaluating instruction and curriculum. The commissioner ~~shall~~ must disseminate to charter school authorizers a more comprehensive report containing testing information that contains anonymized data where cell count data are sufficient to protect student identity and that meets the authorizer's needs in fulfilling its obligations under chapter 124E.

(c) A school district must disseminate the individual student performance data and achievement report required under section 120B.30, subdivision 1a, paragraph (d), clause (1), to the parent and teacher of each student no more than 30 days after the district has administered the test to a student. The district must notify the parent and teacher that the data and report are preliminary and subject to validation.

(d) A school district must disseminate a testing report to the teacher and to the parent of each student before the beginning of the following school year. The testing report must:

(1) identify the student's achievement level in each content area; and

(2) track the student's performance history.

EFFECTIVE DATE. Paragraphs (a), (b), and (c) are effective for the 2018-2019 school year and later. Paragraph (d) is effective for the 2019-2020 school year and later.

Sec. 19. Minnesota Statutes 2017 Supplement, 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, 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 American Community Survey; English learners under section 124D.59; home language; free or reduced-price lunch; 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 the academic growth consistent with this paragraph rates, as defined in the state plan; 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.

Sec. 20. **[120B.355] ACADEMIC ACHIEVEMENT RATING SYSTEM.**

Subdivision 1. **Rating system.** (a) The commissioner of education must develop an academic achievement rating system consistent with this section to provide parents and students with a brief overview of student performance and growth in districts, school sites, and charter schools across the state.

(b) Each district, school site, and charter school must be assigned a summative rating based on a score on a scale of zero to 100.

(c) The summative rating must be based on the accountability indicators used in the state plan to identify schools for support and improvement. "State plan" as used in this section means the plan submitted by the commissioner in accordance with the Elementary and Secondary Education Act, as most recently authorized, and approved by the United States Department of Education, including state goals.

(d) The summative rating and score of each district, school site, and charter school must be reported on the Department of Education's Web site as part of the commissioner's school performance reports pursuant to section 120B.36 by September 1, 2020, and annually thereafter.

(e) The commissioner must examine how revisions to statewide assessments under section 120B.30 impact school and district ratings under this section. The commissioner may adjust district, school site, and charter school ratings accordingly to maintain consistency in reporting.

Subd. 2. **Report.** The commissioner must report on progress toward developing the rating system required under subdivision 1 to the chairs and ranking minority members of the legislative committees with jurisdiction over kindergarten through grade 12 education in accordance with section 3.195 no later than February 1, 2020.

Sec. 21. Minnesota Statutes 2017 Supplement, section 120B.36, subdivision 1, is amended to read:

Subdivision 1. **School performance reports and public reporting.** (a) The commissioner ~~shall~~ must report:

(1) student academic performance data under section 120B.35, subdivisions 2 and 3;

(2) district, school site, and charter school ratings under section 120B.355;

(3) the percentages of students showing low, medium, and high academic growth rates under section 120B.35, subdivision 3, paragraph (b) the state plan;

(4) school safety and student engagement and connection under section 120B.35, subdivision 3, paragraph (d);

(5) rigorous coursework under section 120B.35, subdivision 3, paragraph (c);

(6) 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);

(7) 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;

(8) 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;

(9) the percentage of students who graduated in the previous school year and correctly answered at least 30 of 50 civics test questions in accordance with section 120B.02, subdivision 3;

(10) 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;

(11) staff characteristics excluding salaries;

(12) student enrollment demographics;

(13) 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

(14) extracurricular activities.

(b) The school performance report for a ~~school site and a school district~~, school site, or charter school must include:

(1) school performance reporting information and calculate proficiency, including a prominent display of both the district's, school site's, or charter school's summative rating and score assigned by the commissioner under section 120B.355;

(2) academic achievement rates as required by the most recently reauthorized Elementary and Secondary Education Act, state plan as defined under section 120B.355; and

(3) progress toward statewide goals under the state plan as defined under section 120B.355.

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

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

(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.

(f) School performance data are nonpublic data under section 13.02, subdivision 9, until the commissioner publicly releases the data. The commissioner ~~shall~~ must 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~~ must post the school performance reports no later than October 1.

Sec. 22. Minnesota Statutes 2016, section 120B.36, subdivision 2, is amended to read:

Subd. 2. **Student progress and other data.** (a) All data the department receives, collects, or creates under section 120B.11, governing the world's best workforce, or uses to determine ~~federal and set goals for~~ expectations under the most recently reauthorized Elementary and Secondary Education Act, ~~set state growth targets,~~ and to determine student academic growth, learning, and outcomes under section 120B.35 are nonpublic data under section 13.02, subdivision 9, until the commissioner publicly releases the data.

(b) Districts must provide parents sufficiently detailed summary data to permit parents to appeal under the most recently reauthorized federal Elementary and Secondary Education Act. The commissioner ~~shall~~ must annually post ~~federal expectations~~ state goals and state student growth, learning, and outcome data to the department's public Web

site no later than September 1, except that in years when data or ~~federal expectations~~ state goals reflect new performance standards, the commissioner ~~shall~~ must post data on ~~federal expectations~~ state goals and state student growth data no later than October 1.

Sec. 23. Minnesota Statutes 2017 Supplement, section 122A.09, is amended by adding a subdivision to read:

Subd. 4b. **Essential data.** The Professional Educator Licensing and Standards Board must maintain a list of essential data elements which must be recorded and stored about each licensed and nonlicensed staff member. Each school district must provide the essential data to the board in the form and manner prescribed by the board.

Sec. 24. Minnesota Statutes 2016, section 123B.14, subdivision 7, is amended to read:

Subd. 7. **Clerk records.** The clerk ~~shall~~ must keep a record of all meetings of the district and the board in books provided by the district for that purpose. The clerk ~~shall~~ must, within three days after an election, notify all persons elected of their election. By September 15 of each year the clerk ~~shall~~ must file with the board a report of the revenues, expenditures and balances in each fund for the preceding fiscal year. The report together with vouchers and supporting documents ~~shall~~ must subsequently be examined by a public accountant or the state auditor, either of whom ~~shall~~ must be paid by the district, as provided in section 123B.77, subdivision 3. The board ~~shall~~ must by resolution approve the report or require a further or amended report. ~~By September 15 of each year, the clerk shall make and transmit to the commissioner certified reports, showing:~~

~~(1) the revenues and expenditures in detail, and such other financial information required by law, rule, or as may be called for by the commissioner;~~

~~(2) the length of school term and the enrollment and attendance by grades; and~~

~~(3) such other items of information as may be called for by the commissioner.~~

The clerk ~~shall~~ must enter in the clerk's record book copies of all reports and of the teachers' term reports, as they appear in the registers, and of the proceedings of any meeting as furnished by the clerk pro tem, and keep an itemized account of all the expenses of the district. The clerk ~~shall~~ must furnish to the auditor of the proper county, by September 30 of each year, an attested copy of the clerk's record, showing the amount of proposed property tax voted by the district or the board for school purposes; draw and sign all orders upon the treasurer for the payment of money for bills allowed by the board for salaries of officers and for teachers' wages and all claims, to be countersigned by the chair. Such orders must state the consideration, payee, and the fund and the clerk shall take a receipt therefor. Teachers' wages shall have preference in the order in which they become due, and no money applicable for teachers' wages shall be used for any other purpose, nor shall teachers' wages be paid from any fund except that raised or apportioned for that purpose.

Sec. 25. Minnesota Statutes 2016, section 124D.78, subdivision 2, is amended to read:

Subd. 2. **Resolution of concurrence.** Prior to March 1, the school board or American Indian school must submit to the department a copy of a resolution adopted by the American Indian education parent advisory committee. The copy must be signed by the chair of the committee and must state whether the committee concurs with the educational programs for American Indian students offered by the school board or American Indian school. If the committee does not concur with the educational programs, the reasons for nonconcurrence and recommendations ~~shall~~ must be submitted directly to the school board with the resolution. By resolution, the board must respond in writing within 60 days, in cases of nonconcurrence, to each recommendation made by the committee and state its reasons for not implementing the recommendations.

Sec. 26. Minnesota Statutes 2016, section 124D.98, is amended to read:

124D.98 LITERACY INCENTIVE AID.

Subdivision 1. **Literacy incentive aid.** A district's literacy incentive aid equals the sum of the proficiency aid under subdivision 2, and the growth aid under subdivision 3.

Subd. 2. **Proficiency aid.** The proficiency aid for each school in a district that has submitted to the commissioner its local literacy plan under section 120B.12, subdivision 4a, is equal to the product of the school's proficiency allowance times the number of third grade pupils at the school on October 1 of the previous fiscal year. A school's proficiency allowance is equal to the percentage of students in each building that meet or exceed proficiency on the third grade reading Minnesota Comprehensive Assessment, averaged across the previous three test administrations, times \$530.

Subd. 3. **Growth aid.** The growth aid for each school in a district that has submitted to the commissioner its local literacy plan under section 120B.12, subdivision 4a, is equal to the product of the school's growth allowance times the number of fourth grade pupils enrolled at the school on October 1 of the previous fiscal year. A school's growth allowance is equal to the percentage of students at that school ~~making medium or high growth, under section 120B.299, scoring at least one-half standard deviation below the state expected scores~~ on the fourth grade reading Minnesota Comprehensive Assessment, averaged across the previous three test administrations, times \$530. The state expected scores are based on the average assessment scores for students with similar third grade assessment scores on the Minnesota Comprehensive Assessment.

Subd. 4. **Revenue uses.** (a) A school district or charter school's year-to-year change in its proficiency rate equals its three-year average third grade proficiency rate for the most recent period to the three-year third grade proficiency rate for the previous period, as calculated under subdivision 2.

(b) A school district or charter school must reserve its literacy incentive aid under this section and spend its literacy incentive aid only for the purposes of section 120B.12 if its year-to-year change in its proficiency rate is less than one.

(c) A school district or charter school with a year-to-year change in its proficiency rate of one or greater may direct its literacy incentive aid received under this section toward the goals of its local literacy plan.

EFFECTIVE DATE. This section is effective for revenue for fiscal years 2019 and later.

Sec. 27. Minnesota Statutes 2017 Supplement, section 124E.11, is amended to read:

124E.11 ADMISSION REQUIREMENTS AND ENROLLMENT.

Subdivision 1. **Limits on enrollment.** ~~(a)~~ A charter school, including its 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.

Subd. 2. Timely application; lottery; enrollment preference. ~~(b)~~ A charter school, including its preschool or prekindergarten program established under section 124E.06, subdivision 3, paragraph (b), ~~shall~~ must 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.

Subd. 3. Lottery exceptions. ~~(e)~~ ~~(a)~~ A charter school ~~shall~~ must 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.

(b) 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 (b), who are eligible to enroll in kindergarten in the next school year.

(c) A charter school that is located in Duluth township in St. Louis County or in the city of Nerstrand in Rice 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 charter school that is located in Castle Rock Township in Dakota County must give enrollment preference to students residing within a two-mile radius of the school and to the siblings of enrolled children.

Subd. 4. Age of enrollment. ~~(d)~~ A person ~~shall~~ must 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)~~ subdivisions 2 and 3.

Subd. 5. Admission limits not allowed. ~~(e)~~ Except as permitted in ~~paragraph (d)~~ subdivision 4, a charter school, including its 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.

Subd. 6. Enrollment incentives prohibited. ~~(f)~~ The charter school shall not distribute any services or goods of value to students, parents, or guardians as an inducement, term, or condition of enrolling a student in a charter school.

Subd. 7. Enrollment continues. ~~(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.

Subd. 8. **Prekindergarten pupils.** ~~(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).

EFFECTIVE DATE. This section is effective for enrollment decisions made on or after July 1, 2018.

Sec. 28. Minnesota Statutes 2016, section 125B.07, subdivision 6, is amended to read:

Subd. 6. **Essential data.** The department ~~shall~~ must maintain a list of essential data elements which must be recorded and stored about each pupil, ~~licensed and nonlicensed staff member,~~ and educational program. Each school district must provide the essential data to the department in the form and format prescribed by the department.

Sec. 29. Laws 2016, chapter 189, article 25, section 61, is amended to read:

Sec. 61. **CERTIFICATION INCENTIVE REVENUE.**

Subdivision 1. **Qualifying certificates.** As soon as practicable, the commissioner of education, in consultation with the Governor's Workforce Development Council established under Minnesota Statutes, section 116L.665, and the P-20 education partnership operating under Minnesota Statutes, section 127A.70, must establish the list of qualifying career and technical certificates and post the names of those certificates on the Department of Education's Web site. The certificates must be in fields where occupational opportunities exist.

Subd. 2. **School district participation.** (a) A school board may adopt a policy authorizing its students in grades 9 through 12, including its students enrolled in postsecondary enrollment options courses under Minnesota Statutes, section 124D.09, the opportunity to complete a qualifying certificate. The certificate may be completed as part of a regularly scheduled course.

(b) A school district may register a student for any assessment necessary to complete a qualifying certificate and pay any associated registration fees for its students.

Subd. 3. **Incentive funding.** (a) A school district's career and technical certification aid equals \$500 times the district's number of students enrolled during the current fiscal year who have obtained one or more qualifying certificates during the current fiscal year.

(b) The statewide total certificate revenue must not exceed ~~\$1,000,000~~ \$400,000 for the 2016-2017, 2017-2018, and 2018-2019 school years. The commissioner must proportionately reduce the initial aid provided under this subdivision so that the statewide aid cap is not exceeded.

Subd. 4. **Reports to the legislature.** (a) The commissioner of education must report to the committees of the legislature with jurisdiction over kindergarten through grade 12 education and higher education by February 1, 2017, on the number and types of certificates authorized for the 2016-2017 school year. The commissioner must also recommend whether the pilot program should be continued.

(b) By February 1, of 2018, 2019, and 2020, the commissioner of education must report to the committees of the legislature with jurisdiction over kindergarten through grade 12 education and higher education about the number and types of certificates earned by Minnesota's students during the ~~2016-2017~~ prior school year.

Sec. 30. Laws 2016, chapter 189, article 25, section 62, subdivision 15, is amended to read:

Subd. 15. **Certificate incentive funding.** (a) For the certificate incentive program:

\$ 1,000,000 <u>400,000</u>	2017
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(b) \$600,000 of the \$1,000,000 appropriation in Laws 2016, chapter 189, article 25, section 62, subdivision 15, is canceled to the general fund. This is a onetime appropriation. This appropriation is available until June 30, 2019.

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

Sec. 31. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 12, is amended to read:

Subd. 12. **Museums and education centers.** For grants to museums and education centers:

\$460,000	.....	2018
\$ 460,000 <u>510,000</u>	.....	2019

(a) \$319,000 each year is for the Minnesota Children's Museum. Of the amount in this paragraph, \$50,000 in each year is for the Minnesota Children's Museum, Rochester.

(b) \$50,000 each year is for the Duluth Children's Museum.

(c) \$41,000 each year is for the Minnesota Academy of Science.

(d) \$50,000 each year is for the Headwaters Science Center.

(e) \$50,000 in fiscal year 2019 is for the Grand Rapids Children's Museum.

(f) Any balance in the first year does not cancel but is available in the second year.

(g) The base for fiscal year 2020 and later is \$460,000.

Sec. 32. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 14, is amended to read:

Subd. 14. **Singing-based pilot program to improve student reading.** (a) For a grant to pilot a research-supported, computer-based educational program that uses singing to improve the reading ability of students in grades 2 through 5:

\$500,000	.....	2018
\$0	.....	2019

(b) The commissioner of education shall award a grant to the Rock 'n' Read Project to implement a research-supported, computer-based educational program that uses singing to improve the reading ability of students in grades 2 through 5. The grantee shall be responsible for selecting participating school sites; providing any required hardware and software, including software licenses, for the duration of the grant period; providing technical support, training, and staff to install required project hardware and software; providing on-site professional development and instructional monitoring and support for school staff and students; administering preintervention and postintervention reading assessments; evaluating the impact of the intervention; and other project management services as required. To the extent practicable, the grantee must select participating schools in urban, suburban, and greater Minnesota, and give priority to schools in which a high proportion of students do not read proficiently at grade level and are eligible for free or reduced-price lunch.

(c) By February 15, 2019, the grantee must submit a report detailing expenditures and outcomes of the grant to the commissioner of education and the chairs and ranking minority members of the legislative committees with primary jurisdiction over kindergarten through grade 12 education policy and finance.

(d) This is a onetime appropriation.

(e) Any balance in the first year does not cancel but is available in the second year.

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

Sec. 33. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 23, is amended to read:

Subd. 23. **Paraprofessional pathway to teacher licensure.** (a) For grants to school districts for Grow Your Own new teacher programs:

\$1,500,000	.....	2018
\$1,500,000	.....	2019

(b) The grants are for school districts and charter schools with more than 30 percent minority students for a ~~Board of Teaching approved~~ Professional Educator Licensing and Standards Board-approved nonconventional teacher residency pilot program. The program must provide tuition scholarships or stipends to enable school district and charter school employees or community members affiliated with a school district or charter school who seek an education license to participate in a nonconventional teacher preparation program. School districts and charter schools that receive funds under this subdivision are strongly encouraged to recruit candidates of color and American Indian candidates to participate in the Grow Your Own new teacher programs. Districts or schools providing financial support may require a commitment as determined by the district to teach in the district or school for a reasonable amount of time that does not exceed five years.

(c) School districts and charter schools may also apply for grants to develop innovative expanded Grow Your Own programs that encourage secondary school students to pursue teaching, including developing and offering dual-credit postsecondary course options in schools for "Introduction to Teaching" or "Introduction to Education" courses consistent with Minnesota Statutes, section 124D.09, subdivision 10.

(d) Programs must annually report to the commissioner by the date determined by the commissioner on their activities under this section, including the number of participants, the percentage of participants who are of color or who are American Indian, and an assessment of program effectiveness, including participant feedback, areas for improvement, the percentage of participants continuing to pursue teacher licensure, and the number of participants hired in the school or district as teachers after completing preparation programs.

(e) The department may retain up to three percent of the appropriation amount to monitor and administer the grant program.

(f) Any balance in the first year does not cancel but is available in the second year.

Sec. 34. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 24, is amended to read:

Subd. 24. **Statewide testing and reporting system.** (a) For the statewide testing and reporting system under Minnesota Statutes, section 120B.30:

\$10,892,000	.....	2018
\$10,892,000	.....	2019

(b) Any balance in the first year does not cancel but is available in the second year.

(c) For fiscal years 2020 and 2021, the base budget for this program must be adjusted by multiplying the fiscal year 2019 appropriation by the ratio of the estimated total number of Minnesota Comprehensive Assessments taken by students in the current fiscal year to the total number of Minnesota Comprehensive Assessments taken by students in fiscal year 2017. This is estimated to reduce the base appropriation by \$245,000 in fiscal year 2020 and fiscal year 2021.

Sec. 35. **APPROPRIATIONS.**

Subdivision 1. **Commissioner of education.** The sums indicated in this section are appropriated from the general fund to the commissioner of education in the fiscal year designated.

Subd. 2. **Mounds View early college aid.** (a) For Independent School District No. 621, Mounds View:

<u>\$250,000</u>	<u>.....</u>	<u>2019</u>
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(b) The amount awarded under this subdivision must be used to provide scholarships for teachers who teach secondary school courses for postsecondary credit through the district's early college program to enroll in up to 18 graduate credits in an applicable subject area. The district and the State Partnership are encouraged to collaborate to avoid duplication of service and, to the extent practicable, provide district teachers access to the State Partnership's continuing education program established in accordance with Laws 2017, First Special Session chapter 5, article 2, section 48.

(c) This is a onetime appropriation.

(d) Notwithstanding Minnesota Statutes, section 16A.28, the fiscal year 2019 appropriation is available until June 30, 2022. Any remaining balance is canceled to the general fund.

Subd. 3. **Vocational enrichment revenue.** (a) For vocational enrichment grants to school districts, including Independent School District No. 2752, Fairmont, for career and technical education in extended week and summer school programs:

<u>\$250,000</u>	<u>.....</u>	<u>2019</u>
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(b) A school district must apply for a grant in the form and manner specified by the commissioner. The maximum amount of a vocational enrichment grant equals the product of:

(1) \$5,117;

(2) 1.2;

(3) the number of students participating in the program; and

(4) the ratio of the actual hours of service provided to each student to 1,020.

(c) If applications for funding exceed the amount appropriated for the program, the commissioner must prioritize grants to programs in the following pathways: welding; construction trades; automotive technology; household electrical skills; heating, ventilation, and air conditioning; plumbing; culinary arts; and agriculture.

(d) This is a onetime appropriation.

<u>136D.29</u>	<u>123C.28</u>
<u>136D.31</u>	<u>123C.29</u>
<u>136D.41</u>	<u>123C.41</u>
<u>136D.42</u>	<u>123C.42</u>
<u>136D.43</u>	<u>123C.43</u>
<u>136D.44</u>	<u>123C.44</u>
<u>136D.45</u>	<u>123C.45</u>
<u>136D.46</u>	<u>123C.46</u>
<u>136D.47</u>	<u>123C.47</u>
<u>136D.48</u>	<u>123C.48</u>
<u>136D.49</u>	<u>123C.49</u>
<u>136D.71</u>	<u>123C.71</u>
<u>136D.72</u>	<u>123C.72</u>
<u>136D.73</u>	<u>123C.73</u>
<u>136D.74</u>	<u>123C.74</u>
<u>136D.741</u>	<u>123C.75</u>
<u>136D.76</u>	<u>123C.76</u>
<u>136D.81</u>	<u>123C.81</u>
<u>136D.82</u>	<u>123C.82</u>
<u>136D.83</u>	<u>123C.83</u>
<u>136D.84</u>	<u>123C.84</u>
<u>136D.85</u>	<u>123C.85</u>
<u>136D.86</u>	<u>123C.86</u>
<u>136D.88</u>	<u>123C.87</u>
<u>136D.90</u>	<u>123C.88</u>
<u>136D.92</u>	<u>123C.89</u>
<u>136D.93</u>	<u>123C.90</u>
<u>136D.94</u>	<u>123C.91</u>

(b) The revisor of statutes shall make necessary cross-reference changes in Minnesota Statutes and Minnesota Rules consistent with renumbering of Minnesota Statutes, chapter 136D in this act, and if Minnesota Statutes, chapter 136D, is further amended in the 2018 legislative session, shall codify the amendments in a manner consistent with this act. The revisor may make necessary changes to sentence structure to preserve the meaning of the text.

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

Sec. 37. **REPEALER.**

Minnesota Statutes 2016, section 120B.299, subdivisions 7, 8, 9, and 11, are repealed.

ARTICLE 4 TEACHERS

Section 1. Minnesota Statutes 2016, section 121A.39, is amended to read:

121A.39 SCHOOL COUNSELORS.

(a) A school district is strongly encouraged to have an adequate student-to-counselor ratio for its students beginning in the 2015-2016 school year and later.

(b) A school counselor ~~shall~~ must assist a student in meeting the requirements for high school graduation, college and career exploration, and selection, college affordability planning, and successful transitions into postsecondary education or training. As part of college and career exploration, a counselor is encouraged to present and explain the career opportunities and benefits offered by the United States armed forces and share information provided to the counselor by armed forces recruiters. In discussing military service with a student or a student's parent or guardian, a school counselor is encouraged to provide the student, parent, or guardian information concerning the military enlistment test. A counselor may consult with the Department of Labor and Industry to identify resources for students interested in exploring career opportunities in high-wage, high-demand occupations in the skilled trades and manufacturing.

(c) A school counselor must not discourage or otherwise interfere with a student's enlistment, or intention to enlist, in the armed forces.

Sec. 2. **[122A.051] CODE OF ETHICS.**

Subdivision 1. **Scope.** Each teacher, upon entering the teaching profession, assumes a number of obligations, one of which is to adhere to a set of principles that defines professional conduct. These principles are reflected in the code of ethics, which sets forth to the education profession and the public it serves standards of professional conduct. This code applies to all persons licensed according to rules established by the Professional Educator Licensing and Standards Board.

Subd. 2. **Standards of professional conduct.** (a) A teacher must provide professional education services in a nondiscriminatory manner.

(b) A teacher must make reasonable effort to protect students from conditions harmful to health and safety.

(c) In accordance with state and federal laws, a teacher must disclose confidential information about individuals only when a compelling professional purpose is served or when required by law.

(d) A teacher must take reasonable disciplinary action in exercising the authority to provide an atmosphere conducive to learning.

(e) A teacher must not use professional relationships with students, parents, and colleagues to personal advantage.

(f) A teacher must delegate authority for teaching responsibilities only to licensed personnel or as otherwise provided by law.

(g) A teacher must not deliberately suppress or distort subject matter.

(h) A teacher must not knowingly falsify or misrepresent records or facts relating to that teacher's own qualifications or to other teachers' qualifications.

(i) A teacher must not knowingly make false or malicious statements about students or colleagues.

(j) A teacher must accept a contract for a teaching position that requires licensing only if properly or provisionally licensed for that position.

(k) A teacher must not engage in any sexual contact with a student.

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

Sec. 3. Minnesota Statutes 2017 Supplement, section 122A.09, subdivision 2, is amended to read:

Subd. 2. **Advise members of profession.** The Professional Educator Licensing and Standards Board must act in an advisory capacity to members of the profession in matters of interpretation of the code of ethics in section 122A.051.

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

Sec. 4. Minnesota Statutes 2017 Supplement, section 122A.18, subdivision 8, is amended to read:

Subd. 8. **Background checks.** (a) The Professional Educator Licensing and Standards Board and the Board of School Administrators must request a criminal history background check from the superintendent of the Bureau of Criminal Apprehension on all first-time teaching applicants for licenses under their jurisdiction. Applicants must include with their licensure applications:

(1) an executed criminal history consent form, including fingerprints; and

(2) a money order or cashier's check payable to the Bureau of Criminal Apprehension for the fee for conducting the criminal history background check.

(b) The superintendent of the Bureau of Criminal Apprehension ~~shall~~ must perform the background check required under paragraph (a) by retrieving criminal history data as defined in section 13.87 and shall also conduct a search of the national criminal records repository. The superintendent is authorized to exchange fingerprints with the Federal Bureau of Investigation for purposes of the criminal history check. The superintendent ~~shall~~ must recover the cost to the bureau of a background check through the fee charged to the applicant under paragraph (a).

~~(c) The Professional Educator Licensing and Standards Board or the Board of School Administrators may issue a license pending completion of a background check under this subdivision, but must notify the individual and the school district or charter school employing the individual that the individual's license may be revoked based on the result of the background check.~~

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

Sec. 5. Minnesota Statutes 2017 Supplement, section 122A.187, subdivision 3, is amended to read:

Subd. 3. **Professional growth.** (a) Applicants for license renewal for a Tier 3 or Tier 4 license under sections 122A.183 and 122A.184, respectively, who have been employed as a teacher during the renewal period of the expiring license, as a condition of license renewal, must present to their local continuing education and relicensure committee or other local relicensure committee evidence of work that demonstrates professional reflection and growth in best teaching practices, including among other things, cultural competence in accordance with section 120B.30, subdivision 1, paragraph (q), and practices in meeting the varied needs of English learners, from young children to adults under section 124D.59, subdivisions 2 and 2a. A teacher may satisfy the requirements of this paragraph by submitting the teacher's most recent summative evaluation or improvement plan under section 122A.40, subdivision 8, or 122A.41, subdivision 5. Counselors, school social workers, and teachers who do not provide direct instruction but who provide academic, college, and career planning and support to students may submit proof of training on armed forces career options or careers in the skilled trades and manufacturing as additional evidence of professional growth.

(b) The Professional Educator Licensing and Standards Board must ensure that its teacher relicensing requirements include paragraph (a).

Sec. 6. Minnesota Statutes 2017 Supplement, section 122A.187, is amended by adding a subdivision to read:

Subd. 7. **Background check.** The Professional Educator Licensing and Standards Board and the Board of School Administrators must request a criminal history background check on a licensed teacher applying for a renewal license who has not had a background check within the preceding five years.

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 7. Minnesota Statutes 2017 Supplement, section 122A.20, subdivision 1, is amended to read:

Subdivision 1. **Grounds for revocation, suspension, or denial.** (a) The Professional Educator Licensing and Standards Board or Board of School Administrators, whichever has jurisdiction over a teacher's licensure, may, on the written complaint of the school board employing a teacher, a teacher organization, or any other interested person, refuse to issue, refuse to renew, suspend, or revoke a teacher's license to teach for any of the following causes:

- (1) immoral character or conduct;
- (2) failure, without justifiable cause, to teach for the term of the teacher's contract;
- (3) gross inefficiency or willful neglect of duty;
- (4) failure to meet licensure requirements; or
- (5) fraud or misrepresentation in obtaining a license.

The written complaint must specify the nature and character of the charges.

(b) The Professional Educator Licensing and Standards Board or Board of School Administrators, whichever has jurisdiction over a teacher's licensure, ~~shall~~ must refuse to issue, refuse to renew, or automatically revoke a teacher's license to teach without the right to a hearing upon receiving a certified copy of a conviction showing that the teacher has been convicted of:

- (1) a qualified domestic violence-related offense, as defined in section 609.02, subdivision 16;
- (2) child abuse, as defined in section 609.185;
- (3) domestic assault under section 609.2242;
- (4) sex trafficking in the first degree under section 609.322, subdivision 1;
- (5) sex trafficking in the second degree under section 609.322, subdivision 1a;
- (6) engaging in hiring, or agreeing to hire a minor to engage in prostitution under section 609.324, subdivision 1, ~~sexual abuse~~ sexual abuse 1a, and 2;
- (7) criminal sexual conduct under section 609.342, 609.343, 609.344, 609.345, 609.3451, subdivision 3, or 617.23, subdivision 3;
- (8) solicitation of children to engage in sexual conduct or communication of sexually explicit materials to children under section 609.352;

(9) embezzlement of public funds under section 609.54, clause (2);

(10) interference with privacy under section 609.746 or stalking under section 609.749 and the victim was a minor;

(11) using minors in a sexual performance under section 617.246;

(12) possessing pornographic works involving a minor under section 617.247; or

(13) any other offense not listed in this paragraph that requires the person to register as a predatory offender under section 243.166, or a crime under a similar law of another state or the United States.

In addition, the board must refuse to issue, refuse to renew, or automatically revoke a teacher's license to teach without the right to a hearing upon receiving a certified copy of a stay of adjudication for an offense that, if convicted of, would require predatory offender registration under section 243.166. The board may refuse to issue, refuse to renew, or revoke a teacher's license to teach upon receiving a certified copy of a stay of adjudication for any other offense described in this paragraph.

The board ~~shall~~ must send notice of this licensing action to the district in which the teacher is currently employed.

(c) A person whose license to teach has been revoked, not issued, or not renewed under paragraph (b), may petition the board to reconsider the licensing action if the person's conviction for child abuse or sexual abuse is reversed by a final decision of the Court of Appeals or the Supreme Court or if the person has received a pardon for the offense. The petitioner ~~shall~~ must attach a certified copy of the appellate court's final decision or the pardon to the petition. Upon receiving the petition and its attachment, the board ~~shall~~ must schedule and hold a disciplinary hearing on the matter under section 214.10, subdivision 2, unless the petitioner waives the right to a hearing. If the board finds that, notwithstanding the reversal of the petitioner's criminal conviction or the issuance of a pardon, the petitioner is disqualified from teaching under paragraph (a), clause (1), the board ~~shall~~ must affirm its previous licensing action. If the board finds that the petitioner is not disqualified from teaching under paragraph (a), clause (1), it ~~shall~~ must reverse its previous licensing action.

(d) The Professional Educator Licensing and Standards Board or Board of School Administrators, whichever has jurisdiction over a teacher's licensure, must refuse to issue, refuse to renew, or revoke a teacher's license to teach if the teacher has been convicted of:

(1) a felony; or

(2) a gross misdemeanor involving a minor.

A person whose license to teach has been revoked, not issued, or not renewed under this paragraph may petition the board to reconsider for good cause shown, in accordance with procedures adopted by the board.

(e) The Professional Educator Licensing and Standards Board or Board of School Administrators, whichever has jurisdiction over a teacher's licensure, must refuse to issue, refuse to renew, or revoke a teacher's license to teach if the teacher has engaged in sexual penetration as defined in section 609.321, subdivision 11, with a student enrolled in a school where the teacher works or volunteers.

(f) A decision by the Professional Educator Licensing and Standards Board to refuse to issue, refuse to renew, suspend, or revoke a license under this subdivision is not subject to review under section 122A.188.

(g) The Professional Educator Licensing and Standards Board or Board of School Administrators, whichever has jurisdiction over a teacher's licensure, may suspend a teacher's license pending an investigation into a report of conduct that would be grounds for revocation under paragraph (b), (d), or (e).

~~(d)~~ (h) For purposes of this subdivision, the Professional Educator Licensing and Standards Board is delegated the authority to suspend or revoke coaching licenses.

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

Sec. 8. Minnesota Statutes 2017 Supplement, section 122A.20, subdivision 2, is amended to read:

Subd. 2. **Mandatory reporting.** (a) A school board must report to the Professional Educator Licensing and Standards Board, the Board of School Administrators, or the Board of Trustees of the Minnesota State Colleges and Universities, whichever has jurisdiction over the teacher's or administrator's license, when its teacher or administrator is discharged or resigns from employment after a charge is filed with the school board under section 122A.41, subdivisions 6, clauses (1), (2), and (3), and 7, or after charges are filed that are grounds for discharge under section 122A.40, subdivision 13, paragraph (a), clauses (1) to (5), or when a teacher or administrator is suspended or resigns while an investigation is pending under section 122A.40, subdivision 13, paragraph (a), clauses (1) to (5); 122A.41, subdivisions 6, clauses (1), (2), and (3), and 7; or 626.556, or when a teacher or administrator is suspended without an investigation under section 122A.41, subdivisions 6, paragraph (a), clauses (1), (2), and (3), and 7; or 626.556. The report must be made to the appropriate licensing board within ten days after the discharge, suspension, or resignation has occurred. The licensing board to which the report is made must investigate the report for violation of subdivision 1 and the reporting board must cooperate in the investigation. Notwithstanding any provision in chapter 13 or any law to the contrary, upon written request from the licensing board having jurisdiction over the license, a board or school superintendent ~~shall~~ must provide the licensing board with information about the teacher or administrator from the district's files, any termination or disciplinary proceeding, any settlement or compromise, or any investigative file. Upon written request from the appropriate licensing board, a board or school superintendent may, at the discretion of the board or school superintendent, solicit the written consent of a student and the student's parent to provide the licensing board with information that may aid the licensing board in its investigation and license proceedings. The licensing board's request need not identify a student or parent by name. The consent of the student and the student's parent must meet the requirements of chapter 13 and Code of Federal Regulations, title 34, section 99.30. The licensing board may provide a consent form to the district. Any data transmitted to any board under this section is private data under section 13.02, subdivision 12, notwithstanding any other classification of the data when it was in the possession of any other agency.

(b) The licensing board to which a report is made must transmit to the Attorney General's Office any record or data it receives under this subdivision for the sole purpose of having the Attorney General's Office assist that board in its investigation. When the Attorney General's Office has informed an employee of the appropriate licensing board in writing that grounds exist to suspend or revoke a teacher's license to teach, that licensing board must consider suspending or revoking or decline to suspend or revoke the teacher's or administrator's license within 45 days of receiving a stipulation executed by the teacher or administrator under investigation or a recommendation from an administrative law judge that disciplinary action be taken.

(c) The Professional Educator Licensing and Standards Board and Board of School Administrators must report to the appropriate law enforcement authorities a revocation, suspension, or agreement involving a loss of license, relating to a teacher or administrator's inappropriate sexual conduct with a minor. For purposes of this section, "law enforcement authority" means a police department, county sheriff, or tribal police department. A report by the Professional Educator Licensing and Standards Board or the Board of School Administrators to appropriate law enforcement authorities does not diminish, modify, or otherwise affect the responsibilities of a licensing board, school board, or any person mandated to report abuse under section 626.556.

(d) The Professional Educator Licensing and Standards Board and Board of School Administrators must, immediately upon receiving information that gives the board reason to believe a child has at any time been neglected or physically or sexually abused, as defined in section 626.556, subdivision 2, report the information to:

(1) the local welfare agency, agency responsible for assessing or investigating the report, or tribal social services agency; and

(2) the police department, county sheriff, or tribal police department.

A report under this paragraph does not diminish, modify, or otherwise affect the responsibilities of a licensing board under section 626.556.

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

Sec. 9. Minnesota Statutes 2017 Supplement, section 122A.40, subdivision 13, is amended to read:

Subd. 13. **Immediate discharge.** (a) Except as otherwise provided in paragraph (b), a board may discharge a continuing-contract teacher, effective immediately, upon any of the following grounds:

- (1) immoral conduct, insubordination, or conviction of a felony;
- (2) conduct unbecoming a teacher which requires the immediate removal of the teacher from classroom or other duties;
- (3) failure without justifiable cause to teach without first securing the written release of the school board;
- (4) gross inefficiency which the teacher has failed to correct after reasonable written notice;
- (5) willful neglect of duty; or
- (6) continuing physical or mental disability subsequent to a 12 months leave of absence and inability to qualify for reinstatement in accordance with subdivision 12.

For purposes of this paragraph, conduct unbecoming a teacher includes an unfair discriminatory practice described in section 363A.13.

Prior to discharging a teacher under this paragraph, the board must notify the teacher in writing and state its ground for the proposed discharge in reasonable detail. Within ten days after receipt of this notification the teacher may make a written request for a hearing before the board and it ~~shall~~ **must** be granted before final action is taken. The board may suspend a teacher with pay pending the conclusion of the hearing and determination of the issues raised in the hearing after charges have been filed which constitute ground for discharge. If a teacher has been charged with a felony and the underlying conduct that is the subject of the felony charge is a ground for a proposed immediate discharge, the suspension pending the conclusion of the hearing and determination of the issues may be without pay. If a hearing under this paragraph is held, the board must reimburse the teacher for any salary or compensation withheld if the final decision of the board or the arbitrator does not result in a penalty to or suspension, termination, or discharge of the teacher.

(b) A board must discharge a continuing-contract teacher, effective immediately, upon receipt of notice under section 122A.20, subdivision 1, paragraph (b), that the teacher's license has been revoked due to a conviction for:

- (1) child abuse, as defined in section 609.185;

- (2) sex trafficking in the first degree under section 609.322, subdivision 1;
- (3) sex trafficking in the second degree under section 609.322, subdivision 1a;
- (4) engaging in hiring or agreeing to hire a minor to engage in prostitution under section 609.324, subdivision 1;
- (5) sexual abuse under section 609.342, 609.343, 609.344, 609.345, 609.3451, subdivision 3, or 617.23, subdivision 3;
- (6) solicitation of children to engage in sexual conduct or communication of sexually explicit materials to children under section 609.352;
- (7) interference with privacy under section 609.746 or stalking under section 609.749 and the victim was a minor;
- (8) using minors in a sexual performance under section 617.246;
- (9) possessing pornographic works involving a minor under section 617.247; ~~or~~
- (10) any other offense not listed in this paragraph that requires the person to register as a predatory offender under section 243.166, or a crime under a similar law of another state or the United States; or
- (11) any other offense not listed in this paragraph that requires notice of a licensing action to the district in accordance with section 122A.20, subdivision 1, paragraph (b).

In addition, a board must discharge a continuing-contract teacher, effective immediately, upon receipt of notice under section 122A.20, subdivision 1, paragraph (b), that the teacher's license has been revoked due to a stay of adjudication for an offense that, if convicted of, would require predatory offender registration under section 243.166.

(c) When a teacher is discharged under paragraph (b) or when the commissioner makes a final determination of child maltreatment involving a teacher under section 626.556, subdivision 11, the school principal or other person having administrative control of the school must include in the teacher's employment record the information contained in the record of the disciplinary action or the final maltreatment determination, consistent with the definition of public data under section 13.41, subdivision 5, and must provide the Professional Educator Licensing and Standards Board ~~and the licensing division at the department~~ with the necessary and relevant information to enable the Professional Educator Licensing and Standards Board ~~and the department's licensing division~~ to fulfill ~~their~~ its statutory and administrative duties related to issuing, renewing, suspending, or revoking a teacher's license. Information received by the Professional Educator Licensing and Standards Board ~~or the licensing division at the department~~ under this paragraph is governed by section 13.41 or other applicable law governing data of the receiving entity. In addition to the background check required under section 123B.03, a school board or other school hiring authority must contact the Professional Educator Licensing and Standards Board ~~and the department~~ to determine whether the teacher's license has been suspended or revoked, consistent with the discharge and final maltreatment determinations identified in this paragraph. Unless restricted by federal or state data practices law or by the terms of a collective bargaining agreement, the responsible authority for a school district must disseminate to another school district private personnel data on a current or former teacher employee or contractor of the district, including the results of background investigations, if the requesting school district seeks the information because the subject of the data has applied for employment with the requesting school district.

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

Sec. 10. Minnesota Statutes 2017 Supplement, section 122A.41, subdivision 6, is amended to read:

Subd. 6. **Grounds for discharge or demotion.** (a) Except as otherwise provided in paragraph (b), causes for the discharge or demotion of a teacher either during or after the probationary period must be:

- (1) immoral character, conduct unbecoming a teacher, or insubordination;
- (2) failure without justifiable cause to teach without first securing the written release of the school board having the care, management, or control of the school in which the teacher is employed;
- (3) inefficiency in teaching or in the management of a school, consistent with subdivision 5, paragraph (b);
- (4) affliction with a communicable disease must be considered as cause for removal or suspension while the teacher is suffering from such disability; or
- (5) discontinuance of position or lack of pupils.

For purposes of this paragraph, conduct unbecoming a teacher includes an unfair discriminatory practice described in section 363A.13.

(b) A probationary or continuing-contract teacher must be discharged immediately upon receipt of notice under section 122A.20, subdivision 1, paragraph (b), that the teacher's license has been revoked due to a conviction for:

- (1) child abuse, as defined in section 609.185;
- (2) sex trafficking in the first degree under section 609.322, subdivision 1;
- (3) sex trafficking in the second degree under section 609.322, subdivision 1a;
- (4) engaging in hiring or agreeing to hire a minor to engage in prostitution under section 609.324, subdivision 1;
- (5) sexual abuse under section 609.342, 609.343, 609.344, 609.345, 609.3451, subdivision 3, or 617.23, subdivision 3;
- (6) solicitation of children to engage in sexual conduct or communication of sexually explicit materials to children under section 609.352;
- (7) interference with privacy under section 609.746 or stalking under section 609.749 and the victim was a minor;
- (8) using minors in a sexual performance under section 617.246;
- (9) possessing pornographic works involving a minor under section 617.247; ~~or~~
- (10) any other offense not listed in this paragraph that requires the person to register as a predatory offender under section 243.166, or a crime under a similar law of another state or the United States; or
- (11) any other offense not listed in this paragraph that requires notice of a licensing action to the district in accordance with section 122A.20, subdivision 1, paragraph (b).

In addition, a probationary or continuing-contract teacher must be discharged immediately upon receipt of notice under section 122A.20, subdivision 1, paragraph (b), that the teacher's license has been revoked due to a stay of adjudication for an offense that, if convicted of, would require predatory offender registration under section 243.166.

(c) When a teacher is discharged under paragraph (b) or when the commissioner makes a final determination of child maltreatment involving a teacher under section 626.556, subdivision 11, the school principal or other person having administrative control of the school must include in the teacher's employment record the information contained in the record of the disciplinary action or the final maltreatment determination, consistent with the definition of public data under section 13.41, subdivision 5, and must provide the Professional Educator Licensing and Standards Board ~~and the licensing division at the department~~ with the necessary and relevant information to enable the Professional Educator Licensing and Standards Board ~~and the department's licensing division~~ to fulfill ~~their~~ its statutory and administrative duties related to issuing, renewing, suspending, or revoking a teacher's license. Information received by the Professional Educator Licensing and Standards Board ~~or the licensing division at the department~~ under this paragraph is governed by section 13.41 or other applicable law governing data of the receiving entity. In addition to the background check required under section 123B.03, a school board or other school hiring authority must contact the Professional Educator Licensing and Standards Board ~~and the department~~ to determine whether the teacher's license has been suspended or revoked, consistent with the discharge and final maltreatment determinations identified in this paragraph. Unless restricted by federal or state data practices law or by the terms of a collective bargaining agreement, the responsible authority for a school district must disseminate to another school district private personnel data on a current or former teacher employee or contractor of the district, including the results of background investigations, if the requesting school district seeks the information because the subject of the data has applied for employment with the requesting school district.

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

Sec. 11. Minnesota Statutes 2016, section 122A.42, is amended to read:

122A.42 GENERAL CONTROL OF SCHOOLS.

(a) The teacher of record shall have the general control and government of the school and classroom. When more than one teacher is employed in any district, one of the teachers may be designated by the board as principal and shall have the general control and supervision of the schools of the district, subject to the general supervisory control of the board and other officers.

(b) Consistent with paragraph (a), the teacher may remove students from class under section 121A.61, subdivision 2, for violent or disruptive conduct. A school district must include notice of a teacher's authority under this paragraph in a teacher handbook, school policy guide, or other similar communication.

Sec. 12. Minnesota Statutes 2016, section 122A.71, subdivision 2, is amended to read:

Subd. 2. **Responsibility.** ~~By July 1, 1989, The Board of Teaching~~ Professional Educator Licensing and Standards Board must ~~begin to~~ evaluate the effectiveness of prebaccalaureate, postbaccalaureate, and other alternative program structures for preparing candidates for entrance into the teaching profession. The evaluation ~~shall~~ must be conducted by independent research centers or evaluators who are not associated with a Minnesota teacher education institution and ~~shall~~ must be longitudinal in nature.

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

Sec. 13. Minnesota Statutes 2017 Supplement, section 123B.03, subdivision 1, is amended to read:

Subdivision 1. **Background check required.** (a) A school hiring authority ~~shall~~ **must** request a criminal history background check from the superintendent of the Bureau of Criminal Apprehension on all individuals who are offered employment in a school and on all individuals, except enrolled student volunteers, who are offered the opportunity to provide athletic coaching services or other extracurricular academic coaching services to a school, regardless of whether any compensation is paid. In order for an individual to be eligible for employment or to provide the services, the individual must provide an executed criminal history consent form and a money order or check payable to either the Bureau of Criminal Apprehension or the school hiring authority, at the discretion of the school hiring authority, in an amount equal to the actual cost to the Bureau of Criminal Apprehension and the school district of conducting the criminal history background check. A school hiring authority deciding to receive payment may, at its discretion, accept payment in the form of a negotiable instrument other than a money order or check and shall pay the superintendent of the Bureau of Criminal Apprehension directly to conduct the background check. The superintendent of the Bureau of Criminal Apprehension shall conduct the background check by retrieving criminal history data as defined in section 13.87. A school hiring authority, at its discretion, may decide not to request a criminal history background check on an individual who holds an initial entrance license issued by the Professional Educator Licensing and Standards Board or the commissioner of education within the 12 months preceding an offer of employment.

(b) A school hiring authority may use the results of a criminal background check conducted at the request of another school hiring authority if:

(1) the results of the criminal background check are on file with the other school hiring authority or otherwise accessible;

(2) the other school hiring authority conducted a criminal background check within the previous 12 months;

(3) the individual who is the subject of the criminal background check executes a written consent form giving a school hiring authority access to the results of the check; and

(4) there is no reason to believe that the individual has committed an act subsequent to the check that would disqualify the individual for employment.

(c) A school hiring authority may, at its discretion, request a criminal history background check from the superintendent of the Bureau of Criminal Apprehension on any individual who seeks to enter a school or its grounds for the purpose of serving as a school volunteer or working as an independent contractor or student employee. In order for an individual to enter a school or its grounds under this paragraph when the school hiring authority decides to request a criminal history background check on the individual, the individual first must provide an executed criminal history consent form and a money order, check, or other negotiable instrument payable to the school district in an amount equal to the actual cost to the Bureau of Criminal Apprehension and the school district of conducting the criminal history background check. Notwithstanding section 299C.62, subdivision 1, the cost of the criminal history background check under this paragraph is the responsibility of the individual unless a school hiring authority decides to pay the costs of conducting a background check under this paragraph. If the school hiring authority pays the costs, the individual who is the subject of the background check need not pay for it.

(d) In addition to the initial background check required for all individuals offered employment in accordance with paragraph (a), a school hiring authority must request a new criminal history background check from the superintendent of the Bureau of Criminal Apprehension on all employees every five years. Notwithstanding any law to the contrary, in order for an individual to be eligible for continued employment, an individual must provide an executed criminal history consent form and a money order or check payable to either the Bureau of Criminal Apprehension or the school hiring authority, at the discretion of the school hiring authority, in an amount equal to

the actual cost to the Bureau of Criminal Apprehension and the school district of conducting the criminal history background check. A school hiring authority deciding to receive payment may, at its discretion, accept payment in the form of a negotiable instrument other than a money order or check and shall pay the superintendent of the Bureau of Criminal Apprehension directly to conduct the background check. A school hiring authority, at its discretion, may decide not to request a criminal history background check on an employee who provides the hiring authority with a copy of the results of a criminal history background check conducted within the previous 60 months. A school hiring authority may, at its discretion, decide to pay the costs of conducting a background check under this paragraph.

~~(d)~~ (e) For all nonstate residents who are offered employment in a school, a school hiring authority shall request a criminal history background check on such individuals from the superintendent of the Bureau of Criminal Apprehension and from the government agency performing the same function in the resident state or, if no government entity performs the same function in the resident state, from the Federal Bureau of Investigation. Such individuals must provide an executed criminal history consent form and a money order, check, or other negotiable instrument payable to the school hiring authority in an amount equal to the actual cost to the government agencies and the school district of conducting the criminal history background check. Notwithstanding section 299C.62, subdivision 1, the cost of the criminal history background check under this paragraph is the responsibility of the individual.

~~(e)~~ (f) At the beginning of each school year or when a student enrolls, a school hiring authority must notify parents and guardians about the school hiring authority's policy requiring a criminal history background check on employees and other individuals who provide services to the school, and identify those positions subject to a background check and the extent of the hiring authority's discretion in requiring a background check. The school hiring authority may include the notice in the student handbook, a school policy guide, or other similar communication. Nothing in this paragraph affects a school hiring authority's ability to request a criminal history background check on an individual under paragraph (c).

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

Sec. 14. Minnesota Statutes 2017 Supplement, section 123B.03, subdivision 2, is amended to read:

Subd. 2. **Effect of background check or Professional Educator Licensing and Standards Board action.** (a) ~~A school hiring authority may hire or otherwise allow an individual to provide a service to a school pending completion of a background check under subdivision 1 or obtaining notice of a Professional Educator Licensing and Standards Board action under subdivision 1a but shall notify the individual that the individual's employment or other service may be terminated based on the result of the background check or Professional Educator Licensing and Standards Board action. A school hiring authority is not liable for failing to hire or for terminating an individual's employment or other service based on the result of a background check or Professional Educator Licensing and Standards Board action under this section.~~

(b) For purposes of this paragraph, a school hiring authority must inform an individual if the individual's application to be an employee or volunteer in the district has been denied as a result of a background check conducted under this section. The school hiring authority must also inform an individual who is a current employee or volunteer if the individual's employment or volunteer status in the district is being terminated as a result of a background check conducted under subdivision 4.

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

Sec. 15. Minnesota Statutes 2016, section 171.02, subdivision 2a, is amended to read:

Subd. 2a. **Exception for certain school bus drivers.** Notwithstanding subdivision 2, paragraph (b), the holder of a class D driver's license, without a school bus endorsement, may operate a type A school bus or a multifunction school activity bus under the following conditions:

(a) The operator is an employee of the entity that owns, leases, or contracts for the school bus and is not solely hired to provide transportation services under this subdivision.

(b) The operator drives the school bus only from points of origin to points of destination, not including home-to-school trips to pick up or drop off students.

(c) The operator is prohibited from using the eight-light system. Violation of this paragraph is a misdemeanor.

(d) The operator's employer has adopted and implemented a policy that provides for annual training and certification of the operator in:

(1) safe operation of the type of school bus the operator will be driving;

(2) understanding student behavior, including issues relating to students with disabilities;

(3) encouraging orderly conduct of students on the bus and handling incidents of misconduct appropriately;

(4) knowing and understanding relevant laws, rules of the road, and local school bus safety policies;

(5) handling emergency situations; and

(6) safe loading and unloading of students.

(e) A background check or background investigation of the operator has been conducted that meets the requirements under section 122A.18, subdivision 8, or 123B.03 for teachers; section 144.057 or chapter 245C for day care employees; or section 171.321, subdivision 3, for all other persons operating a school bus under this subdivision.

(f) Operators shall submit to a physical examination as required by section 171.321, subdivision 2.

(g) The operator's driver's license is verified annually by the entity that owns, leases, or contracts for the school bus.

(h) A person who sustains a conviction, as defined under section 609.02, of violating section 169A.25, 169A.26, 169A.27, 169A.31, 169A.51, or 169A.52, or a similar statute or ordinance of another state is precluded from operating a school bus for five years from the date of conviction.

(i) A person who has ever been convicted of a disqualifying offense as defined in section 171.3215, subdivision 1, paragraph (c), or received a stay of adjudication for an offense that, if convicted of, would require predatory offender registration under section 243.166, may not operate a school bus under this subdivision.

(j) A person who sustains a conviction, as defined under section 609.02, of a fourth moving offense in violation of chapter 169 is precluded from operating a school bus for one year from the date of the last conviction.

(k) Students riding the school bus must have training required under section 123B.90, subdivision 2.

(l) An operator must be trained in the proper use of child safety restraints as set forth in the National Highway Traffic Safety Administration's "Guideline for the Safe Transportation of Pre-school Age Children in School Buses," if child safety restraints are used by the passengers.

(m) Annual certification of the requirements listed in this subdivision must be maintained under separate file at the business location for each operator licensed under this subdivision and subdivision 2, paragraph (b), clause (5). The business manager, school board, governing body of a nonpublic school, or any other entity that owns, leases, or contracts for the school bus operating under this subdivision is responsible for maintaining these files for inspection.

(n) The school bus must bear a current certificate of inspection issued under section 169.451.

(o) If the word "School" appears on the front and rear of the bus, the word "School" must be covered by a sign that reads "Activities" when the bus is being operated under authority of this subdivision.

(p) The type A-I school bus or multifunction school activity bus is designed to transport 15 or fewer passengers, including the driver.

(q) The school bus or multifunction school activity bus has a gross vehicle weight rating of 14,500 pounds or less.

Sec. 16. Minnesota Statutes 2017 Supplement, section 171.02, subdivision 2b, is amended to read:

Subd. 2b. **Exception for type III vehicle drivers.** (a) Notwithstanding subdivision 2, the holder of a class A, B, C, or D driver's license, without a school bus endorsement, may operate a type III vehicle described in section 169.011, subdivision 71, paragraph (h), under the conditions in this subdivision.

(b) The operator is an employee of the entity that owns, leases, or contracts for the school bus.

(c) The operator's employer has adopted and implemented a policy that provides for annual training and certification of the operator in:

- (1) safe operation of a type III vehicle;
- (2) understanding student behavior, including issues relating to students with disabilities;
- (3) encouraging orderly conduct of students on the bus and handling incidents of misconduct appropriately;
- (4) knowing and understanding relevant laws, rules of the road, and local school bus safety policies;
- (5) handling emergency situations;
- (6) proper use of seat belts and child safety restraints;
- (7) performance of pretrip vehicle inspections;
- (8) safe loading and unloading of students, including, but not limited to:

(i) utilizing a safe location for loading and unloading students at the curb, on the nontraffic side of the roadway, or at off-street loading areas, driveways, yards, and other areas to enable the student to avoid hazardous conditions;

(ii) refraining from loading and unloading students in a vehicular traffic lane, on the shoulder, in a designated turn lane, or a lane adjacent to a designated turn lane;

(iii) avoiding a loading or unloading location that would require a pupil to cross a road, or ensuring that the driver or an aide personally escort the pupil across the road if it is not reasonably feasible to avoid such a location;

(iv) placing the type III vehicle in "park" during loading and unloading; and

(v) escorting a pupil across the road under item (iii) only after the motor is stopped, the ignition key is removed, the brakes are set, and the vehicle is otherwise rendered immobile; and

(9) compliance with paragraph (k), concerning reporting certain convictions to the employer within ten days of the date of conviction.

(d) A background check or background investigation of the operator has been conducted that meets the requirements under section 122A.18, subdivision 8, or 123B.03 for school district employees; section 144.057 or chapter 245C for day care employees; or section 171.321, subdivision 3, for all other persons operating a type III vehicle under this subdivision.

(e) Operators shall submit to a physical examination as required by section 171.321, subdivision 2.

(f) The operator's employer requires preemployment drug testing of applicants for operator positions. Current operators must comply with the employer's policy under section 181.951, subdivisions 2, 4, and 5. Notwithstanding any law to the contrary, the operator's employer may use a Breathalyzer or similar device to fulfill random alcohol testing requirements.

(g) The operator's driver's license is verified annually by the entity that owns, leases, or contracts for the type III vehicle as required under section 171.321, subdivision 5.

(h) A person who sustains a conviction, as defined under section 609.02, of violating section 169A.25, 169A.26, 169A.27, or 169A.31, or whose driver's license is revoked under sections 169A.50 to 169A.53 of the implied consent law or section 171.177, or who is convicted of violating or whose driver's license is revoked under a similar statute or ordinance of another state, is precluded from operating a type III vehicle for five years from the date of conviction.

(i) A person who has ever been convicted of a disqualifying offense as defined in section 171.3215, subdivision 1, paragraph (c), or received a stay of adjudication for an offense that, if convicted of, would require predatory offender registration under section 243.166, may not operate a type III vehicle under this subdivision.

(j) A person who sustains a conviction, as defined under section 609.02, of a moving offense in violation of chapter 169 within three years of the first of three other moving offenses is precluded from operating a type III vehicle for one year from the date of the last conviction.

(k) An operator who sustains a conviction as described in paragraph (h), ~~(i)~~, or (j) while employed by the entity that owns, leases, or contracts for the school bus, shall report the conviction to the employer within ten days of the date of the conviction. An operator who sustains a conviction or receives a stay of adjudication as described in paragraph (i) while employed by an entity that owns, leases, or contracts for the school bus shall report the conviction or stay of adjudication to the employer within ten days of the date of the conviction or stay of adjudication.

(l) An operator of a type III vehicle whose driver's license is suspended, revoked, canceled, or disqualified by Minnesota, another state, or another jurisdiction must notify the operator's employer in writing of the suspension, revocation, cancellation, lost privilege, or disqualification. The operator must notify the operator's employer before the end of the business day immediately following the day the operator received notice of the suspension, revocation, cancellation, lost privilege, or disqualification.

(m) Students riding the type III vehicle must have training required under section 123B.90, subdivision 2.

(n) Documentation of meeting the requirements listed in this subdivision must be maintained under separate file at the business location for each type III vehicle operator. The business manager, school board, governing body of a nonpublic school, or any other entity that owns, leases, or contracts for the type III vehicle operating under this subdivision is responsible for maintaining these files for inspection.

(o) The type III vehicle must bear a current certificate of inspection issued under section 169.451.

(p) An employee of a school or of a school district, who is not employed for the sole purpose of operating a type III vehicle, is exempt from paragraphs (e) and (f).

Sec. 17. Minnesota Statutes 2017 Supplement, section 171.3215, subdivision 2, is amended to read:

Subd. 2. **Cancellation for disqualifying and other offenses.** Within ten days of receiving notice under section 631.40, subdivision 1a, or otherwise receiving notice for a nonresident driver, that a school bus driver has been convicted of a disqualifying offense or received a stay of adjudication for an offense that, if convicted of, would require predatory offender registration under section 243.166, the commissioner shall permanently cancel the school bus driver's endorsement on the offender's driver's license and in the case of a nonresident, the driver's privilege to operate a school bus in Minnesota. A school bus driver whose endorsement or privilege to operate a school bus in Minnesota has been permanently canceled may not apply for reinstatement. Within ten days of receiving notice under section 631.40, subdivision 1a, or otherwise receiving notice for a nonresident driver, that a school bus driver has been convicted of a violation of section 169A.20, or a similar statute or ordinance from another state, and within ten days of revoking a school bus driver's license under section 169A.52 or 171.177, the commissioner shall cancel the school bus driver's endorsement on the offender's driver's license or the nonresident's privilege to operate a school bus in Minnesota for five years. After five years, a school bus driver may apply to the commissioner for reinstatement. Even after five years, cancellation of a school bus driver's endorsement or a nonresident's privilege to operate a school bus in Minnesota for a violation under section 169A.20, sections 169A.50 to 169A.53, section 171.177, or a similar statute or ordinance from another state, shall remain in effect until the driver provides proof of successful completion of an alcohol or controlled substance treatment program. For a first offense, proof of completion is required only if treatment was ordered as part of a chemical use assessment. Within ten days of receiving notice under section 631.40, subdivision 1a, or otherwise receiving notice for a nonresident driver, that a school bus driver has been convicted of a fourth moving violation in the last three years, the commissioner shall cancel the school bus driver's endorsement on the offender's driver's license or the nonresident's privilege to operate a school bus in Minnesota until one year has elapsed since the last conviction. A school bus driver who has no new convictions after one year may apply for reinstatement. Upon canceling the offender's school bus driver's endorsement, the commissioner shall immediately notify the licensed offender of the cancellation in writing, by depositing in the United States post office a notice addressed to the licensed offender at the licensed offender's last known address, with postage prepaid thereon.

Sec. 18. Minnesota Statutes 2017 Supplement, section 171.3215, subdivision 3, is amended to read:

Subd. 3. **Background check.** Before issuing or renewing a driver's license with a school bus driver's endorsement, the commissioner shall conduct an investigation to determine if the applicant has been convicted of committing a disqualifying offense, four moving violations in the previous three years, a violation of section 169A.20 or a similar statute or ordinance from another state, a gross misdemeanor, or if the applicant's driver's license has been revoked under section 169A.52 or 171.177 or if the applicant received a stay of adjudication for an offense that, if convicted of, would require predatory offender registration under section 243.166. The commissioner shall not issue a new bus driver's endorsement and shall not renew an existing bus driver's endorsement if the applicant has been convicted of committing a disqualifying offense or if the applicant received a stay of adjudication for an offense that, if convicted of, would require predatory offender registration under section

243.166. The commissioner shall not issue a new bus driver's endorsement and shall not renew an existing bus driver's endorsement if, within the previous five years, the applicant has been convicted of committing a violation of section 169A.20, or a similar statute or ordinance from another state, a gross misdemeanor, or if the applicant's driver's license has been revoked under section 169A.52 or 171.177, or if, within the previous three years, the applicant has been convicted of four moving violations. An applicant who has been convicted of violating section 169A.20, or a similar statute or ordinance from another state, or who has had a license revocation under section 169A.52 or 171.177 within the previous ten years must show proof of successful completion of an alcohol or controlled substance treatment program in order to receive a bus driver's endorsement. For a first offense, proof of completion is required only if treatment was ordered as part of a chemical use assessment. A school district or contractor that employs a nonresident school bus driver must conduct a background check of the employee's driving record and criminal history in both Minnesota and the driver's state of residence. Convictions for disqualifying offenses, gross misdemeanors, a fourth moving violation within the previous three years, or violations of section 169A.20, or a similar statute or ordinance in another state, must be reported to the Department of Public Safety.

Sec. 19. Minnesota Statutes 2016, section 299C.17, is amended to read:

299C.17 REPORT BY COURT ADMINISTRATOR.

The superintendent shall require the court administrator of every court which (1) sentences a defendant for a felony, gross misdemeanor, or targeted misdemeanor, or (2) grants a stay of adjudication pursuant to section 609.095, paragraph (b), clause (2), to electronically transmit within 24 hours of the disposition of the case a report, in a form prescribed by the superintendent providing information required by the superintendent with regard to the prosecution and disposition of criminal cases. A copy of the report shall be kept on file in the office of the court administrator.

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

Sec. 20. **[299C.77] BACKGROUND CHECKS; ADDITIONAL DISCLOSURE.**

The superintendent shall disclose to each applicant for a background check or background study required or authorized under section 122A.18, subdivision 8; 123B.03; 171.02, subdivision 2a or 2b; or 171.3215, subdivision 3, all records of stays of adjudication granted to the subject of the background check or background study that the superintendent receives pursuant to section 299C.17, clause (2). The data required to be disclosed under this section is in addition to other data on the subject of the background check or background study that the superintendent is mandated to disclose.

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

Sec. 21. Minnesota Statutes 2016, section 609.095, is amended to read:

609.095 LIMITS OF SENTENCES.

(a) The legislature has the exclusive authority to define crimes and offenses and the range of the sentences or punishments for their violation. No other or different sentence or punishment shall be imposed for the commission of a crime than is authorized by this chapter or other applicable law.

(b) Except as provided in:

(1) section 152.18 or 609.375; or

(2) upon agreement of the parties, a court may not refuse to adjudicate the guilt of a defendant who tenders a guilty plea in accordance with Minnesota Rules of Criminal Procedure, rule 15, or who has been found guilty by a court or jury following a trial.

A stay of adjudication granted under clause (2) must be reported to the superintendent of the Bureau of Criminal Apprehension pursuant to section 299C.17.

(c) Paragraph (b) does not supersede Minnesota Rules of Criminal Procedure, rule 26.04.

Sec. 22. Minnesota Statutes 2017 Supplement, section 609A.03, subdivision 7a, is amended to read:

Subd. 7a. **Limitations of order effective January 1, 2015, and later.** (a) Upon issuance of an expungement order related to a charge supported by probable cause, the DNA samples and DNA records held by the Bureau of Criminal Apprehension and collected under authority other than section 299C.105 shall not be sealed, returned to the subject of the record, or destroyed.

(b) Notwithstanding the issuance of an expungement order:

(1) except as provided in clause (2), an expunged record may be opened, used, or exchanged between criminal justice agencies without a court order for the purposes of initiating, furthering, or completing a criminal investigation or prosecution or for sentencing purposes or providing probation or other correctional services;

(2) when a criminal justice agency seeks access to a record that was sealed under section 609A.02, subdivision 3, paragraph (a), clause (1), after an acquittal or a court order dismissing for lack of probable cause, for purposes of a criminal investigation, prosecution, or sentencing, the requesting agency must obtain an ex parte court order after stating a good-faith basis to believe that opening the record may lead to relevant information;

(3) an expunged record of a conviction may be opened for purposes of evaluating a prospective employee in a criminal justice agency without a court order;

(4) an expunged record of a conviction may be opened for purposes of a background study under section 245C.08 unless the commissioner had been properly served with notice of the petition for expungement and the court order for expungement is directed specifically to the commissioner of human services;

(5) an expunged record of a conviction may be opened for purposes of a background check required under section 122A.18, subdivision 8, unless the court order for expungement is directed specifically to the Professional Educator Licensing and Standards Board or the licensing division of the Department of Education; and

(6) the court may order an expunged record opened upon request by the victim of the underlying offense if the court determines that the record is substantially related to a matter for which the victim is before the court.

(c) An agency or jurisdiction subject to an expungement order shall maintain the record in a manner that provides access to the record by a criminal justice agency under paragraph (b), clause (1) or (2), but notifies the recipient that the record has been sealed. The Bureau of Criminal Apprehension shall notify the commissioner of human services; and the Professional Educator Licensing and Standards Board, ~~or the licensing division of the Department of Education~~ of the existence of a sealed record and of the right to obtain access under paragraph (b), clause (4) or (5). Upon request, the agency or jurisdiction subject to the expungement order shall provide access to the record to the commissioner of human services, the Professional Educator Licensing and Standards Board, or the licensing division of the Department of Education under paragraph (b), clause (4) or (5).

(d) An expunged record that is opened or exchanged under this subdivision remains subject to the expungement order in the hands of the person receiving the record.

(e) A criminal justice agency that receives an expunged record under paragraph (b), clause (1) or (2), must maintain and store the record in a manner that restricts the use of the record to the investigation, prosecution, or sentencing for which it was obtained.

(f) For purposes of this section, a "criminal justice agency" means a court or government agency that performs the administration of criminal justice under statutory authority.

(g) This subdivision applies to expungement orders subject to its limitations and effective on or after January 1, 2015.

Sec. 23. Minnesota Statutes 2017 Supplement, section 626.556, subdivision 2, is amended to read:

Subd. 2. **Definitions.** As used in this section, the following terms have the meanings given them unless the specific content indicates otherwise:

(a) "Accidental" means a sudden, not reasonably foreseeable, and unexpected occurrence or event which:

(1) is not likely to occur and could not have been prevented by exercise of due care; and

(2) if occurring while a child is receiving services from a facility, happens when the facility and the employee or person providing services in the facility are in compliance with the laws and rules relevant to the occurrence or event.

(b) "Commissioner" means the commissioner of human services.

(c) "Facility" means:

(1) a licensed or unlicensed day care facility, certified license-exempt child care center, residential facility, agency, hospital, sanitarium, or other facility or institution required to be licensed under sections 144.50 to 144.58, 241.021, or 245A.01 to 245A.16, or chapter 144H, 245D, or 245H;

(2) a school as defined in section 120A.05, subdivisions 9, 11, and 13; and chapter 124E; or

(3) a nonlicensed personal care provider organization as defined in section 256B.0625, subdivision 19a.

(d) "Family assessment" means a comprehensive assessment of child safety, risk of subsequent child maltreatment, and family strengths and needs that is applied to a child maltreatment report that does not allege sexual abuse or substantial child endangerment. Family assessment does not include a determination as to whether child maltreatment occurred but does determine the need for services to address the safety of family members and the risk of subsequent maltreatment.

(e) "Investigation" means fact gathering related to the current safety of a child and the risk of subsequent maltreatment that determines whether child maltreatment occurred and whether child protective services are needed. An investigation must be used when reports involve sexual abuse or substantial child endangerment, and for reports of maltreatment in facilities required to be licensed or certified under chapter 245A, 245D, or 245H; under sections 144.50 to 144.58 and 241.021; in a school as defined in section 120A.05, subdivisions 9, 11, and 13, and chapter 124E; or in a nonlicensed personal care provider association as defined in section 256B.0625, subdivision 19a.

(f) "Mental injury" means an injury to the psychological capacity or emotional stability of a child as evidenced by an observable or substantial impairment in the child's ability to function within a normal range of performance and behavior with due regard to the child's culture.

(g) "Neglect" means the commission or omission of any of the acts specified under clauses (1) to (9), other than by accidental means:

(1) failure by a person responsible for a child's care to supply a child with necessary food, clothing, shelter, health, medical, or other care required for the child's physical or mental health when reasonably able to do so;

(2) failure to protect a child from conditions or actions that seriously endanger the child's physical or mental health when reasonably able to do so, including a growth delay, which may be referred to as a failure to thrive, that has been diagnosed by a physician and is due to parental neglect;

(3) failure to provide for necessary supervision or child care arrangements appropriate for a child after considering factors as the child's age, mental ability, physical condition, length of absence, or environment, when the child is unable to care for the child's own basic needs or safety, or the basic needs or safety of another child in their care;

(4) failure to ensure that the child is educated as defined in sections 120A.22 and 260C.163, subdivision 11, which does not include a parent's refusal to provide the parent's child with sympathomimetic medications, consistent with section 125A.091, subdivision 5;

(5) nothing in this section shall be construed to mean that a child is neglected solely because the child's parent, guardian, or other person responsible for the child's care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child in lieu of medical care; except that a parent, guardian, or caretaker, or a person mandated to report pursuant to subdivision 3, has a duty to report if a lack of medical care may cause serious danger to the child's health. This section does not impose upon persons, not otherwise legally responsible for providing a child with necessary food, clothing, shelter, education, or medical care, a duty to provide that care;

(6) prenatal exposure to a controlled substance, as defined in section 253B.02, subdivision 2, used by the mother for a nonmedical purpose, as evidenced by withdrawal symptoms in the child at birth, results of a toxicology test performed on the mother at delivery or the child at birth, medical effects or developmental delays during the child's first year of life that medically indicate prenatal exposure to a controlled substance, or the presence of a fetal alcohol spectrum disorder;

(7) "medical neglect" as defined in section 260C.007, subdivision 6, clause (5);

(8) chronic and severe use of alcohol or a controlled substance by a parent or person responsible for the care of the child that adversely affects the child's basic needs and safety; or

(9) emotional harm from a pattern of behavior which contributes to impaired emotional functioning of the child which may be demonstrated by a substantial and observable effect in the child's behavior, emotional response, or cognition that is not within the normal range for the child's age and stage of development, with due regard to the child's culture.

(h) "Nonmaltreatment mistake" means:

(1) at the time of the incident, the individual was performing duties identified in the center's child care program plan required under Minnesota Rules, part 9503.0045;

(2) the individual has not been determined responsible for a similar incident that resulted in a finding of maltreatment for at least seven years;

(3) the individual has not been determined to have committed a similar nonmaltreatment mistake under this paragraph for at least four years;

(4) any injury to a child resulting from the incident, if treated, is treated only with remedies that are available over the counter, whether ordered by a medical professional or not; and

(5) except for the period when the incident occurred, the facility and the individual providing services were both in compliance with all licensing requirements relevant to the incident.

This definition only applies to child care centers licensed under Minnesota Rules, chapter 9503. If clauses (1) to (5) apply, rather than making a determination of substantiated maltreatment by the individual, the commissioner of human services shall determine that a nonmaltreatment mistake was made by the individual.

(i) "Operator" means an operator or agency as defined in section 245A.02.

(j) "Person responsible for the child's care" means (1) an individual functioning within the family unit and having responsibilities for the care of the child such as a parent, guardian, or other person having similar care responsibilities, or (2) an individual functioning outside the family unit and having responsibilities for the care of the child such as a teacher, school administrator, other school employees or agents, or other lawful custodian of a child having either full-time or short-term care responsibilities including, but not limited to, day care, babysitting whether paid or unpaid, counseling, teaching, and coaching.

(k) "Physical abuse" means any physical injury, mental injury, or threatened injury, inflicted by a person responsible for the child's care on a child other than by accidental means, or any physical or mental injury that cannot reasonably be explained by the child's history of injuries, or any aversive or deprivation procedures, or regulated interventions, that have not been authorized under section 125A.0942 or 245.825.

Abuse does not include reasonable and moderate physical discipline of a child administered by a parent or legal guardian which does not result in an injury. Abuse does not include the use of reasonable force by a teacher, principal, or school employee as allowed by section 121A.582. Actions which are not reasonable and moderate include, but are not limited to, any of the following:

- (1) throwing, kicking, burning, biting, or cutting a child;
- (2) striking a child with a closed fist;
- (3) shaking a child under age three;
- (4) striking or other actions which result in any nonaccidental injury to a child under 18 months of age;
- (5) unreasonable interference with a child's breathing;
- (6) threatening a child with a weapon, as defined in section 609.02, subdivision 6;
- (7) striking a child under age one on the face or head;
- (8) striking a child who is at least age one but under age four on the face or head, which results in an injury;

(9) purposely giving a child poison, alcohol, or dangerous, harmful, or controlled substances which were not prescribed for the child by a practitioner, in order to control or punish the child; or other substances that substantially affect the child's behavior, motor coordination, or judgment or that results in sickness or internal injury, or subjects the child to medical procedures that would be unnecessary if the child were not exposed to the substances;

(10) unreasonable physical confinement or restraint not permitted under section 609.379, including but not limited to tying, caging, or chaining; or

(11) in a school facility or school zone, an act by a person responsible for the child's care that is a violation under section 121A.58.

(l) "Practice of social services," for the purposes of subdivision 3, includes but is not limited to employee assistance counseling and the provision of guardian ad litem and parenting time expeditor services.

(m) "Report" means any communication received by the local welfare agency, police department, county sheriff, or agency responsible for child protection pursuant to this section that describes neglect or physical or sexual abuse of a child and contains sufficient content to identify the child and any person believed to be responsible for the neglect or abuse, if known.

(n) "Sexual abuse" means the subjection of a child by a person responsible for the child's care, by a person who has a significant relationship to the child, as defined in section 609.341, or by a person in a position of authority, as defined in section 609.341, subdivision 10, to any act which constitutes a violation of section 609.342 (criminal sexual conduct in the first degree), 609.343 (criminal sexual conduct in the second degree), 609.344 (criminal sexual conduct in the third degree), 609.345 (criminal sexual conduct in the fourth degree), ~~or 609.3451 (criminal sexual conduct in the fifth degree), or 609.352 (solicitation of children to engage in sexual conduct; communication of sexually explicit materials to children).~~ Sexual abuse also includes any act which involves a minor which constitutes a violation of prostitution offenses under sections 609.321 to 609.324 or 617.246. Effective May 29, 2017, sexual abuse includes all reports of known or suspected child sex trafficking involving a child who is identified as a victim of sex trafficking. Sexual abuse includes child sex trafficking as defined in section 609.321, subdivisions 7a and 7b. Sexual abuse includes threatened sexual abuse which includes the status of a parent or household member who has committed a violation which requires registration as an offender under section 243.166, subdivision 1b, paragraph (a) or (b), or required registration under section 243.166, subdivision 1b, paragraph (a) or (b).

(o) "Substantial child endangerment" means a person responsible for a child's care, by act or omission, commits or attempts to commit an act against a child under their care that constitutes any of the following:

(1) egregious harm as defined in section 260C.007, subdivision 14;

(2) abandonment under section 260C.301, subdivision 2;

(3) neglect as defined in paragraph (g), clause (2), that substantially endangers the child's physical or mental health, including a growth delay, which may be referred to as failure to thrive, that has been diagnosed by a physician and is due to parental neglect;

(4) murder in the first, second, or third degree under section 609.185, 609.19, or 609.195;

(5) manslaughter in the first or second degree under section 609.20 or 609.205;

(6) assault in the first, second, or third degree under section 609.221, 609.222, or 609.223;

(7) solicitation, inducement, and promotion of prostitution under section 609.322;

(8) criminal sexual conduct under sections 609.342 to 609.3451;

(9) solicitation of children to engage in sexual conduct under section 609.352;

(10) malicious punishment or neglect or endangerment of a child under section 609.377 or 609.378;

(11) use of a minor in sexual performance under section 617.246; or

(12) parental behavior, status, or condition which mandates that the county attorney file a termination of parental rights petition under section 260C.503, subdivision 2.

(p) "Threatened injury" means a statement, overt act, condition, or status that represents a substantial risk of physical or sexual abuse or mental injury. Threatened injury includes, but is not limited to, exposing a child to a person responsible for the child's care, as defined in paragraph (j), clause (1), who has:

(1) subjected a child to, or failed to protect a child from, an overt act or condition that constitutes egregious harm, as defined in section 260C.007, subdivision 14, or a similar law of another jurisdiction;

(2) been found to be palpably unfit under section 260C.301, subdivision 1, paragraph (b), clause (4), or a similar law of another jurisdiction;

(3) committed an act that has resulted in an involuntary termination of parental rights under section 260C.301, or a similar law of another jurisdiction; or

(4) committed an act that has resulted in the involuntary transfer of permanent legal and physical custody of a child to a relative under Minnesota Statutes 2010, section 260C.201, subdivision 11, paragraph (d), clause (1), section 260C.515, subdivision 4, or a similar law of another jurisdiction.

A child is the subject of a report of threatened injury when the responsible social services agency receives birth match data under paragraph (q) from the Department of Human Services.

(q) Upon receiving data under section 144.225, subdivision 2b, contained in a birth record or recognition of parentage identifying a child who is subject to threatened injury under paragraph (p), the Department of Human Services shall send the data to the responsible social services agency. The data is known as "birth match" data. Unless the responsible social services agency has already begun an investigation or assessment of the report due to the birth of the child or execution of the recognition of parentage and the parent's previous history with child protection, the agency shall accept the birth match data as a report under this section. The agency may use either a family assessment or investigation to determine whether the child is safe. All of the provisions of this section apply. If the child is determined to be safe, the agency shall consult with the county attorney to determine the appropriateness of filing a petition alleging the child is in need of protection or services under section 260C.007, subdivision 6, clause (16), in order to deliver needed services. If the child is determined not to be safe, the agency and the county attorney shall take appropriate action as required under section 260C.503, subdivision 2.

(r) Persons who conduct assessments or investigations under this section shall take into account accepted child-rearing practices of the culture in which a child participates and accepted teacher discipline practices, which are not injurious to the child's health, welfare, and safety.

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

Sec. 24. Minnesota Statutes 2017 Supplement, section 626.556, subdivision 3, is amended to read:

Subd. 3. **Persons mandated to report; persons voluntarily reporting.** (a) A person who knows or has reason to believe a child is being neglected or physically or sexually abused, as defined in subdivision 2, or has been neglected or physically or sexually abused within the preceding three years, shall immediately report the information to the local welfare agency, agency responsible for assessing or investigating the report, police department, county sheriff, tribal social services agency, or tribal police department if the person is:

(1) a professional or professional's delegate who is engaged in the practice of the healing arts, social services, hospital administration, psychological or psychiatric treatment, child care, education, correctional supervision, probation and correctional services, or law enforcement; ~~or~~

(2) employed as a member of the clergy and received the information while engaged in ministerial duties, provided that a member of the clergy is not required by this subdivision to report information that is otherwise privileged under section 595.02, subdivision 1, paragraph (c); ~~or~~

(3) a member of a board or other entity whose licensees perform work within a school facility.

(b) Any person may voluntarily report to the local welfare agency, agency responsible for assessing or investigating the report, police department, county sheriff, tribal social services agency, or tribal police department if the person knows, has reason to believe, or suspects a child is being or has been neglected or subjected to physical or sexual abuse.

(c) A person mandated to report physical or sexual child abuse or neglect occurring within a licensed facility shall report the information to the agency responsible for licensing or certifying the facility under sections 144.50 to 144.58; 241.021; 245A.01 to 245A.16; or chapter 144H, 245D, or 245H; or a nonlicensed personal care provider organization as defined in section 256B.0625, subdivision 19a. A health or corrections agency receiving a report may request the local welfare agency to provide assistance pursuant to subdivisions 10, 10a, and 10b. A board or other entity whose licensees perform work within a school facility, upon receiving a complaint of alleged maltreatment, shall provide information about the circumstances of the alleged maltreatment to the commissioner of education. Section 13.03, subdivision 4, applies to data received by the commissioner of education from a licensing entity.

(d) Notification requirements under subdivision 10 apply to all reports received under this section.

(e) For purposes of this section, "immediately" means as soon as possible but in no event longer than 24 hours.

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

Sec. 25. Minnesota Statutes 2016, section 626.556, subdivision 10, is amended to read:

Subd. 10. **Duties of local welfare agency and local law enforcement agency upon receipt of report; mandatory notification between police or sheriff and agency.** (a) The police department or the county sheriff shall immediately notify the local welfare agency or agency responsible for child protection reports under this section orally and in writing when a report is received. The local welfare agency or agency responsible for child protection reports shall immediately notify the local police department or the county sheriff orally and in writing when a report is received. The county sheriff and the head of every local welfare agency, agency responsible for child protection reports, and police department shall each designate a person within their agency, department, or office who is responsible for ensuring that the notification duties of this paragraph are carried out. When the alleged maltreatment occurred on tribal land, the local welfare agency or agency responsible for child protection reports and the local police department or the county sheriff shall immediately notify the tribe's social services agency and tribal

law enforcement orally and in writing when a report is received. When a police department or county sheriff receives a report or otherwise has information indicating that a child has been the subject of physical abuse, sexual abuse, or neglect by a person licensed by the Professional Educator Licensing and Standards Board or Board of School Administrators, it shall, in addition to its other duties under this section, immediately inform the licensing board.

(b) Upon receipt of a report, the local welfare agency shall determine whether to conduct a family assessment or an investigation as appropriate to prevent or provide a remedy for child maltreatment. The local welfare agency:

(1) shall conduct an investigation on reports involving sexual abuse or substantial child endangerment;

(2) shall begin an immediate investigation if, at any time when it is using a family assessment response, it determines that there is reason to believe that sexual abuse or substantial child endangerment or a serious threat to the child's safety exists;

(3) may conduct a family assessment for reports that do not allege sexual abuse or substantial child endangerment. In determining that a family assessment is appropriate, the local welfare agency may consider issues of child safety, parental cooperation, and the need for an immediate response;

(4) may conduct a family assessment on a report that was initially screened and assigned for an investigation. In determining that a complete investigation is not required, the local welfare agency must document the reason for terminating the investigation and notify the local law enforcement agency if the local law enforcement agency is conducting a joint investigation; and

(5) shall provide immediate notice, according to section 260.761, subdivision 2, to an Indian child's tribe when the agency has reason to believe the family assessment or investigation may involve an Indian child. For purposes of this clause, "immediate notice" means notice provided within 24 hours.

If the report alleges neglect, physical abuse, or sexual abuse by a parent, guardian, or individual functioning within the family unit as a person responsible for the child's care, or sexual abuse by a person with a significant relationship to the child when that person resides in the child's household or by a sibling, the local welfare agency shall immediately conduct a family assessment or investigation as identified in clauses (1) to (4). In conducting a family assessment or investigation, the local welfare agency shall gather information on the existence of substance abuse and domestic violence and offer services for purposes of preventing future child maltreatment, safeguarding and enhancing the welfare of the abused or neglected minor, and supporting and preserving family life whenever possible. If the report alleges a violation of a criminal statute involving sexual abuse, physical abuse, or neglect or endangerment, under section 609.378, the local law enforcement agency and local welfare agency shall coordinate the planning and execution of their respective investigation and assessment efforts to avoid a duplication of fact-finding efforts and multiple interviews. Each agency shall prepare a separate report of the results of its investigation or assessment. In cases of alleged child maltreatment resulting in death, the local agency may rely on the fact-finding efforts of a law enforcement investigation to make a determination of whether or not maltreatment occurred. When necessary the local welfare agency shall seek authority to remove the child from the custody of a parent, guardian, or adult with whom the child is living. In performing any of these duties, the local welfare agency shall maintain appropriate records.

If the family assessment or investigation indicates there is a potential for abuse of alcohol or other drugs by the parent, guardian, or person responsible for the child's care, the local welfare agency shall conduct a chemical use assessment pursuant to Minnesota Rules, part 9530.6615.

(c) When a local agency receives a report or otherwise has information indicating that a child who is a client, as defined in section 245.91, has been the subject of physical abuse, sexual abuse, or neglect at an agency, facility, or program as defined in section 245.91, it shall, in addition to its other duties under this section, immediately inform

the ombudsman established under sections 245.91 to 245.97. The commissioner of education shall inform the ombudsman established under sections 245.91 to 245.97 of reports regarding a child defined as a client in section 245.91 that maltreatment occurred at a school as defined in section 120A.05, subdivisions 9, 11, and 13, and chapter 124E.

(d) Authority of the local welfare agency responsible for assessing or investigating the child abuse or neglect report, the agency responsible for assessing or investigating the report, and of the local law enforcement agency for investigating the alleged abuse or neglect includes, but is not limited to, authority to interview, without parental consent, the alleged victim and any other minors who currently reside with or who have resided with the alleged offender. The interview may take place at school or at any facility or other place where the alleged victim or other minors might be found or the child may be transported to, and the interview conducted at, a place appropriate for the interview of a child designated by the local welfare agency or law enforcement agency. The interview may take place outside the presence of the alleged offender or parent, legal custodian, guardian, or school official. For family assessments, it is the preferred practice to request a parent or guardian's permission to interview the child prior to conducting the child interview, unless doing so would compromise the safety assessment. Except as provided in this paragraph, the parent, legal custodian, or guardian shall be notified by the responsible local welfare or law enforcement agency no later than the conclusion of the investigation or assessment that this interview has occurred. Notwithstanding rule 32 of the Minnesota Rules of Procedure for Juvenile Courts, the juvenile court may, after hearing on an ex parte motion by the local welfare agency, order that, where reasonable cause exists, the agency withhold notification of this interview from the parent, legal custodian, or guardian. If the interview took place or is to take place on school property, the order shall specify that school officials may not disclose to the parent, legal custodian, or guardian the contents of the notification of intent to interview the child on school property, as provided under this paragraph, and any other related information regarding the interview that may be a part of the child's school record. A copy of the order shall be sent by the local welfare or law enforcement agency to the appropriate school official.

(e) When the local welfare, local law enforcement agency, or the agency responsible for assessing or investigating a report of maltreatment determines that an interview should take place on school property, written notification of intent to interview the child on school property must be received by school officials prior to the interview. The notification shall include the name of the child to be interviewed, the purpose of the interview, and a reference to the statutory authority to conduct an interview on school property. For interviews conducted by the local welfare agency, the notification shall be signed by the chair of the local social services agency or the chair's designee. The notification shall be private data on individuals subject to the provisions of this paragraph. School officials may not disclose to the parent, legal custodian, or guardian the contents of the notification or any other related information regarding the interview until notified in writing by the local welfare or law enforcement agency that the investigation or assessment has been concluded, unless a school employee or agent is alleged to have maltreated the child. Until that time, the local welfare or law enforcement agency or the agency responsible for assessing or investigating a report of maltreatment shall be solely responsible for any disclosures regarding the nature of the assessment or investigation.

Except where the alleged offender is believed to be a school official or employee, the time and place, and manner of the interview on school premises shall be within the discretion of school officials, but the local welfare or law enforcement agency shall have the exclusive authority to determine who may attend the interview. The conditions as to time, place, and manner of the interview set by the school officials shall be reasonable and the interview shall be conducted not more than 24 hours after the receipt of the notification unless another time is considered necessary by agreement between the school officials and the local welfare or law enforcement agency. Where the school fails to comply with the provisions of this paragraph, the juvenile court may order the school to comply. Every effort must be made to reduce the disruption of the educational program of the child, other students, or school staff when an interview is conducted on school premises.

(f) Where the alleged offender or a person responsible for the care of the alleged victim or other minor prevents access to the victim or other minor by the local welfare agency, the juvenile court may order the parents, legal custodian, or guardian to produce the alleged victim or other minor for questioning by the local welfare agency or the local law enforcement agency outside the presence of the alleged offender or any person responsible for the child's care at reasonable places and times as specified by court order.

(g) Before making an order under paragraph (f), the court shall issue an order to show cause, either upon its own motion or upon a verified petition, specifying the basis for the requested interviews and fixing the time and place of the hearing. The order to show cause shall be served personally and shall be heard in the same manner as provided in other cases in the juvenile court. The court shall consider the need for appointment of a guardian ad litem to protect the best interests of the child. If appointed, the guardian ad litem shall be present at the hearing on the order to show cause.

(h) The commissioner of human services, the ombudsman for mental health and developmental disabilities, the local welfare agencies responsible for investigating reports, the commissioner of education, and the local law enforcement agencies have the right to enter facilities as defined in subdivision 2 and to inspect and copy the facility's records, including medical records, as part of the investigation. Notwithstanding the provisions of chapter 13, they also have the right to inform the facility under investigation that they are conducting an investigation, to disclose to the facility the names of the individuals under investigation for abusing or neglecting a child, and to provide the facility with a copy of the report and the investigative findings.

(i) The local welfare agency responsible for conducting a family assessment or investigation shall collect available and relevant information to determine child safety, risk of subsequent child maltreatment, and family strengths and needs and share not public information with an Indian's tribal social services agency without violating any law of the state that may otherwise impose duties of confidentiality on the local welfare agency in order to implement the tribal state agreement. The local welfare agency or the agency responsible for investigating the report shall collect available and relevant information to ascertain whether maltreatment occurred and whether protective services are needed. Information collected includes, when relevant, information with regard to the person reporting the alleged maltreatment, including the nature of the reporter's relationship to the child and to the alleged offender, and the basis of the reporter's knowledge for the report; the child allegedly being maltreated; the alleged offender; the child's caretaker; and other collateral sources having relevant information related to the alleged maltreatment. The local welfare agency or the agency responsible for investigating the report may make a determination of no maltreatment early in an investigation, and close the case and retain immunity, if the collected information shows no basis for a full investigation.

Information relevant to the assessment or investigation must be asked for, and may include:

(1) the child's sex and age; prior reports of maltreatment, including any maltreatment reports that were screened out and not accepted for assessment or investigation; information relating to developmental functioning; credibility of the child's statement; and whether the information provided under this clause is consistent with other information collected during the course of the assessment or investigation;

(2) the alleged offender's age, a record check for prior reports of maltreatment, and criminal charges and convictions. The local welfare agency or the agency responsible for assessing or investigating the report must provide the alleged offender with an opportunity to make a statement. The alleged offender may submit supporting documentation relevant to the assessment or investigation;

(3) collateral source information regarding the alleged maltreatment and care of the child. Collateral information includes, when relevant: (i) a medical examination of the child; (ii) prior medical records relating to the alleged maltreatment or the care of the child maintained by any facility, clinic, or health care professional and an interview

with the treating professionals; and (iii) interviews with the child's caretakers, including the child's parent, guardian, foster parent, child care provider, teachers, counselors, family members, relatives, and other persons who may have knowledge regarding the alleged maltreatment and the care of the child; and

(4) information on the existence of domestic abuse and violence in the home of the child, and substance abuse.

Nothing in this paragraph precludes the local welfare agency, the local law enforcement agency, or the agency responsible for assessing or investigating the report from collecting other relevant information necessary to conduct the assessment or investigation. Notwithstanding sections 13.384 or 144.291 to 144.298, the local welfare agency has access to medical data and records for purposes of clause (3). Notwithstanding the data's classification in the possession of any other agency, data acquired by the local welfare agency or the agency responsible for assessing or investigating the report during the course of the assessment or investigation are private data on individuals and must be maintained in accordance with subdivision 11. Data of the commissioner of education collected or maintained during and for the purpose of an investigation of alleged maltreatment in a school are governed by this section, notwithstanding the data's classification as educational, licensing, or personnel data under chapter 13.

In conducting an assessment or investigation involving a school facility as defined in subdivision 2, paragraph (c), the commissioner of education shall collect investigative reports and data that are relevant to a report of maltreatment and are from local law enforcement and the school facility.

(j) Upon receipt of a report, the local welfare agency shall conduct a face-to-face contact with the child reported to be maltreated and with the child's primary caregiver sufficient to complete a safety assessment and ensure the immediate safety of the child. The face-to-face contact with the child and primary caregiver shall occur immediately if sexual abuse or substantial child endangerment is alleged and within five calendar days for all other reports. If the alleged offender was not already interviewed as the primary caregiver, the local welfare agency shall also conduct a face-to-face interview with the alleged offender in the early stages of the assessment or investigation. At the initial contact, the local child welfare agency or the agency responsible for assessing or investigating the report must inform the alleged offender of the complaints or allegations made against the individual in a manner consistent with laws protecting the rights of the person who made the report. The interview with the alleged offender may be postponed if it would jeopardize an active law enforcement investigation.

(k) When conducting an investigation, the local welfare agency shall use a question and answer interviewing format with questioning as nondirective as possible to elicit spontaneous responses. For investigations only, the following interviewing methods and procedures must be used whenever possible when collecting information:

(1) audio recordings of all interviews with witnesses and collateral sources; and

(2) in cases of alleged sexual abuse, audio-video recordings of each interview with the alleged victim and child witnesses.

(l) In conducting an assessment or investigation involving a school facility as defined in subdivision 2, paragraph (c), the commissioner of education shall collect available and relevant information and use the procedures in paragraphs (j) and (k), and subdivision 3d, except that the requirement for face-to-face observation of the child and face-to-face interview of the alleged offender is to occur in the initial stages of the assessment or investigation provided that the commissioner may also base the assessment or investigation on investigative reports and data received from the school facility and local law enforcement, to the extent those investigations satisfy the requirements of paragraphs (j) and (k), and subdivision 3d.

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

Sec. 26. Minnesota Statutes 2017 Supplement, section 626.556, subdivision 10e, is amended to read:

Subd. 10e. **Determinations.** (a) The local welfare agency shall conclude the family assessment or the investigation within 45 days of the receipt of a report. The conclusion of the assessment or investigation may be extended to permit the completion of a criminal investigation or the receipt of expert information requested within 45 days of the receipt of the report.

(b) After conducting a family assessment, the local welfare agency shall determine whether services are needed to address the safety of the child and other family members and the risk of subsequent maltreatment.

(c) After conducting an investigation, the local welfare agency shall make two determinations: first, whether maltreatment has occurred; and second, whether child protective services are needed. No determination of maltreatment shall be made when the alleged perpetrator is a child under the age of ten.

(d) If the commissioner of education conducts an assessment or investigation, the commissioner shall determine whether maltreatment occurred and what corrective or protective action was taken by the school facility. If a determination is made that maltreatment has occurred, the commissioner shall report to the employer, the school board, and any appropriate licensing entity the determination that maltreatment occurred and what corrective or protective action was taken by the school facility. In all other cases, the commissioner shall inform the school board or employer and any appropriate licensing entity that a report was received, the subject of the report, the date of the initial report, the category of maltreatment alleged as defined in paragraph (f), the fact that maltreatment was not determined, and a summary of the specific reasons for the determination.

(e) When maltreatment is determined in an investigation involving a facility, the investigating agency shall also determine whether the facility or individual was responsible, or whether both the facility and the individual were responsible for the maltreatment using the mitigating factors in paragraph (i). Determinations under this subdivision must be made based on a preponderance of the evidence and are private data on individuals or nonpublic data as maintained by the commissioner of education.

(f) For the purposes of this subdivision, "maltreatment" means any of the following acts or omissions:

(1) physical abuse as defined in subdivision 2, paragraph (k);

(2) neglect as defined in subdivision 2, paragraph (g);

(3) sexual abuse as defined in subdivision 2, paragraph (n);

(4) mental injury as defined in subdivision 2, paragraph (f); or

(5) maltreatment of a child in a facility as defined in subdivision 2, paragraph (c).

(g) For the purposes of this subdivision, a determination that child protective services are needed means that the local welfare agency has documented conditions during the assessment or investigation sufficient to cause a child protection worker, as defined in section 626.559, subdivision 1, to conclude that a child is at significant risk of maltreatment if protective intervention is not provided and that the individuals responsible for the child's care have not taken or are not likely to take actions to protect the child from maltreatment or risk of maltreatment.

(h) This subdivision does not mean that maltreatment has occurred solely because the child's parent, guardian, or other person responsible for the child's care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child, in lieu of medical care. However, if lack of medical care may result in serious danger to the child's health, the local welfare agency may ensure that necessary medical services are provided to the child.

(i) When determining whether the facility or individual is the responsible party, or whether both the facility and the individual are responsible for determined maltreatment in a facility, the investigating agency shall consider at least the following mitigating factors:

(1) whether the actions of the facility or the individual caregivers were according to, and followed the terms of, an erroneous physician order, prescription, individual care plan, or directive; however, this is not a mitigating factor when the facility or caregiver was responsible for the issuance of the erroneous order, prescription, individual care plan, or directive or knew or should have known of the errors and took no reasonable measures to correct the defect before administering care;

(2) comparative responsibility between the facility, other caregivers, and requirements placed upon an employee, including the facility's compliance with related regulatory standards and the adequacy of facility policies and procedures, facility training, an individual's participation in the training, the caregiver's supervision, and facility staffing levels and the scope of the individual employee's authority and discretion; and

(3) whether the facility or individual followed professional standards in exercising professional judgment.

The evaluation of the facility's responsibility under clause (2) must not be based on the completeness of the risk assessment or risk reduction plan required under section 245A.66, but must be based on the facility's compliance with the regulatory standards for policies and procedures, training, and supervision as cited in Minnesota Statutes and Minnesota Rules.

(j) Notwithstanding paragraph (i), when maltreatment is determined to have been committed by an individual who is also the facility license or certification holder, both the individual and the facility must be determined responsible for the maltreatment, and both the background study disqualification standards under section 245C.15, subdivision 4, and the licensing or certification actions under section 245A.06, 245A.07, 245H.06, or 245H.07 apply.

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

Sec. 27. Minnesota Statutes 2016, section 631.40, subdivision 1a, is amended to read:

Subd. 1a. **Certified copy of disqualifying offense convictions sent to public safety and school districts.** When a person is convicted of committing a disqualifying offense, as defined in section 171.3215, subdivision 1, a gross misdemeanor, a fourth moving violation within the previous three years, or a violation of section 169A.20, or a similar statute or ordinance from another state, or if the person received a stay of adjudication for an offense that, if convicted of, would require predatory offender registration under section 243.166, the court shall determine whether the offender is a school bus driver as defined in section 171.3215, subdivision 1, whether the offender possesses a school bus driver's endorsement on the offender's driver's license and in what school districts the offender drives a school bus. If the offender is a school bus driver or possesses a school bus driver's endorsement, the court administrator shall send a certified copy of the conviction or stay of adjudication to the Department of Public Safety and to the school districts in which the offender drives a school bus within ten days after the conviction or stay of adjudication.

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

Sec. 28. **SURVEY OF TEACHER PREPARATION PROGRAMS.**

The Professional Educator Licensing and Standards Board must survey board-approved teacher preparation programs for teachers of elementary education, early childhood education, special education, and reading intervention to determine the extent of dyslexia instruction offered by the programs. The board may consult with the

dyslexia specialist at the Department of Education when developing the survey and reviewing the teacher preparation program responses. The board must report its findings to the chairs and ranking minority members of the legislative committees having jurisdiction over kindergarten through grade 12 education policy and finance by January 2, 2019. The report must include information on teacher preparation program instruction on screening for characteristics of dyslexia, evidence-based instructional strategies for students showing characteristics of dyslexia, and best practices for assisting students showing characteristics of dyslexia and their families. The report must be submitted in accordance with Minnesota Statutes, section 3.195.

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

Sec. 29. **REPEALER.**

Minnesota Statutes 2017 Supplement, section 122A.09, subdivision 1, and Minnesota Rules, part 8710.2100, subparts 1 and 2, are repealed.

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

ARTICLE 5
SPECIAL EDUCATION

Section 1. Minnesota Statutes 2016, section 125A.76, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purposes of this section and section 125A.79, the definitions in this subdivision apply.

(b) "Basic revenue" has the meaning given it in section 126C.10, subdivision 2. For the purposes of computing basic revenue pursuant to this section, each child with a disability shall be counted as prescribed in section 126C.05, subdivision 1.

(c) "Essential personnel" means teachers, cultural liaisons, related services, and support services staff providing services to students. Essential personnel may also include special education paraprofessionals or clericals providing support to teachers and students by preparing paperwork and making arrangements related to special education compliance requirements, including parent meetings and individualized education programs. Essential personnel does not include administrators and supervisors.

(d) "Average daily membership" has the meaning given it in section 126C.05.

(e) "Program growth factor" means ~~1.046 for fiscal years 2012 through 2015, 1.0 for fiscal year 2016, 1.046 for fiscal year 2017, and~~ the product of 1.046 and the program growth factor for the previous year for fiscal year 2018 and later.

(f) "Nonfederal special education expenditure" means all direct expenditures that are necessary and essential to meet the district's obligation to provide special instruction and services to children with a disability according to sections 124D.454, 125A.03 to 125A.24, 125A.259 to 125A.48, and 125A.65 as submitted by the district and approved by the department under section 125A.75, subdivision 4, excluding expenditures:

- (1) reimbursed with federal funds;
- (2) reimbursed with other state aids under this chapter;
- (3) for general education costs of serving students with a disability;

(4) for facilities;

(5) for pupil transportation; and

(6) for postemployment benefits.

(g) "Old formula special education expenditures" means expenditures eligible for revenue under Minnesota Statutes 2012, section 125A.76, subdivision 2.

(h) For the Minnesota State Academy for the Deaf and the Minnesota State Academy for the Blind, expenditures under paragraphs (f) and (g) are limited to the salary and fringe benefits of one-to-one instructional and behavior management aides and one-to-one licensed, certified professionals assigned to a child attending the academy, if the aides or professionals are required by the child's individualized education program.

~~(i) "Cross subsidy reduction aid percentage" means 1.0 percent for fiscal year 2014 and 2.27 percent for fiscal year 2015.~~

~~(j) "Cross subsidy reduction aid limit" means \$20 for fiscal year 2014 and \$48 for fiscal year 2015.~~

~~(k)~~ (i) "Special education aid increase limit" means ~~\$80 for fiscal year 2016~~, \$100 for fiscal year 2017, and, for fiscal year 2018 and later, the sum of the special education aid increase limit for the previous fiscal year and \$40.

~~(l)~~ (j) "District" means a school district, a charter school, or a cooperative unit as defined in section 123A.24, subdivision 2. Notwithstanding section 123A.26, cooperative units as defined in section 123A.24, subdivision 2, are eligible to receive special education aid under this section and section 125A.79.

(k) "Initial special education cross subsidy" means the greater of zero or:

(1) the nonfederal special education expenditure under paragraph (f); plus

(2) the cost of providing transportation services for pupils with disabilities under section 123B.92, subdivision 1, paragraph (b), clause (4); minus

(3) the special education aid under subdivision 2c and sections 125A.11, subdivision 1, and 127A.47, subdivision 7; minus

(4) the amount of general education revenue, excluding local optional revenue, plus local optional aid and referendum equalization aid attributable to pupils receiving special instruction and services outside the regular classroom for more than 60 percent of the school day for the portion of time the pupils receive special instruction and services outside the regular classroom, excluding portions attributable to district and school administration, district support services, operations and maintenance, capital expenditures, and pupil transportation.

(l) "Special education equity metro region" means the districts with their administrative offices located in Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington County on January 1, 2012, and districts in other counties with 7,500 or more pupils in adjusted average daily membership.

(m) "Special education equity rural region" means the districts with their administrative offices located outside Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington County on January 1, 2012, and districts in other counties with less than 7,500 pupils in adjusted average daily membership.

Sec. 2. **[125A.81] SPECIAL EDUCATION EQUITY AID.**

Subdivision 1. **Special education equity aid.** For fiscal year 2022 and later, a school district's special education equity aid equals the greater of zero or, for the second preceding year, the lesser of (1) 30 percent of the difference between the school district's initial special education cross subsidy per pupil in adjusted average daily membership and the regional average initial special education cross subsidy per pupil in adjusted average daily membership, or (2) \$120 times the district's adjusted average daily membership.

Subd. 2. **Special education equity region.** The department must assign school districts to special education equity regions under section 125A.76, subdivision 1, paragraphs (l) and (m).

Subd. 3. **Regional equity cross subsidy.** For each region established in subdivision 2, the department must calculate the regional average initial special education cross subsidy under section 125A.76, subdivision 1, paragraph (k), per pupil in adjusted average daily membership for the second preceding year.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2022 and later.

Sec. 3. Laws 2017, First Special Session chapter 5, article 4, section 11, is amended to read:

Sec. 11. **SPECIAL EDUCATION ADJUSTMENT; MONTICELLO SCHOOL DISTRICT.**

(a) Notwithstanding Minnesota Statutes, sections 125A.76 and 127A.45, special education aid payments to Independent School District No. 882, Monticello, must be increased by \$800,000 in fiscal year 2018 to mitigate cash flow problems created by an unforeseeable reduction in the district's special education aid for fiscal year 2016 as a result of the combined effects of converting from a host district cooperative to a joint powers cooperative and implementation of a new special education aid formula in the same fiscal year.

(b) Special education aid payments to Independent School District No. 882, Monticello, must not be reduced ~~by the same amount~~ in fiscal year 2019 to offset the fiscal year 2018 increase.

(c) In addition to paragraphs (a) and (b), special education aid payments to Independent School District No. 882, Monticello, must be increased by an additional \$800,000 for fiscal year 2019.

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

Sec. 4. Laws 2017, First Special Session chapter 5, article 4, section 12, subdivision 2, as amended by Laws 2017, First Special Session chapter 7, section 12, is amended to read:

Subd. 2. **Special education; regular.** For special education aid under Minnesota Statutes, section 125A.75:

\$ 1,341,161,000 <u>1,366,903,000</u>	.....	2018
\$ 1,426,827,000 <u>1,469,521,000</u>	.....	2019

The 2018 appropriation includes \$156,403,000 for 2017 and ~~\$1,184,758,000~~ \$1,210,500,000 for 2018.

The 2019 appropriation includes ~~\$166,667,000~~ \$170,291,000 for 2018 and ~~\$1,260,160,000~~ \$1,299,230,000 for 2019.

Sec. 5. **SPECIAL EDUCATION WORKING GROUP.**

Subdivision 1. Duties. (a) A working group on special education is created to review special education delivery and costs in Minnesota and submit a written report to the legislature recommending changes to contain costs. The report must:

(1) review how school districts, charter schools, intermediate school districts, special education cooperatives, education districts, and service cooperatives deliver special education services, and the costs and benefits associated with each model;

(2) compare relevant state and federal special education laws and regulations by reviewing the 2013 evaluation report by the Office of the Legislative Auditor on special education and other publicly available reports;

(3) analyze trends in special education enrollment and the reasons for the increased proportion of Minnesota students receiving special education, including identifying disparities in student identification;

(4) identify strategies or programs that would be effective in reducing the need for special education services or could provide less-intensive special education services, when appropriate;

(5) analyze funding for children receiving special education services in a nonresident district or charter school in accordance with Minnesota Statutes, sections 124E.21, 125A.11, and 127A.47;

(6) analyze the effect of the 2013 statutory changes to the state special education funding formula, including interactions and conformity with federal funding formulas;

(7) describe how school districts and charter schools use section 504 plans, including criteria used to determine when a section 504 plan is appropriate and the prevalence of section 504 plans in school districts and charter schools; and

(8) review the 2013 evaluation report by the Office of the Legislative Auditor on special education and whether any recommendations have been enacted or implemented.

(b) In making its recommendations, the special education working group must develop a ten-year strategic plan informed by the findings in paragraph (a) to help reduce the costs contributing to the special education cross-subsidy and overall special education funding.

Subd. 2. Members. (a) By June 1, 2018, the executive director of the following organizations may appoint one representative of that organization to serve as a member of the working group:

(1) the National Alliance on Mental Illness Minnesota;

(2) the Parent Advocacy Coalition for Educational Rights;

(3) the Minnesota School Boards Association;

(4) the Minnesota Administrators for Special Education;

(5) the Minnesota Association of Charter Schools;

(6) Education Minnesota;

(7) the Minnesota Rural Education Association;

(8) the Association of Metropolitan School Districts;

(9) The Arc Minnesota;

(10) the Autism Society of Minnesota;

(11) the Minnesota Disability Law Center;

(12) the Minnesota Alliance with Youth;

(13) the Minnesota Education Equity Partnership;

(14) Service Employees International Union Local 284;

(15) the Minnesota Association of School Administrators;

(16) the Minnesota Association of School Business Officials;

(17) the Minnesota Association of Alternative Programs;

(18) Schools for Equity in Education;

(19) Decoding Dyslexia Minnesota; and

(20) the Minnesota Elementary School Principals' Association.

(b) The commissioner of education must solicit applications for membership in the working group, and based on the applications received, designate by June 25, 2018, the following individuals to serve as members of the working group:

(1) a representative from an intermediate school district;

(2) a representative from a special education cooperative, education district, or service cooperative;

(3) a representative from the Governor's Council on Developmental Disabilities;

(4) a representative from the Commission of Deaf, DeafBlind and Hard of Hearing Minnesotans;

(5) a representative from a school district in a city of the first class;

(6) two students receiving special education services and a parent of a student receiving special education services; and

(7) one representative of a nonprofit organization specializing in early childhood education issues.

Subd. 3. Meetings. The commissioner of education, or the commissioner's designee, must convene the first meeting of the working group no later than July 15, 2018. The working group must select a chair or cochair from among its members at the first meeting. The working group must meet periodically. Meetings of the working group must be open to the public.

Subd. 4. **Compensation.** Working group members are not eligible to receive expenses or per diem payments for serving on the working group.

Subd. 5. **Administrative support.** The commissioner of education must provide technical and administrative assistance to the working group upon request.

Subd. 6. **Report.** (a) By January 15, 2019, the working group must submit a report providing its findings and recommendations to the chairs and ranking minority members of the legislative committees with jurisdiction over kindergarten through grade 12 education.

(b) The legislature convening in January 2019 is encouraged to convene a legislative study group to review the recommendations and ten-year strategic plan to develop its own recommendations for legislative changes, as necessary.

Subd. 7. **Expiration.** The working group expires on January 16, 2019, unless extended by law.

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

ARTICLE 6 FACILITIES, TECHNOLOGY, AND LIBRARIES

Section 1. Minnesota Statutes 2016, section 123B.52, subdivision 6, is amended to read:

Subd. 6. **Disposing of surplus school computers.** (a) Notwithstanding section 471.345, governing school district contracts made upon sealed bid or otherwise complying with the requirements for competitive bidding, other provisions of this section governing school district contracts, or other law to the contrary, a school district under this subdivision may dispose of school computers, including a tablet device, according to this subdivision.

(b) A school district may dispose of a surplus school computer and related equipment if the district disposes of the surplus property by conveying the property and title to:

(1) another school district;

(2) the state Department of Corrections;

(3) the Board of Trustees of the Minnesota State Colleges and Universities; or

(4) the family of a student residing in the district whose total family income meets the federal definition of poverty.

(c) If surplus school computers are not disposed of under paragraph (b), upon adoption of a written resolution of the school board, when updating or replacing school computers, including tablet devices, used primarily by students, a school district may sell or give used computers or tablets to qualifying students at the price specified in the written resolution. A student is eligible to apply to the school board for a computer or tablet under this subdivision if the student is currently enrolled in the school and intends to enroll in the school in the year following the receipt of the computer or tablet. If more students apply for computers or tablets than are available, the school must first qualify students whose families are eligible for free or reduced-price meals, and then dispose of the remaining computers or tablets by lottery.

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 2. Minnesota Statutes 2016, section 123B.595, is amended by adding a subdivision to read:

Subd. 13. Allocation from districts participating in agreements for secondary education or interdistrict cooperation. For purposes of this section, a district with revenue authority under subdivision 1 for indoor air quality, fire alarm and suppression, and asbestos abatement projects under section 123B.57, subdivision 6, with an estimated cost of \$100,000 or more per site and that participates in an agreement under section 123A.30 or 123A.32 may allocate the revenue authority among participating districts.

Sec. 3. Minnesota Statutes 2016, section 124E.03, subdivision 5, is amended to read:

Subd. 5. Records and data requirements. (a) A charter school must comply with chapter 13 governing government data; and sections 121A.75 governing access to juvenile justice records, and 260B.171, subdivisions 3 and 5, governing juvenile justice records.

(b) A charter school must comply with section 120A.22, subdivision 7, governing the transfer of students' educational records and sections 138.163 and 138.17 governing the management of local records.

(c) A charter school must comply with sections 125B.27 and 125B.28, governing technology providers and educational data. A technology provider contracting with a charter school must comply with sections 125B.27 and 125B.28.

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

Sec. 4. **[125B.27] TECHNOLOGY PROVIDER REQUIREMENTS.**

Subdivision 1. Technology provider definition. (a) "Technology provider" means a person or entity who:

(1) provides technological devices for student use or provides access to a software or online application; and

(2) creates, receives, or maintains educational data pursuant or incidental to a contract with a school district.

(b) A technology provider does not include a nonprofit organization that has the primary purpose of expanding student access to postsecondary education and that obtains a student's consent to utilize a student's personal information from education records for that purpose.

Subd. 2. Educational data. (a) A technology provider is subject to the provisions of section 13.05, subdivision 11. An assignee or delegee that creates, receives, or maintains educational data is subject to the same restrictions and obligations under this section as the technology provider.

(b) Educational data created, received, or maintained by a technology provider pursuant or incidental to a contract with a school district are not the technology provider's property.

(c) If educational data maintained by the technology provider are subject to a breach of the security of the data, as defined in section 13.055, the technology provider must, following discovery of the breach, disclose to the school district all information necessary to fulfill the requirements of section 13.055.

(d) Unless renewal of the contract is reasonably anticipated, within 30 days of the expiration of the contract, a technology provider must destroy or return to the appropriate school district all educational data created, received, or maintained pursuant or incidental to the contract.

Subd. 3. **Procedures.** (a) A technology provider must establish written procedures to ensure appropriate security safeguards are in place for educational data. A technology provider's written procedures must require that:

(1) only authorized employees or contractors can access the educational data; and

(2) a person is authorized to access educational data only if access is necessary to fulfill official duties.

(b) A technology provider's written procedures establishing security safeguards for educational data are public data, unless classified as not public under any other applicable law.

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

Sec. 5. **[125B.28] SCHOOL DISTRICT REQUIREMENTS.**

Subdivision 1. **Contract.** A school board must provide a person who requests a copy of a contract with a technology provider a copy of that contract within two weeks of the request.

Subd. 2. **Training.** (a) To promote understanding of and compliance with this section and applicable provisions of sections 121A.065 and 125B.27, and the Family Educational Rights and Privacy Act, United States Code, title 20, section 1232g, and its regulations as provided by Code of Federal Regulations, title 34, part 99, a school district must:

(1) provide information on available trainings on compliance with applicable provisions of law under this subdivision to all employees with access to educational data; and

(2) provide all employees and independent contractors with access to educational data written materials on compliance with applicable provisions of law under this subdivision.

(b) A school district employee with access to educational data is encouraged to participate in training opportunities provided by a school district under paragraph (a), including free online training on the Family Educational Rights and Privacy Act.

(c) The commissioner of education must provide a school district with information on how employees and independent contractors with access to educational data may access written materials on compliance with applicable provisions of law, in accordance with paragraph (a), clause (2).

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

Sec. 6. Minnesota Statutes 2016, section 134.355, subdivision 10, is amended to read:

Subd. 10. **Award of funds.** (a) The commissioner of education ~~shall~~ must develop an application and a reporting form and procedures for regional library telecommunications aid. Aid shall be based on actual costs including, but not limited to, connections, as documented in e-rate funding commitment decision letters for category one services and acceptable documentation for category two services and funds available for this purpose. The commissioner ~~shall~~ must make payments directly to the regional public library system.

(b) On March 15 of 2019, 2020, and 2021, the commissioner of education must reallocate any unspent amounts appropriated for paragraph (a) to regional library systems for broadband innovation programs, including equipment purchases, hot spot access devices, and other programs designed to increase Internet access.

(c) By January 15 of 2020, 2021, and 2022, the commissioner of education must report to the legislative committees with jurisdiction over education on the previous fiscal year's spending under this subdivision and make any recommendations for necessary program changes.

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

Sec. 7. Minnesota Statutes 2016, section 205A.07, subdivision 2, is amended to read:

Subd. 2. **Sample ballot, posting.** (a) For every school district primary, general, or special election, the school district clerk shall at least four days before the primary, general, or special election, post a sample ballot in the administrative offices of the school district for public inspection, and shall post a sample ballot in each polling place on election day.

(b) For a school district general or special election to issue bonds to finance a capital project requiring review and comment under section 123B.71, the summary of the commissioner's review and comment and supplemental information required under section 123B.71, subdivision 12, paragraph (a), shall be posted in the same manner as the sample ballot under paragraph (a).

EFFECTIVE DATE. This section is effective for elections held on or after August 1, 2018.

Sec. 8. Minnesota Statutes 2016, section 475.58, subdivision 4, is amended to read:

Subd. 4. **Proper use of bond proceeds.** The proceeds of obligations issued after approval of the electors under this section ~~may~~ must only be spent: (1) for the purposes stated in the ballot language; or (2) to pay, redeem, or defease obligations and interest, penalties, premiums, and costs of issuance of the obligations. The proceeds ~~may~~ must not be spent for a different purpose or for an expansion of the original purpose without the approval by a majority of the electors voting on the question of changing or expanding the purpose of the obligations.

Sec. 9. Minnesota Statutes 2017 Supplement, section 475.59, subdivision 1, is amended to read:

Subdivision 1. **Generally; notice.** (a) When the governing body of a municipality resolves to issue bonds for any purpose requiring the approval of the electors, it shall provide for submission of the proposition of their issuance at a general or special election or town or school district meeting. Notice of such election or meeting shall be given in the manner required by law and shall state the maximum amount and the purpose of the proposed issue.

(b) In any school district, the school board or board of education may, according to its judgment and discretion, submit as a single ballot question or as two or more separate questions in the notice of election and ballots the proposition of their issuance for any one or more of the following, stated conjunctively or in the alternative: acquisition or enlargement of sites, acquisition, betterment, erection, furnishing, equipping of one or more new schoolhouses, remodeling, repairing, improving, adding to, betterment, furnishing, equipping of one or more existing schoolhouses. The ballot question or questions submitted by a school board must state the name of the plan or plans being proposed by the district as submitted to the commissioner of education for review and comment under section 123B.71.

(c) In any city, town, or county, the governing body may, according to its judgment and discretion, submit as a single ballot question or as two or more separate questions in the notice of election and ballots the proposition of their issuance, stated conjunctively or in the alternative, for the acquisition, construction, or improvement of any facilities at one or more locations.

EFFECTIVE DATE. This section is effective for elections held on or after August 1, 2018.

Sec. 10. Laws 2017, First Special Session chapter 5, article 7, section 2, subdivision 5, is amended to read:

Subd. 5. **Regional library telecommunications aid.** (a) For regional library telecommunications aid under Minnesota Statutes, section 134.355:

\$2,300,000	.....	2018
\$2,300,000	.....	2019

(b) The 2018 appropriation includes \$230,000 for 2017 and \$2,070,000 for 2018.

(c) The 2019 appropriation includes \$230,000 for 2018 and \$2,070,000 for 2019.

(d) Any balance in the first year does not cancel but is available in the second year.

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

ARTICLE 7 NUTRITION

Section 1. Minnesota Statutes 2017 Supplement, section 123B.52, subdivision 7, is amended 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, 225.15, paragraph (m), or 226.21 may be renewed annually after its initial term for not more than four additional years.

Sec. 2. Minnesota Statutes 2016, section 124D.111, is amended to read:

124D.111 RESPECTFUL SCHOOL MEALS POLICY; LUNCH AID; FOOD SERVICE ACCOUNTING.

Subdivision 1. **School lunch aid computation.** Each school year, the state must pay participants in the national school lunch program the amount of 12.5 cents for each full paid and free student lunch and 52.5 cents for each reduced-price lunch served to students.

Subd. 2. **Application.** A school district, charter school, nonpublic school, or other participant in the national school lunch program shall apply to the department for this payment on forms provided by the department.

Subd. 2a. **Federal child and adult care food program; criteria and notice.** The commissioner must post on the department's Web site eligibility criteria and application information for nonprofit organizations interested in applying to the commissioner for approval as a multisite sponsoring organization under the federal child and adult care food program. The posted criteria and information must inform interested nonprofit organizations about:

(1) the criteria the commissioner uses to approve or disapprove an application, including how an applicant demonstrates financial viability for the Minnesota program, among other criteria;

(2) the commissioner's process and time line for notifying an applicant when its application is approved or disapproved and, if the application is disapproved, the explanation the commissioner provides to the applicant; and

(3) any appeal or other recourse available to a disapproved applicant.

Subd. 3. **School food service fund.** (a) The expenses described in this subdivision must be recorded as provided in this subdivision.

(b) In each district, the expenses for a school food service program for pupils must be attributed to a school food service fund. Under a food service program, the school food service may prepare or serve milk, meals, or snacks in connection with school or community service activities.

(c) Revenues and expenditures for food service activities must be recorded in the food service fund. The costs of processing applications, accounting for meals, preparing and serving food, providing kitchen custodial services, and other expenses involving the preparing of meals or the kitchen section of the lunchroom may be charged to the food service fund or to the general fund of the district. The costs of lunchroom supervision, lunchroom custodial services, lunchroom utilities, and other administrative costs of the food service program must be charged to the general fund.

That portion of superintendent and fiscal manager costs that can be documented as attributable to the food service program may be charged to the food service fund provided that the school district does not employ or contract with a food service director or other individual who manages the food service program, or food service management company. If the cost of the superintendent or fiscal manager is charged to the food service fund, the charge must be at a wage rate not to exceed the statewide average for food service directors as determined by the department.

(d) Capital expenditures for the purchase of food service equipment must be made from the general fund and not the food service fund, unless the restricted balance in the food service fund at the end of the last fiscal year is greater than the cost of the equipment to be purchased.

(e) If the condition set out in paragraph (d) applies, the equipment may be purchased from the food service fund.

(f) If a deficit in the food service fund exists at the end of a fiscal year, and the deficit is not eliminated by revenues from food service operations in the next fiscal year, then the deficit must be eliminated by a permanent fund transfer from the general fund at the end of that second fiscal year. However, if a district contracts with a food service management company during the period in which the deficit has accrued, the deficit must be eliminated by a payment from the food service management company. A district's meal charge policy may allow a district to collect unpaid meal debt that contributes to a food service fund deficit. Such collection efforts must be consistent with subdivisions 4 and 5.

(g) Notwithstanding paragraph (f), a district may incur a deficit in the food service fund for up to three years without making the permanent transfer if the district submits to the commissioner by January 1 of the second fiscal year a plan for eliminating that deficit at the end of the third fiscal year.

(h) If a surplus in the food service fund exists at the end of a fiscal year for three successive years, a district may recode for that fiscal year the costs of lunchroom supervision, lunchroom custodial services, lunchroom utilities, and other administrative costs of the food service program charged to the general fund according to paragraph (c) and charge those costs to the food service fund in a total amount not to exceed the amount of surplus in the food service fund.

Subd. 4. No fees. A participant that receives school lunch aid under this section must make lunch available without charge and must not deny a school lunch to all participating students who qualify for free or reduced-price meals, whether or not that student has an outstanding balance in the student's meals account attributable to a la carte purchases or for any other reason.

Subd. 5. Respectful treatment. (a) The participant must also provide meals to participating students in a respectful manner and ensure that any reminders for payment of outstanding student meal balances do not demean or stigmatize any child participating in the school lunch program and conform to the participant's school meals policy.

(b) Once a participant has placed a meal on a tray or otherwise served the meal to a student, the meal must not be subsequently withdrawn from the student by the cashier or other school official whether or not the student has an outstanding meals balance.

(c) Notwithstanding section 123B.38, the participant must not limit a student's participation in any school activities, graduation ceremonies, field trips, athletics, activity clubs, or other extracurricular activities or access to materials, technology, or other items provided to other students because of unpaid meal balances. The participant must not impose any other restriction prohibited under section 123B.37 due to unpaid student meal balances.

(d) The participant must not discipline a student due to an unpaid student meal balance.

EFFECTIVE DATE. This section is effective July 1, 2018.

ARTICLE 8 EARLY CHILDHOOD AND FAMILY SUPPORT

Section 1. Minnesota Statutes 2016, section 124D.151, subdivision 2, is amended to read:

Subd. 2. **Program requirements.** (a) A voluntary prekindergarten program provider must:

(1) provide instruction through play-based learning to foster children's social and emotional development, cognitive development, physical and motor development, and language and literacy skills, including the native language and literacy skills of English learners, to the extent practicable;

(2) measure each child's cognitive and social skills using a formative measure aligned to the state's early learning standards when the child enters and again before the child leaves the program, screening and progress monitoring measures, and ~~others~~ other age-appropriate versions from the state-approved menu of kindergarten entry profile measures;

(3) provide comprehensive program content including the implementation of curriculum, assessment, and instructional strategies aligned with the state early learning standards, and kindergarten through grade 3 academic standards;

(4) provide instructional content and activities that are of sufficient length and intensity to address learning needs including offering a program with at least 350 hours of instruction per school year for a prekindergarten student;

(5) provide voluntary prekindergarten instructional staff salaries comparable to the salaries of local kindergarten through grade 12 instructional staff;

(6) coordinate appropriate kindergarten transition with families, community-based prekindergarten programs, and school district kindergarten programs;

(7) involve parents in program planning and transition planning by implementing parent engagement strategies that include culturally and linguistically responsive activities in prekindergarten through third grade that are aligned with early childhood family education under section 124D.13;

(8) coordinate with relevant community-based services, including health and social service agencies, to ensure children have access to comprehensive services;

(9) coordinate with all relevant school district programs and services including early childhood special education, homeless students, and English learners;

(10) ensure staff-to-child ratios of one-to-ten and a maximum group size of 20 children;

(11) provide high-quality coordinated professional development, training, and coaching for both school district and community-based early learning providers that is informed by a measure of adult-child interactions and enables teachers to be highly knowledgeable in early childhood curriculum content, assessment, native and English language development programs, and instruction; and

(12) implement strategies that support the alignment of professional development, instruction, assessments, and prekindergarten through grade 3 curricula.

(b) A voluntary prekindergarten program must have teachers knowledgeable in early childhood curriculum content, assessment, native and English language programs, and instruction.

(c) Districts and charter schools must include their strategy for implementing and measuring the impact of their voluntary prekindergarten program under section 120B.11 and provide results in their world's best workforce annual summary to the commissioner of education.

Sec. 2. Minnesota Statutes 2017 Supplement, section 124D.151, subdivision 5, is amended to read:

Subd. 5. **Application process; priority for high poverty schools.** (a) ~~To qualify for program approval for fiscal year 2017, a district or charter school must submit an application to the commissioner by July 1, 2016.~~ To qualify for program approval for fiscal year 2018 and later, a district or charter school must submit an application to the commissioner by January 30 of the fiscal year prior to the fiscal year in which the program will be implemented. The application must include:

(1) a description of the proposed program, including the number of hours per week the program will be offered at each school site or mixed-delivery location;

(2) an estimate of the number of eligible children to be served in the program at each school site or mixed-delivery location; and

(3) a statement of assurances signed by the superintendent or charter school director that the proposed program meets the requirements of subdivision 2.

(b) The commissioner must review all applications ~~submitted for fiscal year 2017 by August 1, 2016, and must review all applications~~ submitted for fiscal year 2018 and later by March 1 of the fiscal year in which the applications are received and determine whether each application meets the requirements of paragraph (a).

(c) The commissioner must divide all applications for new or expanded voluntary prekindergarten programs under this section meeting the requirements of paragraph (a) and school readiness plus programs into ~~four~~ five groups as follows: the Minneapolis ~~and school district~~; the St. Paul school ~~districts~~ district; other school districts located in the metropolitan equity region as defined in section 126C.10, subdivision 28; school districts located in the rural equity region as defined in section 126C.10, subdivision 28; and charter schools. Within each group, the applications must be ordered by rank using a sliding scale based on the following criteria:

(1) concentration of kindergarten students eligible for free or reduced-price lunches by school site on October 1 of the previous school year. A school site may contract to partner with a community-based provider or Head Start under subdivision 3 or establish an early childhood center and use the concentration of kindergarten students eligible for free or reduced-price meals from a specific school site as long as those eligible children are prioritized and guaranteed services at the mixed-delivery site or early education center. For school district programs to be operated at locations that do not have free and reduced-price lunch concentration data for kindergarten programs for October 1 of the previous school year, including mixed-delivery programs, the school district average concentration of kindergarten students eligible for free or reduced-price lunches must be used for the rank ordering;

(2) presence or absence of a three- or four-star Parent Aware rated program within the school district or close proximity of the district. School sites with the highest concentration of kindergarten students eligible for free or reduced-price lunches that do not have a three- or four-star Parent Aware program within the district or close proximity of the district shall receive the highest priority, and school sites with the lowest concentration of kindergarten students eligible for free or reduced-price lunches that have a three- or four-star Parent Aware rated program within the district or close proximity of the district shall receive the lowest priority; and

(3) whether the district has implemented a mixed delivery system.

(d) The limit on participation for the programs as specified in subdivision 6 must initially be allocated among the ~~four~~ five groups based on each group's percentage share of the statewide kindergarten enrollment on October 1 of the previous school year. Within each group, the participation limit for fiscal years 2018 and 2019 must first be allocated to school sites approved for aid in the previous year to ensure that those sites are funded for the same number of participants as approved for the previous year. The remainder of the participation limit for each group must be allocated among school sites in priority order until that region's share of the participation limit is reached. If the participation limit is not reached for all groups, the remaining amount must be allocated to the highest priority school sites, as designated under this section, not funded in the initial allocation on a statewide basis. For fiscal year 2020 and later, the participation limit must first be allocated to school sites approved for aid in fiscal year 2017, and then to school sites approved for aid in fiscal year 2018 based on the statewide rankings under paragraph (c).

(e) Once a school site or a mixed delivery site under subdivision 3 is approved for aid under this subdivision, it shall remain eligible for aid if it continues to meet program requirements, regardless of changes in the concentration of students eligible for free or reduced-price lunches.

(f) If the total number of participants approved based on applications submitted under paragraph (a) is less than the participation limit under subdivision 6, the commissioner must notify all school districts and charter schools of the amount that remains available within 30 days of the initial application deadline under paragraph (a), and complete a second round of allocations based on applications received within 60 days of the initial application deadline.

(g) Procedures for approving applications submitted under paragraph (f) shall be the same as specified in paragraphs (a) to (d), except that the allocations shall be made to the highest priority school sites not funded in the initial allocation on a statewide basis.

Sec. 3. Minnesota Statutes 2016, section 124D.162, is amended to read:

124D.162 KINDERGARTEN READINESS ASSESSMENT.

Subdivision 1. **Purpose of assessment.** The purpose of kindergarten readiness assessment is to determine whether children are prepared to enter school, to understand the connection between kindergarten readiness and later academic achievement, and to produce data that can inform the effectiveness of early childhood programs.

Subd. 2. **Commissioner duties.** The commissioner of education ~~may~~ **must** implement a kindergarten readiness assessment representative of incoming kindergartners. The assessment must be based on the Department of Education Kindergarten Readiness Assessment at kindergarten entrance study. **The commissioner of education must provide districts with a process for measuring, on a comparable basis, the kindergarten readiness of incoming kindergartners. Districts that use the commissioner-provided process must annually report kindergarten readiness results under this section to the department in the form and manner determined by the commissioner. The commissioner must publicly report kindergarten readiness results as part of the performance reports required under section 120B.36 and consistent with section 120B.35, subdivision 3, paragraph (a), clause (2).**

Sec. 4. Minnesota Statutes 2017 Supplement, section 124D.165, subdivision 2, is amended to read:

Subd. 2. **Family eligibility.** (a) For a family to receive an early learning scholarship, parents or guardians must meet the following eligibility requirements:

(1) have an eligible child; and

(2) have income equal to or less than 185 percent of federal poverty level income in the current calendar year, or be able to document their child's current participation in the free and reduced-price lunch program or Child and Adult Care Food Program, National School Lunch Act, United States Code, title 42, sections 1751 and 1766; the Food Distribution Program on Indian Reservations, Food and Nutrition Act, United States Code, title 7, sections 2011-2036; Head Start under the federal Improving Head Start for School Readiness Act of 2007; Minnesota family investment program under chapter 256J; child care assistance programs under chapter 119B; the supplemental nutrition assistance program; or placement in foster care under section 260C.212. Parents or guardians are not required to provide income verification under this clause if the child is an eligible child under paragraph (b), clause (4) or (5).

(b) An "eligible child" means a child who has not yet enrolled in kindergarten and is:

(1) at least three but not yet five years of age on September 1 of the current school year;

(2) a sibling from birth to age five of a child who has been awarded a scholarship under this section provided the sibling attends the same program as long as funds are available;

(3) the child of a parent under age 21 who is pursuing a high school degree or a course of study for a high school equivalency test; ~~or~~

~~(4) homeless, in foster care, or in need of child protective services.~~

(4) designated as a child in need of protection or services as defined under section 260C.007; or

(5) designated as homeless under the federal McKinney-Vento Homeless Assistance Act, United States Code, title 42, section 11434a.

(c) A child who has received a scholarship under this section must continue to receive a scholarship each year until that child is eligible for kindergarten under section 120A.20 and as long as funds are available.

(d) Early learning scholarships may not be counted as earned income for the purposes of medical assistance under chapter 256B, MinnesotaCare under chapter 256L, Minnesota family investment program under chapter 256J, child care assistance programs under chapter 119B, or Head Start under the federal Improving Head Start for School Readiness Act of 2007.

(e) A child from an adjoining state whose family resides at a Minnesota address as assigned by the United States Postal Service, who has received developmental screening under sections 121A.16 to 121A.19, who intends to enroll in a Minnesota school district, and whose family meets the criteria of paragraph (a) is eligible for an early learning scholarship under this section.

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

Sec. 5. Minnesota Statutes 2017 Supplement, section 124D.165, subdivision 3, is amended to read:

Subd. 3. **Administration.** (a) The commissioner shall establish application timelines and determine the schedule for awarding scholarships that meets operational needs of eligible families and programs. The commissioner must give highest priority to applications from children who:

(1) have a parent under age 21 who is pursuing a high school diploma or a course of study for a high school equivalency test;

(2) are in foster care or otherwise in need of protection or services; or

(3) have experienced homelessness in the last 24 months, as defined under the federal McKinney-Vento Homeless Assistance Act, United States Code, title 42, section 11434a.

The commissioner may prioritize applications on additional factors including family income, geographic location, and whether the child's family is on a waiting list for a publicly funded program providing early education or child care services.

(b) The commissioner shall establish a target for the average scholarship amount per child based on the results of the rate survey conducted under section 119B.02.

(c) A four-star rated program that has children eligible for a scholarship enrolled in or on a waiting list for a program beginning in July, August, or September may notify the commissioner, in the form and manner prescribed by the commissioner, each year of the program's desire to enhance program services or to serve more children than current funding provides. The commissioner may designate a predetermined number of scholarship slots for that program and notify the program of that number. For fiscal year 2018 and later, the statewide amount of funding directly designated by the commissioner must not exceed the funding directly designated for fiscal year 2017. Beginning July 1, 2016, a school district or Head Start program qualifying under this paragraph may use its established registration process to enroll scholarship recipients and may verify a scholarship recipient's family income in the same manner as for other program participants.

(d) A scholarship is awarded for a 12-month period. If the scholarship recipient has not been accepted and subsequently enrolled in a rated program within ten months of the awarding of the scholarship, the scholarship cancels and the recipient must reapply in order to be eligible for another scholarship. A child may not be awarded more than one scholarship in a 12-month period.

(e) A child over the age of three who receives a scholarship ~~who~~ and has not completed development screening under sections 121A.16 to 121A.19 must complete that screening within 90 days of first attending an eligible program. A child who receives a scholarship before the age of three must complete the developmental screening no later than 90 days after the child's third birthday.

(f) For fiscal year 2017 and later, a school district or Head Start program enrolling scholarship recipients under paragraph (c) may apply to the commissioner, in the form and manner prescribed by the commissioner, for direct payment of state aid. Upon receipt of the application, the commissioner must pay each program directly for each approved scholarship recipient enrolled under paragraph (c) according to the metered payment system or another schedule established by the commissioner.

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

Sec. 6. Minnesota Statutes 2017 Supplement, section 124D.165, subdivision 4, is amended to read:

Subd. 4. **Early childhood program eligibility.** (a) In order to be eligible to accept an early learning scholarship, a program must:

- (1) participate in the quality rating and improvement system under section 124D.142; and
- (2) beginning July 1, 2020, have a three- or four-star rating in the quality rating and improvement system.

(b) Any program accepting scholarships must use the revenue to supplement and not supplant federal funding.

~~(c) Notwithstanding paragraph (a), all Minnesota early learning foundation scholarship program pilot sites are eligible to accept an early learning scholarship under this section.~~

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

Sec. 7. Minnesota Statutes 2016, section 245C.02, is amended by adding a subdivision to read:

Subd. 5a. **National criminal history record check.** (a) "National criminal history record check" means a check of records maintained by the Federal Bureau of Investigation through submission of fingerprints through the Minnesota Bureau of Criminal Apprehension to the Federal Bureau of Investigation when specifically required by law.

(b) For purposes of this chapter, "national crime information database," "national criminal records repository," "criminal history with the Federal Bureau of Investigation," and "national criminal record check" mean a national criminal history record check defined in paragraph (a).

Sec. 8. Minnesota Statutes 2016, section 245C.12, is amended to read:

245C.12 BACKGROUND STUDY; TRIBAL ORGANIZATIONS.

(a) For the purposes of background studies completed by tribal organizations performing licensing activities otherwise required of the commissioner under this chapter, after obtaining consent from the background study subject, tribal licensing agencies shall have access to criminal history data in the same manner as county licensing agencies and private licensing agencies under this chapter.

(b) Tribal organizations may contract with the commissioner to obtain background study data on individuals under tribal jurisdiction related to adoptions according to section 245C.34. Tribal organizations may also contract with the commissioner to obtain background study data on individuals under tribal jurisdiction related to child foster care according to section 245C.34.

(c) For the purposes of background studies completed to comply with a tribal organization's licensing requirements for individuals affiliated with a tribally licensed nursing facility, the commissioner shall obtain criminal history data from the National Criminal Records Repository in accordance with section 245C.32.

(d) Tribal organizations may contract with the commissioner to conduct background studies or obtain background study data on individuals affiliated with a child care program sponsored, managed, or licensed by a tribal organization. Studies conducted under this paragraph require the commissioner to conduct a national criminal history record check as defined in section 245C.02, subdivision 5a. Any tribally affiliated child care program that does not contract with the commissioner to conduct background studies is exempt from the relevant requirements in this chapter. A study conducted under this paragraph must include all components of studies for certified license-exempt child care centers under this chapter to be transferable to other child care entities.

Sec. 9. **[245C.121] BACKGROUND STUDY; HEAD START PROGRAMS.**

Head Start programs that receive funding disbursed under section 119A.52 may contract with the commissioner to conduct background studies and obtain background study data on individuals affiliated with a Head Start program. Studies conducted under this paragraph require the commissioner to conduct a national criminal history record check as defined in section 245C.02, subdivision 5a. Any Head Start program site that does not contract with the commissioner, is not licensed, and is not registered to receive funding under chapter 119B is exempt from the relevant requirements in this chapter. Nothing in this paragraph supersedes requirements for background studies in this chapter, chapter 119B, or child care centers under chapter 245H that are related to licensed child care programs or programs registered to receive funding under chapter 119B. A study conducted under this paragraph must include all components of studies for certified license-exempt child care centers under this chapter to be transferable to other child care entities.

Sec. 10. Laws 2017, First Special Session chapter 5, article 8, section 9, subdivision 2, is amended to read:

Subd. 2. **Program requirements.** A school readiness plus program provider must:

(1) assess each child's cognitive and language skills with ~~a~~ an age-appropriate comprehensive child assessment instrument when the child enters and again before the child leaves the program to improve program planning and implementation, communicate with parents, and promote kindergarten readiness;

(2) provide comprehensive program content and intentional instructional practice aligned with the state early childhood learning guidelines and kindergarten standards and based on early childhood research and professional practice that is focused on children's cognitive, social, emotional, and physical skills and development and prepares children for the transition to kindergarten, including early literacy and language skills;

(3) coordinate appropriate kindergarten transition with parents and kindergarten teachers;

(4) involve parents in program planning and decision making;

(5) coordinate with relevant community-based services;

(6) cooperate with adult basic education programs and other adult literacy programs;

(7) ensure staff-to-child ratios of one-to-ten and a maximum group size of 20 children with at least one ~~licensed~~ teacher;

(8) have teachers knowledgeable in early childhood curriculum content, assessment, native and English language development programs, and instruction; and

(9) provide instructional content and activities that are of sufficient length and intensity to address learning needs including offering a program with at least 350 hours of instruction per school year.

A teacher in a school readiness plus program must meet the criteria of a school readiness teacher under section 124D.15 or the criteria for a voluntary prekindergarten teacher under section 124D.151.

EFFECTIVE DATE. This section is effective retroactively from July 1, 2017.

ARTICLE 9
COMMUNITY EDUCATION, PREVENTION,
SELF-SUFFICIENCY, AND LIFELONG LEARNING

Section 1. Minnesota Statutes 2017 Supplement, section 124D.549, is amended to read:

124D.549 COMMISSIONER-SELECTED HIGH SCHOOL EQUIVALENCY ~~TEST~~ TESTS.

The commissioner, in consultation with adult basic education stakeholders, must select ~~a~~ at least one 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) certification~~ high school equivalency diploma, and who has exceeded or achieved a minimum passing score on ~~the~~ an approved 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. 2. Minnesota Statutes 2017 Supplement, section 124D.99, subdivision 3, is amended to read:

Subd. 3. **Administration; design.** (a) The commissioner shall establish program requirements, an application process and timeline for each tier of grants specified in subdivision 4, criteria for evaluation of applications, and a grant awards process. The commissioner's process must minimize administrative costs, minimize burdens for applicants and grant recipients, and provide a framework that permits flexibility in program design and implementation among grant recipients.

(b) To the extent practicable, the commissioner shall design the program to align with programs implemented or proposed by organizations in Minnesota that:

(1) identify and increase the capacity of organizations that are focused on achieving data-driven, locally controlled positive outcomes for children and youth throughout an entire neighborhood or geographic area through programs such as Strive Together, Promise Neighborhood, and the Education Partnerships Coalition members;

(2) build a continuum of educational family and community supports with academically rigorous schools at the center;

(3) maximize program efficiencies by integrating programmatic activities and eliminating administrative barriers;

(4) develop local infrastructure needed to sustain and scale up proven and effective solutions beyond the initial neighborhood or geographic area; ~~and~~

(5) utilize appropriate outcome measures based on unique community needs and interests and apply rigorous evaluation on a periodic basis to be used to both monitor outcomes and allow for continuous improvements to systems;

(6) collect and utilize data to improve student outcomes;

(7) share disaggregated performance data with the community to set community-level outcomes;

(8) employ continuous improvement processes;

(9) have an anchor entity to manage the partnership;

(10) convene a cross-sector leadership group and have a documented accountability structure; and

(11) demonstrate use of nonstate funds, from multiple sources, including in-kind contributions.

(c) A grant recipient's supportive services programming must address:

(1) kindergarten readiness and youth development;

(2) grade 3 reading proficiency;

(3) middle school mathematics;

~~(3)~~ (4) high school graduation;

~~(4)~~ (5) postsecondary educational attainment enrollment;

(6) postsecondary education completion;

~~(5)~~ (7) physical and mental health;

~~(6)~~ (8) development of career skills and readiness;

~~(7)~~ (9) parental engagement and development;

~~(8)~~ (10) community engagement and programmatic alignment; and

~~(9)~~ (11) reduction of remedial education.

(d) The commissioner, in consultation with grant recipients, must:

(1) develop and revise core indicators of progress toward outcomes specifying impacts for each tier identified under subdivision 4;

(2) establish a reporting system for grant recipients to measure program outcomes using data sources and program goals; and

(3) evaluate effectiveness based on the core indicators established by each partnership for each tier.

Sec. 3. Minnesota Statutes 2017 Supplement, section 136A.246, subdivision 4, is amended to read:

Subd. 4. **Application.** Applications must be made to the commissioner on a form provided by the commissioner. The commissioner must, to the extent possible, make the application form as short and simple to complete as is reasonably possible. The commissioner shall establish a schedule for applications and grants. The application must include, without limitation:

(1) the projected number of employee trainees;

(2) the number of projected employee trainees who graduated from high school or passed ~~the~~ a commissioner of education-selected high school equivalency test in the current or immediately preceding calendar year;

(3) the competency standard for which training will be provided;

- (4) the credential the employee will receive upon completion of training;
- (5) the name and address of the training institution or program and a signed statement by the institution or program that it is able and agrees to provide the training;
- (6) the period of the training; and
- (7) the cost of the training charged by the training institution or program and certified by the institution or program. The cost of training includes tuition, fees, and required books and materials.

An application may be made for training of employees of multiple employers either by the employers or by an organization on their behalf.

Sec. 4. Minnesota Statutes 2017 Supplement, section 155A.30, subdivision 12, is amended to read:

Subd. 12. **Minnesota state authorization.** A cosmetology school licensed or applying for licensure under this section shall maintain recognition as an institution of postsecondary study by meeting the following conditions, in addition to the provisions of Minnesota Rules, ~~parts part~~ 2110.0310 ~~and 2110.0370~~:

- (1) the school must admit as regular students only those individuals who have a high school diploma or a diploma based on passing a commissioner of education-selected high school equivalency ~~tests or their equivalent test~~, or who are beyond the age of compulsory education as prescribed by section 120A.22; and
- (2) the school must be licensed by name and authorized by the Office of Higher Education and the board to offer one or more training programs beyond the secondary level.

Sec. 5. Laws 2017, First Special Session chapter 5, article 9, section 2, subdivision 7, is amended to read:

Subd. 7. **Tier 2 implementing grants.** (a) For Tier 2 implementing grants under Minnesota Statutes, section 124D.99:

\$480,000	.....	2018
\$ 480,000 <u>560,000</u>	.....	2019

(b) For fiscal years 2018 and 2019 only, \$160,000 each year is for the Northfield Healthy Community Initiative in Northfield; \$160,000 is for the Jones Family Foundation for the Every Hand Joined program in Red Wing; and \$160,000 is for the United Way of Central Minnesota for the Partners for Student Success program.

(c) For fiscal year 2019 only, \$80,000 is for the United Way of Central Minnesota for the Promise Neighborhood of Central Minnesota.

(d) The base funding for Tier 2 implementing grants is \$480,000. The commissioner must competitively award all grants under this subdivision for fiscal year 2020 and later: according to the criteria in Minnesota Statutes, section 124D.99, subdivision 3. For grants authorized in fiscal year 2020 and later, priority must be given to past grant recipients.

~~(d)~~ (e) Any balance in the first year does not cancel but is available in the second year.

ARTICLE 10
STATE AGENCIES

Section 1. Laws 2017, First Special Session chapter 5, article 11, section 9, is amended to read:

Sec. 9. **APPROPRIATIONS; DEPARTMENT OF EDUCATION.**

Subdivision 1. **Department of Education.** Unless otherwise indicated, the sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **Department.** (a) For the Department of Education:

\$27,158,000	.....	2018
\$24,874,000	.....	2019

Of these amounts:

(1) \$231,000 each year is for the Board of School Administrators, and beginning in fiscal year 2020, the amount indicated is from the educator licensure account in the special revenue fund;

(2) \$1,000,000 each year is for regional centers of excellence under Minnesota Statutes, section 120B.115;

(3) \$500,000 each year is for the school safety technical assistance center under Minnesota Statutes, section 127A.052;

(4) \$250,000 each year is for the School Finance Division to enhance financial data analysis;

(5) \$720,000 each year is for implementing Minnesota's Learning for English Academic Proficiency and Success Act under Laws 2014, chapter 272, article 1, as amended;

(6) \$2,750,000 in fiscal year 2018 and \$500,000 in fiscal year 2019 are for the Department of Education's mainframe update;

(7) \$123,000 each year is for a dyslexia specialist; and

(8) \$2,000,000 each year is for legal fees and costs associated with litigation.

(b) Any balance in the first year does not cancel but is available in the second year.

(c) None of the amounts appropriated under this subdivision may be used for Minnesota's Washington, D.C. office.

(d) The expenditures of federal grants and aids as shown in the biennial budget document and its supplements are approved and appropriated and shall be spent as indicated.

(e) This appropriation includes funds for information technology project services and support subject to the provisions of Minnesota Statutes, section 16E.0466. Any ongoing information technology costs will be incorporated into the service level agreement and will be paid to the Office of MN.IT Services by the Department of Education under the rates and mechanism specified in that agreement.

(f) The agency's base is ~~\$22,054,000~~ \$21,054,000 for fiscal year 2020 and ~~\$21,965,000~~ \$20,965,000 for 2021.

Sec. 2. Laws 2017, First Special Session chapter 5, article 11, section 12, is amended to read:

Sec. 12. APPROPRIATIONS; PERPICH CENTER FOR ARTS EDUCATION.

(a) The sums in this section are appropriated from the general fund to the Perpich Center for Arts Education for the fiscal years designated:

\$ 8,173,000 <u>7,298,000</u>	.....	2018
\$6,973,000	.....	2019

(b) Of the amounts appropriated in paragraph (a), \$370,000 is for fiscal years 2018 or 2019 only for arts integration and Turnaround Arts programs.

(c) ~~\$1,200,000~~ \$325,000 in fiscal year 2018 is for severance payments related to the closure of Crosswinds school and is available until June 30, ~~2019~~ 2018.

(d) For fiscal year 2020 and later, the base for the Perpich Center for Arts Education is \$5,373,000. This base is calculated with an operational fixed cost of \$2,518,000 and a variable cost of \$16,000 times the estimated number of pupil units served times the ratio of the basic formula allowance for the current year to the formula allowance for fiscal year 2019.

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

Sec. 3. Laws 2017, First Special Session chapter 5, article 11, section 13, is amended to read:

Sec. 13. CROSSWINDS DISPOSITION COSTS.

~~\$162,000~~ \$21,000 in fiscal year 2018 only is appropriated from the general fund to the Perpich Center for Arts Education. The amount appropriated in this section is for transfer to the commissioner of administration for costs related to the sale of the Crosswinds school and is available until June 30, 2019.

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

ARTICLE 11
FORECAST ADJUSTMENTS

A. GENERAL EDUCATION

Section 1. Laws 2017, First Special Session chapter 5, article 1, section 19, subdivision 3, is amended to read:

Subd. 3. **Enrollment options transportation.** For transportation of pupils attending postsecondary institutions under Minnesota Statutes, section 124D.09, or for transportation of pupils attending nonresident districts under Minnesota Statutes, section 124D.03:

\$ 29,000 <u>25,000</u>	.....	2018
\$ 31,000 <u>27,000</u>	.....	2019

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

Sec. 2. Laws 2017, First Special Session chapter 5, article 1, section 19, subdivision 4, is amended to read:

Subd. 4. **Abatement aid.** For abatement aid under Minnesota Statutes, section 127A.49:

\$ 2,374,000 <u>2,584,000</u>	.....	2018
\$ 2,163,000 <u>3,218,000</u>	.....	2019

The 2018 appropriation includes \$262,000 for 2017 and ~~\$2,112,000~~ \$2,322,000 for 2018.

The 2019 appropriation includes ~~\$234,000~~ \$258,000 for 2018 and ~~\$1,929,000~~ \$2,960,000 for 2019.

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

Sec. 3. Laws 2017, First Special Session chapter 5, article 1, section 19, subdivision 5, is amended to read:

Subd. 5. **Consolidation transition aid.** For districts consolidating under Minnesota Statutes, section 123A.485:

\$ 185,000 <u>0</u>	.....	2018
\$ 382,000 <u>270,000</u>	.....	2019

The 2018 appropriation includes \$0 for 2017 and ~~\$185,000~~ \$0 for 2018.

The 2019 appropriation includes ~~\$20,000~~ \$0 for 2018 and ~~\$362,000~~ \$270,000 for 2019.

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

Sec. 4. Laws 2017, First Special Session chapter 5, article 1, section 19, subdivision 6, is amended to read:

Subd. 6. **Nonpublic pupil education aid.** For nonpublic pupil education aid under Minnesota Statutes, sections 123B.40 to 123B.43 and 123B.87:

\$ 18,197,000 <u>17,779,000</u>	.....	2018
\$ 19,225,000 <u>17,910,000</u>	.....	2019

The 2018 appropriation includes \$1,687,000 for 2017 and ~~\$16,510,000~~ \$16,092,000 for 2018.

The 2019 appropriation includes ~~\$1,834,000~~ \$1,787,000 for 2018 and ~~\$17,391,000~~ \$16,123,000 for 2019.

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

Sec. 5. Laws 2017, First Special Session chapter 5, article 1, section 19, subdivision 7, is amended to read:

Subd. 7. **Nonpublic pupil transportation.** For nonpublic pupil transportation aid under Minnesota Statutes, section 123B.92, subdivision 9:

\$ 18,372,000 <u>17,549,000</u>	.....	2018
\$ 18,541,000 <u>18,309,000</u>	.....	2019

The 2018 appropriation includes \$1,835,000 for 2017 and ~~\$16,537,000~~ \$15,714,000 for 2018.

The 2019 appropriation includes ~~\$1,837,000~~ \$1,745,000 for 2018 and ~~\$16,704,000~~ \$16,564,000 for 2019.

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

Sec. 6. Laws 2017, First Special Session chapter 5, article 1, section 19, subdivision 9, is amended to read:

Subd. 9. **Career and technical aid.** For career and technical aid under Minnesota Statutes, section 124D.4531, subdivision 1b:

\$ 4,561,000 <u>4,757,000</u>	.....	2018
\$ 4,125,000 <u>4,384,000</u>	.....	2019

The 2018 appropriation includes \$476,000 for 2017 and ~~\$4,085,000~~ \$4,281,000 for 2018.

The 2019 appropriation includes ~~\$453,000~~ \$475,000 for 2018 and ~~\$3,672,000~~ \$3,909,000 for 2019.

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

B. EDUCATION EXCELLENCE

Sec. 7. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 2, is amended to read:

Subd. 2. **Achievement and integration aid.** For achievement and integration aid under Minnesota Statutes, section 124D.862:

\$ 71,249,000 <u>71,693,000</u>	.....	2018
\$ 73,267,000 <u>73,926,000</u>	.....	2019

The 2018 appropriation includes \$6,725,000 for 2017 and ~~\$64,524,000~~ \$64,968,000 for 2018.

The 2019 appropriation includes ~~\$7,169,000~~ \$7,218,000 for 2018 and ~~\$66,098,000~~ \$66,708,000 for 2019.

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

Sec. 8. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 3, is amended to read:

Subd. 3. **Literacy incentive aid.** For literacy incentive aid under Minnesota Statutes, section 124D.98:

\$ 47,264,000 <u>46,517,000</u>	.....	2018
\$ 47,763,000 <u>46,188,000</u>	.....	2019

The 2018 appropriation includes \$4,597,000 for 2017 and ~~\$42,667,000~~ \$41,920,000 for 2018.

The 2019 appropriation includes ~~\$4,740,000~~ \$4,657,000 for 2018 and ~~\$43,023,000~~ \$41,531,000 for 2019.

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

Sec. 9. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 4, is amended to read:

Subd. 4. **Interdistrict desegregation or integration transportation grants.** For interdistrict desegregation or integration transportation grants under Minnesota Statutes, section 124D.87:

\$ 13,337,000 <u>14,328,000</u>	.....	2018
\$ 14,075,000 <u>15,065,000</u>	.....	2019

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

Sec. 10. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 5, is amended to read:

Subd. 5. **Tribal contract schools.** For tribal contract school aid under Minnesota Statutes, section 124D.83:

\$ 3,623,000 <u>2,954,000</u>	.....	2018
\$ 4,018,000 <u>3,381,000</u>	.....	2019

The 2018 appropriation includes \$323,000 for 2017 and ~~\$3,300,000~~ \$2,631,000 for 2018.

The 2019 appropriation includes ~~\$366,000~~ \$292,000 for 2018 and ~~\$3,652,000~~ \$3,089,000 for 2019.

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

Sec. 11. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 6, is amended to read:

Subd. 6. **American Indian education aid.** For American Indian education aid under Minnesota Statutes, section 124D.81, subdivision 2a:

\$9,244,000	.....	2018
\$ 9,464,000 <u>9,409,000</u>	.....	2019

The 2018 appropriation includes \$886,000 for 2017 and \$8,358,000 for 2018.

The 2019 appropriation includes \$928,000 for 2018 and ~~\$8,536,000~~ \$8,481,000 for 2019.

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

Sec. 12. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 21, is amended to read:

Subd. 21. **Charter school building lease aid.** For building lease aid under Minnesota Statutes, section 124E.22:

\$ 73,341,000 <u>73,334,000</u>	.....	2018
\$ 78,802,000 <u>79,098,000</u>	.....	2019

The 2018 appropriation includes \$6,850,000 for 2017 and ~~\$66,491,000~~ \$66,484,000 for 2018.

The 2019 appropriation includes \$7,387,000 for 2018 and ~~\$71,415,000~~ \$71,711,000 for 2019.

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

Sec. 13. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 26, is amended to read:

Subd. 26. **Alternative teacher compensation aid.** For alternative teacher compensation aid under Minnesota Statutes, section 122A.415, subdivision 4:

\$ 89,863,000 <u>90,131,000</u>	.....	2018
\$ 89,623,000 <u>89,789,000</u>	.....	2019

The 2018 appropriation includes \$8,917,000 for 2017 and ~~\$80,946,000~~ \$81,214,000 for 2018.

The 2019 appropriation includes ~~\$8,994,000~~ \$9,023,000 for 2018 and ~~\$80,629,000~~ \$80,766,000 for 2019.

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

C. SPECIAL EDUCATION

Sec. 14. Laws 2017, First Special Session chapter 5, article 4, section 12, subdivision 3, is amended to read:

Subd. 3. **Aid for children with disabilities.** For aid under Minnesota Statutes, section 125A.75, subdivision 3, for children with disabilities placed in residential facilities within the district boundaries for whom no district of residence can be determined:

\$ 1,597,000 <u>1,022,000</u>	.....	2018
\$ 1,830,000 <u>1,204,000</u>	.....	2019

If the appropriation for either year is insufficient, the appropriation for the other year is available.

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

Sec. 15. Laws 2017, First Special Session chapter 5, article 4, section 12, subdivision 4, is amended to read:

Subd. 4. **Travel for home-based services.** For aid for teacher travel for home-based services under Minnesota Statutes, section 125A.75, subdivision 1:

\$ 508,000 <u>412,000</u>	.....	2018
\$ 532,000 <u>421,000</u>	.....	2019

The 2018 appropriation includes \$48,000 for 2017 and ~~\$460,000~~ \$364,000 for 2018.

The 2019 appropriation includes ~~\$51,000~~ \$40,000 for 2018 and ~~\$481,000~~ \$381,000 for 2019.

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

Sec. 16. Laws 2017, First Special Session chapter 5, article 4, section 12, subdivision 5, is amended to read:

Subd. 5. **Court-placed special education revenue.** For reimbursing serving school districts for unreimbursed eligible expenditures attributable to children placed in the serving school district by court action under Minnesota Statutes, section 125A.79, subdivision 4:

\$ 46,000 <u>40,000</u>	.....	2018
\$ 47,000 <u>41,000</u>	.....	2019

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

D. FACILITIES AND TECHNOLOGY

Sec. 17. Laws 2017, First Special Session chapter 5, article 5, section 14, subdivision 2, is amended to read:

Subd. 2. **Debt service equalization aid.** For debt service equalization aid under Minnesota Statutes, section 123B.53, subdivision 6:

\$24,908,000	.....	2018
\$ 22,360,000 <u>23,137,000</u>	.....	2019

The 2018 appropriation includes \$2,324,000 for 2017 and \$22,584,000 for 2018.

The 2019 appropriation includes \$2,509,000 for 2018 and ~~\$19,851,000~~ \$20,628,000 for 2019.

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

Sec. 18. Laws 2017, First Special Session chapter 5, article 5, section 14, subdivision 3, is amended to read:

Subd. 3. **Long-term facilities maintenance equalized aid.** For long-term facilities maintenance equalized aid under Minnesota Statutes, section 123B.595, subdivision 9:

\$ 80,179,000 <u>81,053,000</u>	.....	2018
\$ 103,460,000 <u>102,374,000</u>	.....	2019

The 2018 appropriation includes \$5,815,000 for 2017 and ~~\$74,364,000~~ \$75,238,000 for 2018.

The 2019 appropriation includes ~~\$8,262,000~~ \$8,359,000 for 2018 and ~~\$95,198,000~~ \$94,015,000 for 2019.

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

E. NUTRITION

Sec. 19. Laws 2017, First Special Session chapter 5, article 6, section 3, subdivision 2, is amended to read:

Subd. 2. **School lunch.** For school lunch aid under Minnesota Statutes, section 124D.111, and Code of Federal Regulations, title 7, section 210.17:

\$ 16,721,000 <u>16,143,000</u>	.....	2018
\$ 17,223,000 <u>16,477,000</u>	.....	2019

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

Sec. 20. Laws 2017, First Special Session chapter 5, article 6, section 3, subdivision 3, is amended to read:

Subd. 3. **School breakfast.** For traditional school breakfast aid under Minnesota Statutes, section 124D.1158:

\$ 10,601,000 <u>10,474,000</u>	.....	2018
\$ 11,359,000 <u>11,282,000</u>	.....	2019

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

Sec. 21. Laws 2017, First Special Session chapter 5, article 6, section 3, subdivision 4, is amended to read:

Subd. 4. **Kindergarten milk.** For kindergarten milk aid under Minnesota Statutes, section 124D.118:

\$ 758,000 <u>734,000</u>	.....	2018
\$ 758,000 <u>734,000</u>	.....	2019

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

F. EARLY CHILDHOOD AND FAMILY SUPPORT

Sec. 22. Laws 2017, First Special Session chapter 5, article 8, section 10, subdivision 3, is amended to read:

Subd. 3. **Mixed delivery prekindergarten programs.** (a) For mixed delivery prekindergarten programs and school readiness plus programs:

\$ 21,429,000 <u>0</u>	.....	2018
\$ 28,571,000 <u>0</u>	.....	2019

(b) The fiscal year 2018 appropriation includes \$0 for 2017 and ~~\$21,429,000~~ \$0 for 2018.

(c) The fiscal year 2019 appropriation includes ~~\$2,381,000~~ \$0 for 2018 and ~~\$26,190,000~~ \$0 for 2019.

(d) The commissioner must proportionately allocate the amounts appropriated in this subdivision among each education funding program affected by the enrollment of mixed delivery system prekindergarten pupils.

(e) The appropriation under this subdivision is reduced by any other amounts specifically appropriated for those purposes.

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

Sec. 23. Laws 2017, First Special Session chapter 5, article 8, section 10, subdivision 5a, is amended to read:

Subd. 5a. **Early childhood family education aid.** For early childhood family education aid under Minnesota Statutes, section 124D.135:

\$ 30,405,000 <u>29,760,000</u>	.....	2018
\$ 31,977,000 <u>30,870,000</u>	.....	2019

The 2018 appropriation includes \$2,904,000 for 2017 and ~~\$27,501,000~~ \$26,856,000 for 2018.

The 2019 appropriation includes ~~\$3,055,000~~ \$2,983,000 for 2018 and ~~\$28,922,000~~ \$27,887,000 for 2019.

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

Sec. 24. Laws 2017, First Special Session chapter 5, article 8, section 10, subdivision 6, is amended to read:

Subd. 6. **Developmental screening aid.** For developmental screening aid under Minnesota Statutes, sections 121A.17 and 121A.19:

\$ 3,606,000 <u>3,663,000</u>	.....	2018
\$ 3,629,000 <u>3,688,000</u>	.....	2019

The 2018 appropriation includes \$358,000 for 2017 and ~~\$3,248,000~~ \$3,305,000 for 2018.

The 2019 appropriation includes ~~\$360,000~~ \$367,000 for 2018 and ~~\$3,269,000~~ \$3,321,000 for 2019.

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

Sec. 25. Laws 2017, First Special Session chapter 5, article 8, section 10, subdivision 12, is amended to read:

Subd. 12. **Home visiting aid.** For home visiting aid under Minnesota Statutes, section 124D.135:

\$ 527,000 <u>503,000</u>	.....	2018
\$ 571,000 <u>525,000</u>	.....	2019

The 2018 appropriation includes \$0 for 2017 and ~~\$527,000~~ \$503,000 for 2018.

The 2019 appropriation includes ~~\$58,000~~ \$55,000 for 2018 and ~~\$513,000~~ \$470,000 for 2019.

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

G. COMMUNITY EDUCATION AND PREVENTION

Sec. 26. Laws 2017, First Special Session chapter 5, article 9, section 2, subdivision 2, is amended to read:

Subd. 2. **Community education aid.** For community education aid under Minnesota Statutes, section 124D.20:

\$ 483,000 <u>477,000</u>	.....	2018
\$ 393,000 <u>410,000</u>	.....	2019

The 2018 appropriation includes \$53,000 for 2017 and ~~\$430,000~~ \$424,000 for 2018.

The 2019 appropriation includes \$47,000 for 2018 and ~~\$346,000~~ \$363,000 for 2019.

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

H. SELF-SUFFICIENCY AND LIFELONG LEARNING

Sec. 27. Laws 2017, First Special Session chapter 5, article 10, section 6, subdivision 2, is amended to read:

Subd. 2. **Adult basic education aid.** For adult basic education aid under Minnesota Statutes, section 124D.531:

\$ 50,010,000 <u>48,708,000</u>	.....	2018
\$ 51,497,000 <u>50,109,000</u>	.....	2019

The 2018 appropriation includes \$4,881,000 for 2017 and ~~\$45,129,000~~ \$43,827,000 for 2018.

The 2019 appropriation includes ~~\$5,014,000~~ \$4,869,000 for 2018 and ~~\$46,483,000~~ \$45,240,000 for 2019.

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

Amend the title as follows:

Page 1, line 3, delete everything after the comma and insert "including general education; student and school safety; education excellence; teachers; special education; facilities, technology, and libraries; nutrition; early childhood and family support; community education, prevention, self-sufficiency, and lifelong learning; and state agencies; making forecast adjustments; requiring reporting; appropriating money;"

Page 1, delete lines 4 to 5

Correct the title numbers accordingly

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

The report was adopted.

Urdahl from the Committee on Capital Investment to which was referred:

H. F. No. 4425, A bill for an act relating to capital investment; appropriating money for the Rural Finance Authority; authorizing the sale and issuance of state bonds.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. No. 3688 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Loon introduced:

H. F. No. 4439, A bill for an act relating to education finance; providing for school safety and security, including establishing safe schools revenue, modifying pupil discipline and dismissal provisions, and modifying school-linked mental health grants; appropriating money; amending Minnesota Statutes 2016, sections 120A.22, subdivision 7; 121A.41, by adding subdivisions; 121A.45, subdivision 1; 121A.46, by adding subdivisions; 121A.47, subdivisions 2, 14, by adding a subdivision; 121A.53, subdivision 1; 121A.55; 126C.44; 245.4889, by adding a subdivision; Minnesota Statutes 2017 Supplement, section 245.4889, subdivision 1.

The bill was read for the first time and referred to the Committee on Education Finance.

Lohmer introduced:

H. F. No. 4440, A bill for an act relating to capital investment; appropriating money for an acceleration lane in Lake Elmo along highway 36; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Transportation Finance.

Albright and Halverson introduced:

H. F. No. 4441, A bill for an act relating to health; establishing licensing requirements for behavior analysts and assistant behavior analysts; amending Minnesota Statutes 2016, section 148B.51; proposing coding for new law in Minnesota Statutes, chapter 148B.

The bill was read for the first time and referred to the Committee on Health and Human Services Reform.

Layman and Lueck introduced:

H. F. No. 4442, A bill for an act relating to taxation; property; modifying the content of property tax statements for properties subject to the Iron Range fiscal disparities tax; amending Minnesota Statutes 2016, sections 275.065, by adding a subdivision; 276.04, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Taxes.

Lee; Wagenius; Hansen; Clark; Dehn, R.; Hornstein; Freiberg and Bernardy introduced:

H. F. No. 4443, A bill for an act relating to environment; providing for offers of supplemental environmental projects in conjunction with certain enforcement actions against polluters; proposing coding for new law in Minnesota Statutes, chapter 116.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Policy and Finance.

Poppe introduced:

H. F. No. 4444, A bill for an act relating to capital investment; appropriating money for the Shooting Star Trail; 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.

Schomacker and Marquart introduced:

H. F. No. 4445, A bill for an act relating to local government aid; modifying the city formula; increasing the appropriation; amending Minnesota Statutes 2017 Supplement, sections 477A.011, subdivision 34; 477A.03, subdivision 2a.

The bill was read for the first time and referred to the Committee on Taxes.

Lucero introduced:

H. F. No. 4446, A bill for an act relating to capital investment; appropriating money for wastewater infrastructure improvements for the city of Albertville; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Hansen and Becker-Finn introduced:

H. F. No. 4447, A bill for an act relating to agriculture; distinguishing between farmed elk and other farmed Cervidae; establishing a voluntary herd buyout program for participating deer farmers; appropriating money; amending Minnesota Statutes 2016, sections 35.153, subdivisions 1, 3, by adding subdivisions; 35.155.

The bill was read for the first time and referred to the Committee on Agriculture Policy.

Hamilton introduced:

H. F. No. 4448, A bill for an act relating to capital investment; appropriating money for improvements to publicly owned water, wastewater, and storm sewer infrastructure in Lakefield; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Lueck introduced:

H. F. No. 4449, A bill for an act relating to human services; appropriating money for live well at home grant program.

The bill was read for the first time and referred to the Committee on Health and Human Services Finance.

Davids introduced:

H. F. No. 4450, A bill for an act relating to taxation; individual income and corporate franchise; requiring the commissioner of revenue to reduce tax rates under certain conditions; amending Minnesota Statutes 2016, section 16A.152, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Taxes.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 2764, A bill for an act relating to business organizations; regulating business corporations, nonprofit corporations, limited partnerships, and limited liability companies; providing for conversions and domestications; amending Minnesota Statutes 2016, sections 302A.011, subdivision 36, by adding a subdivision; 302A.015, subdivision 1; 302A.255, subdivision 3; 302A.401, subdivision 1; 302A.449, subdivision 3; 302A.471, subdivision 3; 302A.473, subdivisions 2, 3, 4; 302A.613, subdivision 1, by adding a subdivision; 302A.621, subdivisions 1, 2a; 302A.626, subdivision 3; 302A.682, by adding a subdivision; 321.1102; 321.1103; 321.1104; 321.1105; 322C.0706; 322C.1001, by adding subdivisions; 323A.0902; 323A.0903; 323A.0904; Minnesota Statutes 2017 Supplement, section 317A.621; proposing coding for new law in Minnesota Statutes, chapters 302A; 321; 322C; 323A; repealing Minnesota Statutes 2016, section 323A.0908.

CAL R. LUDEMAN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 3158, A bill for an act relating to commerce; modifying licensing requirements for mortgage loan originators; amending Minnesota Statutes 2016, sections 58A.07, subdivision 1; 58A.09, subdivision 1.

CAL R. LUDEMAN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 2484, 3466 and 3596.

CAL R. LUDEMAN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2484, A bill for an act relating to transportation; designating a section of U.S. Highway 12 as Officer Bill Mathews Memorial Highway; amending Minnesota Statutes 2016, section 161.14, by adding a subdivision.

The bill was read for the first time.

Hertaus moved that S. F. No. 2484 and H. F. No. 2739, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 3466, A bill for an act relating to public safety; modifying motorcycle operating requirements for individuals possessing a two-wheeled vehicle instruction permit; amending Minnesota Statutes 2016, section 169.974, subdivision 2.

The bill was read for the first time.

Nash moved that S. F. No. 3466 and H. F. No. 3997, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 3596, A bill for an act relating to biodiesel; allowing the minimum biodiesel content level for diesel fuel to be modified during certain times of the year; extending Number 1 diesel exemption; amending Minnesota Statutes 2016, section 239.77, subdivisions 2, 3a.

The bill was read for the first time.

Anderson, P., moved that S. F. No. 3596 and H. F. No. 3523, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

CALENDAR FOR THE DAY

H. F. No. 3551, A bill for an act relating to the Safe at Home program; modifying program requirements; making clarifying and technical changes; amending Minnesota Statutes 2016, sections 5B.02; 5B.03; 5B.05; 5B.07, subdivision 1.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Albright	Daniels	Gunther	Knoblach	Marquart	Pelowski
Allen	Davids	Haley	Koegel	Masin	Peppin
Anderson, P.	Davnie	Halverson	Koznick	Maye Quade	Petersburg
Anderson, S.	Dean, M.	Hamilton	Kresha	McDonald	Peterson
Anselmo	Dehn, R.	Hansen	Kunesh-Podein	Metsa	Pierson
Backer	Dettmer	Hausman	Layman	Miller	Pinto
Bahr, C.	Ecklund	Heintzeman	Lee	Moran	Poppe
Baker	Erickson	Hertaus	Liebling	Munson	Poston
Barr, R.	Fabian	Hilstrom	Lien	Murphy, E.	Pryor
Becker-Finn	Fenton	Hoppe	Lillie	Murphy, M.	Pugh
Bennett	Fischer	Hornstein	Loeffler	Nash	Quam
Bernardy	Franke	Hortman	Lohmer	Nelson	Rarick
Bliss	Franson	Howe	Loon	Neu	Rosenthal
Bly	Freiberg	Jessup	Loonan	Newberger	Runbeck
Carlson, A.	Garofalo	Johnson, B.	Lucero	Nornes	Sandstede
Carlson, L.	Green	Johnson, C.	Lueck	O'Driscoll	Sauke
Christensen	Grossell	Jurgens	Mahoney	Olson	Schomacker
Clark	Gruenhagen	Kiel	Mariani	O'Neill	Schultz

Scott	Theis	Urdahl	Ward	Wills	Spk. Daudt
Sundin	Torkelson	Vogel	West	Youakim	
Swedzinski	Uglen	Wagenius	Whelan	Zerwas	

The bill was passed and its title agreed to.

IN MEMORIAM

The members of the House of Representatives paused for a moment of silence in memory of former Representative Earl B. Gustafson of Duluth, Minnesota who served from 1963 to 1970, who passed away on Monday, April 16, 2018.

CALENDAR FOR THE DAY, Continued

H. F. No. 3249, A bill for an act relating to public safety; modifying provisions governing passing emergency vehicles stopped on a roadway; amending Minnesota Statutes 2016, section 169.18, subdivisions 11, 12.

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 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 2835 was reported to the House.

Hansen moved to amend H. F. No. 2835, the second engrossment, as follows:

Page 1, line 10, delete "year" and insert "years 2018 and"

The motion prevailed and the amendment was adopted.

H. F. No. 2835, A bill for an act relating to transportation; appropriating money for certain reimbursements to deputy registrars.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Koznick

The bill was passed, as amended, and its title agreed to.

**REPORTS 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, April 23, 2018 and established a prefiling requirement for amendments offered to the following bills:

H. F. Nos. 3389, 3833, 2743, 3280 and 817.

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 Tuesday, April 24, 2018 and established a prefiling requirement for amendments offered to the following bills:

H. F. Nos. 2391, 1415, 3548 and 3552.

MOTIONS AND RESOLUTIONS

Albright moved that the name of Poston be added as an author on H. F. No. 1122. The motion prevailed.

Smith moved that the name of Flanagan be added as an author on H. F. No. 1609. The motion prevailed.

Dehn, R., moved that the name of Hornstein be added as an author on H. F. No. 2139. The motion prevailed.

Murphy, E., moved that the name of Clark be added as an author on H. F. No. 2692. The motion prevailed.

Lillie moved that the name of Runbeck be added as an author on H. F. No. 3187. The motion prevailed.

Anderson, P., moved that the name of Backer be added as an author on H. F. No. 3493. The motion prevailed.

Anselmo moved that the name of Fischer be added as an author on H. F. No. 3495. The motion prevailed.

Fenton moved that the name of Pugh be added as an author on H. F. No. 3633. The motion prevailed.

O'Driscoll moved that the name of Flanagan be added as an author on H. F. No. 3688. The motion prevailed.

O'Neill moved that her name be stricken as an author on H. F. No. 3725. The motion prevailed.

Nash moved that the name of Sandstede be added as an author on H. F. No. 3997. The motion prevailed.

Ward moved that the name of Carlson, L., be added as an author on H. F. No. 4020. The motion prevailed.

Pelowski moved that the name of Gruenhagen be added as an author on H. F. No. 4234. The motion prevailed.

Urdahl moved that the name of Pugh be added as an author on H. F. No. 4256. The motion prevailed.

Uglen moved that the name of Jurgens be added as an author on H. F. No. 4349. The motion prevailed.

Miller moved that the name of Poston be added as an author on H. F. No. 4425. The motion prevailed.

Theis moved that the name of Lohmer be added as an author on H. F. No. 4433. The motion prevailed.

ADJOURNMENT

Peppin moved that when the House adjourns today it adjourn until 1:00 p.m., Monday, April 23, 2018. The motion prevailed.

Peppin moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 1:00 p.m., Monday, April 23, 2018.

PATRICK D. MURPHY, Chief Clerk, House of Representatives

