

STATE OF MINNESOTA

NINETIETH SESSION — 2018

EIGHTY-SEVENTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, APRIL 26, 2018

The House of Representatives convened at 10:00 a.m. and was called to order by Kurt Daudt, Speaker of the House.

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

A quorum was present.

Applebaum; Becker-Finn; Johnson, S.; Lillie; Slocum and Zerwas were excused.

Garofalo and McDonald were excused until 11:00 a.m. Allen, Moran and Pelowski were excused until 1:55 p.m. Flanagan was excused until 2:00 p.m.

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

REPORTS OF STANDING COMMITTEES AND DIVISIONS

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

H. F. No. 3138, A bill for an act relating to human services; modifying provisions governing Department of Health and public health, health care, chemical and mental health, opioids and prescription drugs, community supports and continuing care, protections for older adults and vulnerable adults, children and families, health licensing boards, and MNsure; establishing the Vulnerable Adult Maltreatment Prevention and Accountability Act; modifying requirements for data sharing and data classifications; modifying a criminal penalty; establishing working groups; establishing prescription drug repository program; entering into nurse licensure compact; providing for rulemaking; requiring reports; modifying fees; making forecast adjustments; appropriating money; amending Minnesota Statutes 2016, sections 13.83, subdivision 2; 13.851, by adding a subdivision; 62A.30, by adding a subdivision; 62A.65, subdivision 7; 62Q.55, subdivision 5; 62V.05, subdivisions 2, 5, 10; 103I.205, subdivision 9; 103I.301, subdivision 6; 119B.011, by adding a subdivision; 119B.02, subdivision 7; 119B.03, subdivision 9; 144.121, subdivision 1a, by adding a subdivision; 144.1501, subdivisions 1, 3; 144.1506, subdivision 2; 144.608, subdivision 1; 144.6501, subdivision 3, by adding a subdivision; 144.651, subdivisions 1, 2, 4, 14, 16, 20, 21; 144A.10, subdivision 1; 144A.26; 144A.43, subdivisions 11, 27, 30, by adding a subdivision; 144A.44, subdivision 1; 144A.442; 144A.45, subdivisions 1, 2; 144A.472, subdivision 5; 144A.473; 144A.474, subdivisions 2, 8, 9; 144A.475, subdivisions 1, 2, 5; 144A.476, subdivision 1; 144A.479, subdivision 7; 144A.4791, subdivisions 1, 3, 6, 7, 8, 9, 10, 13; 144A.4792, subdivisions 1, 2, 5, 10; 144A.4793, subdivision 6; 144A.4797, subdivision 3; 144A.4798; 144A.4799, subdivision 1; 144A.484, subdivision 1; 144A.53, subdivisions 1, 4, by adding subdivisions; 144D.01, subdivision 1; 144D.02; 144D.04, by adding a subdivision; 144E.16, by adding subdivisions; 144G.01, subdivision 1; 145.56, subdivision 2; 145.928, subdivisions 1, 7; 146B.03, by adding a subdivision; 147A.08; 148.512, subdivision 17a; 148.513, subdivisions 1, 2, by adding a subdivision; 148.515, subdivision 1; 148.516; 148.519, by adding a subdivision; 148.5192, subdivision 1; 148.5193, by adding a subdivision; 148.5194, subdivision 8, by adding a subdivision; 148.5195, subdivision 3; 148.5196, subdivision 3; 148.59; 148E.180; 149A.40, subdivision 11; 149A.95, subdivision 3; 150A.06, subdivision 1a, by adding subdivisions; 150A.091, by adding subdivisions; 151.15, by adding subdivisions; 151.19, subdivision 1; 151.214, subdivision 2; 151.46; 151.71, by adding a subdivision; 152.11, by adding a subdivision; 169.345, subdivision 2; 214.075, subdivisions 1, 4, 5, 6; 214.077; 214.10, subdivision 8; 214.12, by adding a subdivision; 243.166, subdivision 4b; 245A.04, subdivision 7, by adding a subdivision; 245C.22, subdivision 4; 245D.071, subdivision 5; 245D.091, subdivisions 2, 3, 4; 254B.02, subdivision 1; 256.01, by adding a subdivision; 256.014, subdivision 2; 256.975, subdivision 7b; 256B.0575, subdivision 1; 256B.0595, subdivision 3; 256B.0625, subdivisions 2, 18d, 30, by adding subdivisions; 256B.0659, subdivisions 11, 21, 24, 28, by adding a subdivision; 256B.4914, subdivision 4; 256B.5012, by adding a subdivision; 256B.69, subdivision 5a; 256K.45, subdivision 2; 256M.41, subdivision 3; 256R.53, subdivision 2; 259.24, subdivision 2; 325F.71; 518A.32, subdivision 3; 518A.685; 609.2231, subdivision 8; 626.557, subdivisions 3, 4, 9, 9a, 9b, 9c, 9d, 10b, 12b, 14, 17; 626.5572, subdivision 6; 641.15, subdivision 3a; Minnesota Statutes 2017 Supplement, sections 13.69, subdivision 1; 103I.005, subdivisions 2, 8a, 17a; 103I.205, subdivisions 1, 4; 103I.208, subdivision 1; 103I.235, subdivision 3; 103I.601, subdivision 4; 119B.011, subdivision 20; 119B.025, subdivision 1; 119B.095, by adding a subdivision; 119B.13, subdivision 1; 144.1501, subdivision 2; 144A.10, subdivision 4; 144A.472, subdivision 7; 144A.474, subdivision 11; 144A.4796, subdivision 2; 144A.4799, subdivision 3; 144D.04, subdivision 2; 144H.01, subdivision 5; 144H.04, subdivision 1; 148.519, subdivision 1; 148.5193, subdivision 1; 148.5196, subdivision 1; 152.105, subdivision 2; 245A.03, subdivision 7; 245A.06, subdivision 8; 245A.11, subdivision 2a; 245A.50, subdivision 7; 245C.22, subdivision 5; 245D.03, subdivision 1; 245G.03, subdivision 1; 245G.22, subdivision 2; 252.41, subdivision 3; 254A.03, subdivision 3; 254B.03, subdivision 2; 256.045, subdivisions 3, 4; 256B.0625, subdivisions 3b, 56a; 256B.0921; 256B.4913, subdivision 7; 256B.4914, subdivisions 2, 3, 5, 6, 7, 8, 9, 10, 10a; 260C.007, subdivision 6; 364.09; Laws 2014, chapter 312, article 27, section 76; Laws 2017, First Special Session chapter 6, article 3, section 49; article 8, sections 71; 72; 74; article 18, sections 3,

subdivision 2; 16, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 62Q; 137; 144; 144D; 144G; 148; 151; 245A; 256; 256B; 256K; 260C; repealing Minnesota Statutes 2016, sections 62A.65, subdivision 7a; 144A.45, subdivision 6; 144A.481; 151.55; 214.075, subdivision 8; 256.021; 256B.0705; Minnesota Statutes 2017 Supplement, section 146B.02, subdivision 7a.

Reported the same back with the following amendments:

Page 10, after line 14, insert:

"Sec. 12. Minnesota Statutes 2016, section 144.057, subdivision 1, is amended to read:

Subdivision 1. **Background studies required.** The commissioner of health shall contract with the commissioner of human services to conduct background studies of:

(1) individuals providing services which have direct contact, as defined under section 245C.02, subdivision 11, with patients and residents in hospitals, boarding care homes, outpatient surgical centers licensed under sections 144.50 to 144.58; nursing homes and home care agencies licensed under chapter 144A; ~~residential care homes licensed under chapter 144B,~~ and board and lodging establishments that are registered to provide supportive or health supervision services under section 157.17;

(2) individuals specified in section 245C.03, subdivision 1, who perform direct contact services in a nursing home or a home care agency licensed under chapter 144A or a boarding care home licensed under sections 144.50 to 144.58. If the individual under study resides outside Minnesota, the study must include a check for substantiated findings of maltreatment of adults and children in the individual's state of residence when the information is made available by that state, and must include a check of the National Crime Information Center database;

(3) beginning July 1, 1999, all other employees in nursing homes licensed under chapter 144A, and boarding care homes licensed under sections 144.50 to 144.58. A disqualification of an individual in this section shall disqualify the individual from positions allowing direct contact or access to patients or residents receiving services. "Access" means physical access to a client or the client's personal property without continuous, direct supervision as defined in section 245C.02, subdivision 8, when the employee's employment responsibilities do not include providing direct contact services;

(4) individuals employed by a supplemental nursing services agency, as defined under section 144A.70, who are providing services in health care facilities; ~~and~~

(5) controlling persons of a supplemental nursing services agency, as defined under section 144A.70; and

(6) individuals providing services who have direct contact, as defined under section 245C.02, subdivision 11, with medically complex or technologically dependent children at a prescribed pediatric extended care center licensed under chapter 144H.

If a facility or program is licensed by the Department of Human Services and subject to the background study provisions of chapter 245C and is also licensed by the Department of Health, the Department of Human Services is solely responsible for the background studies of individuals in the jointly licensed programs."

Page 45, delete section 54 and insert:

"Sec. 55. Minnesota Statutes 2017 Supplement, section 144H.01, subdivision 5, is amended to read:

Subd. 5. **Medically complex or technologically dependent child.** "Medically complex or technologically dependent child" means a child under 21 years of age who, ~~because of a medical condition, requires continuous therapeutic interventions or skilled nursing supervision which must be prescribed by a licensed physician and administered by, or under the direct supervision of, a licensed registered nurse.;~~

(1) needs skilled assessment and intervention multiple times during a 24-hour period to maintain health and prevent deterioration of health status;

(2) has both predictable health needs and the potential for changes in condition that could lead to rapid deterioration or life-threatening episodes;

(3) requires a 24-hour plan of care, including a backup plan, to reasonably ensure health and safety in the community; and

(4) is expected to require frequent or continuous care in a hospital without the provision of services in the child's home or a community setting."

Page 45, after line 31, insert:

"Sec. 57. Minnesota Statutes 2017 Supplement, section 144H.06, is amended to read:

144H.06 APPLICATION OF RULES FOR HOSPICE SERVICES AND RESIDENTIAL HOSPICE FACILITIES.

Minnesota Rules, chapter 4664, shall apply to PPEC centers licensed under this chapter, except that the following parts, subparts, and items, ~~and subitems~~ do not apply:

- (1) Minnesota Rules, part 4664.0003, subparts 2, 6, 7, 11, 12, 13, 14, and 38;
- (2) Minnesota Rules, part 4664.0008;
- (3) Minnesota Rules, part 4664.0010, subparts 3; 4, ~~items A, subitem (6), and item B~~; and 8;
- (4) Minnesota Rules, part 4664.0020, subpart 13;
- (5) Minnesota Rules, part 4664.0370, subpart 1;
- (6) Minnesota Rules, part 4664.0390, subpart 1, items A, C, and E;
- (7) Minnesota Rules, part 4664.0420;
- (8) Minnesota Rules, part 4664.0425, subparts 3, item A; 4; and 6;
- (9) Minnesota Rules, part 4664.0430, subparts 3, 4, 5, 7, 8, 9, 10, 11, and 12;
- (10) Minnesota Rules, part 4664.0490; and
- (11) Minnesota Rules, part 4664.0520.

Sec. 58. Minnesota Statutes 2017 Supplement, section 144H.08, is amended to read:

144H.08 ADMINISTRATION AND MANAGEMENT.

Subdivision 1. ~~Duties of owner~~ **Owners.** (a) The owner of a PPEC center shall:

(1) have full legal authority and responsibility for the operation of the center. A PPEC center must be organized according to a written table of organization, describing the lines of authority and communication to the child care level. The organizational structure must be designed to ensure an integrated continuum of services for the children served; and

~~(b) The owner must~~ (2) designate one person as a center administrator, who is responsible and accountable for overall management of the center.

(b) In order to serve as an owner of a PPEC center, an individual must have at least two years of experience in the past five years (1) operating a business that provides care to medically complex or technologically dependent children, or (2) managing the care of medically complex or technologically dependent children.

Subd. 2. ~~Duties of administrator~~ **Administrators.** (a) The center administrator is responsible and accountable for overall management of the center. The administrator must:

(1) designate in writing a person to be responsible for the center when the administrator is absent from the center for more than 24 hours;

(2) maintain the following written records, in a place and form and using a system that allows for inspection of the records by the commissioner during normal business hours:

(i) a daily census record, which indicates the number of children currently receiving services at the center;

(ii) a record of all accidents or unusual incidents involving any child or staff member that caused, or had the potential to cause, injury or harm to a person at the center or to center property;

(iii) copies of all current agreements with providers of supportive services or contracted services;

(iv) copies of all current agreements with consultants employed by the center, documentation of each consultant's visits, and written, dated reports; and

(v) a personnel record for each employee, which must include an application for employment, references, employment history for the preceding five years, and copies of all performance evaluations;

(3) develop and maintain a current job description for each employee;

(4) provide necessary qualified personnel and ancillary services to ensure the health, safety, and proper care for each child; and

(5) develop and implement infection control policies that comply with rules adopted by the commissioner regarding infection control.

(b) In order to serve as an administrator of a PPEC center, an individual must have at least two years of experience in the past five years caring for or managing the care of medically complex or technologically dependent children."

Page 65, line 8, delete everything after the period

Page 65, delete lines 9 to 12

Page 65, line 13, delete "subdivision 5."

Page 141, delete section 8

Page 149, delete section 16

Page 155, delete lines 11 to 17

Page 174, after line 12, insert:

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

Page 177, delete section 31

Page 178, delete section 34 and insert:

"Sec. 33. **DIRECTION TO COMMISSIONER; DISABILITY WAIVER RATE SYSTEM.**

Between July 1, 2018, and December 31, 2018, the commissioner of human services shall continue to reimburse the Centers for Medicare and Medicaid Services for the disallowed federal share of the rate increases described in Laws 2014, chapter 312, article 27, section 76, subdivisions 2 to 5.

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

Page 210, after line 16, insert:

"(c) A person who uses restraints on a vulnerable adult does not violate this subdivision if (1) the person complies with applicable requirements in state and federal law regarding the use of restraints; and (2) any force applied in imposing restraints is reasonable.

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

Page 310, line 30, delete "19,865,000" and insert "28,476,000"

Page 311, line 1, delete "5,779,000" and insert "5,772,000"

Page 312, line 18, delete "\$6,136,000" and insert "\$6,135,000"

Page 312, line 19, delete "\$6,145,000" and insert "\$6,144,000"

Page 312, line 34, after the period, insert "This is a onetime appropriation."

Page 313, line 3, after the period, insert "This is a onetime appropriation."

Page 313, line 7, after the period, insert "This is a onetime appropriation."

Page 314, line 9, delete "4,571,000" and insert "4,032,000"

Page 314, line 11, delete "\$4,127,000" and insert "\$4,000,000"

Page 314, line 12, delete "\$4,012,000" and insert "\$3,885,000"

Page 314, line 14, delete "8,495,000" and insert "25,392,000"

Page 316, delete subdivision 11

Page 318, line 9, after the period, insert "Of this amount, \$112,000 is for administration."

Page 318, line 19, delete "\$30,000" and insert "\$992,000" and delete "\$30,000" and insert "\$986,000"

Page 318, line 27, after the period, insert "Of this amount, \$113,000 is for administration."

Page 319, line 15, after the period, insert "This is a onetime appropriation."

Page 320, line 14, delete "appropriation, the" and insert "amount, \$112,000 is for administration."

Page 320, delete line 15

Page 320, line 16, delete "administer the program."

Page 320, line 32, after the period, insert "Of this amount, \$104,000 is for administration."

Page 321, line 19, delete "\$4,677,000" and insert "\$4,669,000"

Page 321, line 20, delete "\$6,082,000" and insert "\$6,068,000"

Page 322, line 10, delete "216,000" and insert "224,000"

Page 322, line 16, delete "5,000" and insert "13,000"

Page 322, delete line 17 and insert:

"Base Adjustments. The state government special revenue fund base is increased \$5,000 in fiscal year 2020 and \$5,000 in fiscal year 2021."

Page 331, line 8, delete "and"

Page 331, line 10, delete the period and insert "; and"

Page 331, after line 10, insert:

"(4) \$8,800,000 from the systems operations account in the special revenue fund to the general fund."

Page 331, after line 15, insert:

"ARTICLE 12
TRANSPORTATION APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the column under "Appropriations" are added to the appropriations in Laws 2017, First Special Session chapter 3, 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. Amounts for "Total Appropriation" and sums shown in the corresponding columns marked "Appropriations by Fund" are summary only and do not have legal effect. 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.

APPROPRIATIONS
Available for the Year
Ending June 30
2018 **2019**

Sec. 2. **DEPARTMENT OF TRANSPORTATION**

Subdivision 1. **Total Appropriation** **\$-0-** **\$135,539,000**

Appropriations by Fund

	<u>2018</u>	<u>2019</u>
<u>General</u>	<u>-0-</u>	<u>22,230,000</u>
<u>Special Revenue</u>	<u>-0-</u>	<u>1,550,000</u>
<u>C.S.A.H.</u>	<u>-0-</u>	<u>24,945,000</u>
<u>M.S.A.S.</u>	<u>-0-</u>	<u>6,552,000</u>
<u>Trunk Highway</u>	<u>-0-</u>	<u>80,750,000</u>

The appropriations in this section are to the commissioner of transportation. The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Aeronautics** **-0-** **3,000,000**

Appropriations by Fund

	<u>2018</u>	<u>2019</u>
<u>General</u>	<u>-0-</u>	<u>2,000,000</u>
<u>Airports</u>	<u>-0-</u>	<u>1,000,000</u>

This appropriation is for a grant to the city of Rochester to acquire and install a CAT II approach system at the Rochester International Airport. This appropriation is available when the commissioner of management and budget determines that sufficient resources have

been committed to complete the project, as required by Minnesota Statutes, section 16A.502, and is available until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642. This is a onetime appropriation.

Subd. 3. Freight Rail

(a) <u>Freight Rail Economic Development (FRED)</u>	<u>-0-</u>	<u>5,000,000</u>
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This appropriation is for the freight rail economic development program under Minnesota Statutes, section 222.505.

The base is \$2,000,000 in each of fiscal years 2020 and 2021.

(b) <u>Rice Creek Railroad Bridge</u>	<u>-0-</u>	<u>1,550,000</u>
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This appropriation is from the freight rail account in the special revenue fund under the freight rail economic development program in Minnesota Statutes, section 222.505, for the grant under section 11. This appropriation is available when the commissioner of management and budget determines that sufficient resources have been committed to complete the project, as required by Minnesota Statutes, section 16A.502, and is available until the project is completed or abandoned subject to Minnesota Statutes, section 16A.642. This is a onetime appropriation.

Subd. 4. State Roads

Unless otherwise specified, the appropriations in this subdivision are from the trunk highway fund.

(a) <u>Operations and Maintenance</u>	<u>-0-</u>	<u>11,095,000</u>
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This is a onetime appropriation.

(b) Program Planning and Delivery

(1) <u>Planning and Research</u>	<u>-0-</u>	<u>2,094,000</u>
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If a balance remains of this appropriation, the commissioner may transfer up to that amount for program delivery under clause (2).

\$500,000 in the second year is to conduct a study on the feasibility of an interchange at marked Interstate Highway 35 and County Road 9 in Rice County. At a minimum, the study must include estimated construction costs, traffic modeling, an environmental analysis, and a potential design layout for an interchange.

\$500,000 in the second year is to conduct a study on the feasibility of expanding or reconstructing marked Interstate Highway 94 from the city of St. Michael to the city of St. Cloud. At a minimum, the study must include traffic modeling and an environmental analysis.

This is a onetime appropriation.

(2) Program Delivery

-0-

13,317,000

Appropriations by Fund

	<u>2018</u>	<u>2019</u>
General	<u>-0-</u>	<u>6,230,000</u>
Trunk Highway	<u>-0-</u>	<u>7,087,000</u>

This appropriation includes use of consultants to support development and management of projects. This is a onetime appropriation.

\$5,400,000 in the second year is from the general fund for a grant to the city of Virginia to repay loans incurred by the city for costs related to utility relocation for the U.S. Highway 53 project. This is a onetime appropriation.

\$830,000 in the second year is from the general fund for a grant to the city of Mankato for a project to increase the height of a levee and related construction on a segment of marked Trunk Highway 169 north of the Highway 14 interchange to accommodate the raising of a levee. This appropriation is for the local share the city of Mankato would be responsible for under the state's Cost Participation and Maintenance with Local Units of Government Manual, or any contract between the state and the city of Mankato. This is a onetime appropriation and is available when the commissioner of management and budget determines that sufficient resources have been committed to complete the project, as required by Minnesota Statutes, section 16A.502.

(c) State Road Construction

-0-

48,155,000

This appropriation is for the actual construction, reconstruction, and improvement of trunk highways, including design-build contracts, internal department costs associated with delivering the construction program, consultant use to support the activities, and the cost of actual payments to landowners for lands acquired for highway rights-of-way, payment to lessees, interest subsidies, and relocation expenses. This is a onetime appropriation.

For any trunk highway reconstruction or resurfacing project in 2020 or 2021 that includes establishment of one or more temporary lanes of travel, the commissioner must establish additional

permanent general purpose lanes for that segment if (1) the project is on an Interstate Highway; (2) the total project cost estimate is at least \$30,000,000; and (3) the annual average daily traffic is at least 40,000 at any point within the project limits.

(d) **Corridors of Commerce** -0- 10,000,000

This appropriation is for the corridors of commerce program under Minnesota Statutes, section 161.088. This is a onetime appropriation.

(e) **Highway Debt Service** -0- 2,319,000

\$2,319,000 in fiscal year 2019 is for transfer to the state bond fund. If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of management and budget must transfer the deficiency amount under the statutory open appropriation and notify the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance and the chairs of the senate Finance Committee and the house of representatives Ways and Means Committee of the amount of the deficiency. Any excess appropriation cancels to the trunk highway fund.

Subd. 5. Local Roads

(a) **County State-Aid Roads** -0- 24,945,000

This appropriation is from the county state-aid highway fund under Minnesota Statutes, sections 161.081 and 297A.815, subdivision 3, and Minnesota Statutes, chapter 162, and is available until June 30, 2027. This is a onetime appropriation.

(b) **Municipal State-Aid Roads** -0- 6,552,000

This appropriation is from the municipal state-aid street fund under Minnesota Statutes, chapter 162, and is available until June 30, 2027. This is a onetime appropriation.

(c) **Small Cities Assistance** -0- 7,000,000

This appropriation is for the small cities assistance program under Minnesota Statutes, section 162.145.

The base is \$8,081,000 in fiscal year 2020 and \$8,082,000 in fiscal year 2021.

If a constitutional amendment that dedicates revenue from the state general sales tax attributable to motor vehicle repair and replacement parts is ratified in 2018, the base is \$549,000 in fiscal year 2021 and \$0 in fiscal years 2022 and thereafter.

(d) Town Roads**-0-****2,000,000**

This appropriation is for town roads, to be distributed in the manner provided under Minnesota Statutes, section 162.081. This is a onetime appropriation.

Subd. 6. Tribal Training Program

The commissioner must implement interagency billing to state agencies for costs related to that agency's participation in tribal training activities provided by the Department of Transportation.

Sec. 3. METROPOLITAN COUNCIL**\$-0-****\$3,500,000**

This appropriation is for financial assistance to replacement service providers under Minnesota Statutes, section 473.388, for the purposes of the suburb-to-suburb transit project authorized under Laws 2015, chapter 75, article 1, section 4. Of the amount in the second year, \$2,500,000 is for capital improvements, including bus replacement, associated with the project. The replacement service providers must collectively identify and notify the Metropolitan Council of the capital expenditures under this rider, and the Metropolitan Council must allocate funds as directed by the replacement service providers. The council is prohibited from retaining any portion of the funds under this appropriation. This is a onetime appropriation.

Notwithstanding Laws 2017, First Special Session chapter 3, article 1, section 3, the base is \$90,747,000 in fiscal year 2020 and \$90,730,000 in fiscal year 2021.

Sec. 4. DEPARTMENT OF MANAGEMENT AND BUDGET**\$9,000,000****\$-0-**

This appropriation is for reimbursement grants to deputy registrars under Minnesota Statutes, section 168.335, provided that the time period under Minnesota Statutes, section 168.335, subdivision 3, paragraph (a), clause (1), is August 1, 2017, through January 31, 2018.

\$6,265,000 in the first year is from the driver services operating account and \$2,735,000 in the first year is from the vehicle services operating account.

For the appropriation in the first year, the commissioner of management and budget must make efforts to reimburse deputy registrars within 30 days of the effective date of this section.

The base from the general fund is \$9,000,000 in each of fiscal years 2020 and 2021. The base from the driver services operating account is \$0 in each of fiscal years 2020 and 2021. The base from the vehicle services operating account is \$0 in each of fiscal years 2020 and 2021.

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

Sec. 5. Laws 2017, First Special Session chapter 3, article 1, section 2, subdivision 2, is amended to read:

Subd. 2. Multimodal Systems

(a) Aeronautics

(1) Airport Development and Assistance	26,001,000	16,598,000
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This appropriation is from the state airports fund and must be spent according to Minnesota Statutes, section 360.305, subdivision 4.

Notwithstanding Minnesota Statutes, section 16A.28, subdivision 6, this appropriation is available for five years after the year of the appropriation. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$6,619,000 in the first year is for a grant to the Duluth Airport Authority for improvements at the Duluth International Airport and the Sky Harbor Airport in accordance with Minnesota Statutes, section 360.017. For the purposes of this appropriation, the commissioner may waive the requirements of Minnesota Statutes, section 360.305, subdivision 4, paragraph (b). This appropriation may be used to reimburse the Authority for costs incurred after March 1, 2015. This is a onetime appropriation.

\$2,334,000 in the first year is for a grant to the city of Rochester for improvements to the passenger terminal building at the Rochester International Airport in accordance with Minnesota Statutes, section 360.017. For the purposes of this appropriation, the commissioner of transportation may waive the requirements of Minnesota Statutes, section 360.305, subdivision 4, paragraph (b). This appropriation may be used to reimburse the city for costs incurred after May 1, 2016. This is a onetime appropriation.

Notwithstanding Minnesota Statutes, section 360.017, \$250,000 in the first year is for a grant to the city of St. Cloud for an air transport optimization planning study for the St. Cloud Regional Airport. The study must be comprehensive and market-based, using economic development and air service expertise to research, analyze, and develop models and strategies that maximize the return on investments made to enhance the use and impact of the St. Cloud Regional Airport. By January 5, 2018, the city of St. Cloud shall submit a report to the governor and the members and staff of the legislative committees with jurisdiction over capital investment, transportation, and economic development with recommendations based on the findings of the study. This is a onetime appropriation.

If the commissioner of transportation determines that a balance remains in the state airports fund following the appropriations made in this article and that the appropriations made are

insufficient for advancing airport development and assistance projects, an amount necessary to advance the projects, not to exceed the balance in the state airports fund, is appropriated in each year to the commissioner and must be spent according to Minnesota Statutes, section 360.305, subdivision 4. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation must notify the commissioner of management and budget and the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance concerning the funds appropriated. Funds appropriated under this contingent appropriation do not adjust the base for fiscal years 2020 and 2021.

The base is \$15,298,000 in each of fiscal years 2020 and 2021.

(2) Aviation Support and Services	6,710,000	6,854,000
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Appropriations by Fund

	2018	2019
Airports	5,231,000	5,231,000
Trunk Highway	1,479,000	1,623,000

(3) Civil Air Patrol	3,580,000	80,000
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This appropriation is from the state airports fund for the Civil Air Patrol.

\$3,500,000 in the first year is for a grant to: (1) perform site selection and analysis; (2) purchase, renovate a portion of and, or construct an addition to the training and maintenance facility located at the South St. Paul airport, facilities; and to (3) furnish and equip the facility facilities, including communications equipment. If the Civil Air Patrol purchases an existing facility, predesign requirements are waived. The facilities must be located at an airport in Minnesota. Notwithstanding the matching requirements in Minnesota Statutes, section 360.305, subdivision 4, a nonstate contribution is not required for this appropriation. Notwithstanding Minnesota Statutes, section 16A.28, subdivision 6, this appropriation is available for ~~five~~ six years after the year of the appropriation. This is a onetime appropriation.

(b) Transit	1,416,000	18,268,000
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Appropriations by Fund

	2018	2019
General	570,000	17,395,000
Trunk Highway	846,000	873,000

\$150,000 in each year is from the general fund for grants to transportation management organizations that provide services exclusively or primarily in the city located along the marked Interstate Highway 494 corridor having the highest population as of the effective date of this section. The commissioner must not retain any portion of the funds appropriated under this section. From the appropriation in each fiscal year, the commissioner must make grant payments in full by July 31. Permissible uses of funds under this grant include administrative expenses and programming and service expansion, including but not limited to staffing, communications, outreach and education program development, and operations management. This is a onetime appropriation.

The base from the general fund is \$17,245,000 in each year for fiscal years 2020 and 2021.

(c) Safe Routes to School	500,000	500,000
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This appropriation is from the general fund for the safe routes to school program under Minnesota Statutes, section 174.40.

(d) Passenger Rail	500,000	500,000
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This appropriation is from the general fund for passenger rail system planning, alternatives analysis, environmental analysis, design, and preliminary engineering under Minnesota Statutes, sections 174.632 to 174.636.

(e) **Freight**

Freight and Commercial Vehicle Operations	8,506,000	6,578,000
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Appropriations by Fund

	2018	2019
General	3,156,000	1,056,000
Trunk Highway	5,350,000	5,522,000

\$1,100,000 in the first year is from the general fund for port development assistance grants under Minnesota Statutes, chapter 457A, to the city of Red Wing and to the Port Authority of Winona. Any improvements made with the proceeds of the grants must be publicly owned. This is a onetime appropriation and is available in the second year.

\$800,000 in each year is from the general fund for additional rail safety and rail service activities.

\$1,000,000 in the first year is from the general fund for a grant to the city of Grand Rapids to fund rail planning studies, design, and preliminary engineering relating to the construction of a freight rail line located in the counties of Itasca, St. Louis, and Lake to serve local producers and shippers. The city of Grand Rapids shall collaborate with the Itasca Economic Development Corporation and the Itasca County Regional Railroad Authority in the activities funded with the proceeds of this grant. This is a onetime appropriation and is available until June 30, 2019.

Sec. 6. Laws 2017, First Special Session chapter 3, article 1, section 4, subdivision 1, is amended to read:

Subdivision 1. Total Appropriation	\$199,838,000	\$ 199,407,000 <u>198,041,000</u>
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Appropriations by Fund

	2018	2019
General	19,971,000	14,381,000
Special Revenue	63,945,000	65,087,000
H.U.T.D.	10,474,000	10,486,000 <u>9,120,000</u>
Trunk Highway	105,448,000	109,453,000

The appropriations in this section are to the commissioner of public safety. The amounts that may be spent for each purpose are specified in the following subdivisions.

Sec. 7. Laws 2017, First Special Session chapter 3, article 1, section 4, subdivision 2, is amended to read:

Subd. 2. **Administration and Related Services**

(a) Office of Communications	553,000	573,000
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Appropriations by Fund

	2018	2019
General	127,000	130,000
Trunk Highway	426,000	443,000

(b) Public Safety Support	6,372,000	6,569,000 <u>5,203,000</u>
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Appropriations by Fund

	2018	2019
General	1,225,000	1,235,000
H.U.T.D.	1,366,000	1,366,000 <u>-0-</u>
Trunk Highway	3,781,000	3,968,000

(c) Public Safety Officer Survivor Benefits	640,000	640,000
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This appropriation is from the general fund for payment of public safety officer survivor benefits under Minnesota Statutes, section 299A.44.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

(d) Public Safety Officer Reimbursements	1,367,000	1,367,000
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This appropriation is from the general fund to be deposited in the public safety officer's benefit account. This money is available for reimbursements under Minnesota Statutes, section 299A.465.

(e) Soft Body Armor Reimbursements	700,000	700,000
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Appropriations by Fund

	2018	2019
General	600,000	600,000
Trunk Highway	100,000	100,000

This appropriation is for soft body armor reimbursements under Minnesota Statutes, section 299A.38.

(f) Technology and Support Service	3,777,000	3,814,000
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Appropriations by Fund

	2018	2019
General	1,353,000	1,365,000
H.U.T.D.	19,000	19,000
Trunk Highway	2,405,000	2,430,000

Sec. 8. HIGHWAY USER TAX DISTRIBUTION FUND TRANSFER.

\$75,270,000 in fiscal year 2019 is transferred from the general fund to the commissioner of transportation for deposit in the highway user tax distribution fund.

Sec. 9. RAIL SERVICE IMPROVEMENT ACCOUNT TRANSFER.

On June 30, 2018, the commissioner of transportation must transfer the entire balance in the rail service improvement account to the freight rail account in the special revenue fund. Any encumbrance from the rail service improvement account made before the transfer remains in effect from the freight rail account following the transfer.

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

Sec. 10. **DRIVER AND VEHICLE SERVICES FUND.**

(a) On July 1, 2018, the commissioner of public safety must transfer the entire account balances as follows: (1) from the driver services operating account in the special revenue fund to the driver services operating account in the driver and vehicle services fund; (2) from the vehicle services operating account in the special revenue fund to the vehicle services operating account in the driver and vehicle services fund; and (3) from the driver and vehicle services technology account in the special revenue fund to the driver and vehicle services technology account in the driver and vehicle services fund.

(b) Any encumbrance from an account identified in paragraph (a) made before the transfer remains in effect from the corresponding account following the transfer.

(c) The appropriations in fiscal year 2019 from the driver services operating account and from the vehicle services operating account under Laws 2017, First Special Session chapter 3, article 1, section 4, are available from the corresponding account in the driver and vehicle services fund under Minnesota Statutes, sections 299A.704 and 299A.705, for the purposes specified under Laws 2017, First Special Session chapter 3, article 1, section 4.

Sec. 11. **RICE CREEK RAILROAD BRIDGE.**

(a) From funds specifically made available for purposes of this section, the commissioner of transportation must provide a grant to Minnesota Commercial Railway Company to demolish the existing railroad bridge over Rice Creek in New Brighton and to predesign, design, acquire any needed right-of-way, engineer, construct, and equip a replacement railroad bridge to meet the needs of the railroad operators that use the bridge.

(b) The grant under this section is contingent on:

(1) review and approval of the railway company's design, engineering, and plans for the project by Ramsey County to ensure the project does not interfere with recreational use of adjacent park property and Rice Creek, and by the Rice Creek Watershed District to ensure that the project's impact on flows in the creek complies with the watershed district's adopted rules. These reviews and approvals are in addition to any other reviews, permits, or approvals required for the project;

(2) Minnesota Commercial Railway Company removing all structures related to the existing bridge, including any pilings, footings, or water control structures placed to protect the existing bridge structures, from the Rice Creek streambed as part of the demolition and removal of the existing bridge, except to the extent prohibited by a permitting authority, including but not limited to the Department of Natural Resources and the United States Army Corps of Engineers. The replacement bridge and structures are the property of the owner of the railroad right-of-way and railroad operator, as may be arranged between them; and

(3) Minnesota Commercial Railway Company entering into an agreement with Ramsey County that: (i) grants the company access to both construct and perform ongoing maintenance on the bridge; and (ii) provides for repair of the county trail damaged by railway maintenance work that occurred on the two years before the effective date of this section, as well as immediately after construction and any subsequent maintenance activities.

(c) By entering into a grant agreement with the commissioner of transportation, Minnesota Commercial Railway Company agrees to cooperate with the city of New Brighton and Ramsey County to develop crossings and trails in or near to the railway right-of-way in the city.

Sec. 12. EFFECT OF DUPLICATE APPROPRIATIONS.

If an appropriation in this act is enacted more than once in the 2018 legislative session for the same purpose, the appropriation must be given effect only once.

**ARTICLE 13
TRANSPORTATION BONDS****Section 1. BOND APPROPRIATIONS.**

The sums shown in the column under "Appropriations" are appropriated from the bond proceeds account in the trunk highway fund to the state agencies or officials indicated, to be spent for public purposes. Appropriations of bond proceeds must be spent as authorized by the Minnesota Constitution, articles XI and XIV. Unless otherwise specified, money appropriated in this article for a capital program or project may be used to pay state agency staff costs that are attributed directly to the capital program or project in accordance with accounting policies adopted by the commissioner of management and budget.

SUMMARY

<u>Department of Transportation</u>	<u>\$250,000,000</u>
<u>Department of Management and Budget</u>	<u>250,000</u>
<u>TOTAL</u>	<u>\$250,250,000</u>

APPROPRIATIONS**Sec. 2. DEPARTMENT OF TRANSPORTATION**

Subdivision 1. <u>Corridors of Commerce</u>	<u>\$145,000,000</u>
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This appropriation is to the commissioner of transportation for the corridors of commerce program under Minnesota Statutes, section 161.088.

The commissioner may use up to 17 percent of the amount for program delivery.

Subd. 2. <u>Trunk Highway-Rail Grade Separations</u>	<u>\$75,000,000</u>
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This appropriation is to the commissioner of transportation for trunk highway-rail grade separation projects (1) identified as priority grade separation recommendations in the final report on highway-rail grade crossing improvements submitted under Laws 2014, chapter 312, article 10, section 10; and (2) for which trunk highway bond proceeds are a permissible use. The commissioner must first prioritize grade separation projects that eliminate a skewed intersection of two trunk highways.

If any proceeds under this subdivision remain following a determination by the commissioner that sufficient resources have been committed to complete all eligible projects, the remaining amount is available for the corridors of commerce program under Minnesota Statutes, section 161.088.

Subd. 3. Transportation Facilities Capital**\$30,000,000**

This appropriation is to the commissioner of transportation for the transportation facilities capital program under Minnesota Statutes, section 174.13.

Sec. 3. BOND SALE EXPENSES**\$250,000**

This appropriation is to the commissioner of management and budget for bond sale expenses under Minnesota Statutes, sections 16A.641, subdivision 8, and 167.50, subdivision 4.

Sec. 4. BOND SALE AUTHORIZATION.

To provide the money appropriated in this article from the bond proceeds account in the trunk highway fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$250,250,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota Constitution, article XIV, section 11, at the times and in the amounts requested by the commissioner of transportation. The proceeds of the bonds, except accrued interest and any premium received from the sale of the bonds, must be deposited in the bond proceeds account in the trunk highway fund.

ARTICLE 14**TRANSPORTATION POLICY AND FINANCE**

Section 1. Minnesota Statutes 2017 Supplement, section 3.972, subdivision 4, is amended to read:

Subd. 4. Certain transit financial activity reporting. (a) The legislative auditor must perform a transit financial activity review of financial information for the Metropolitan Council's Transportation Division ~~and the joint powers board under section 297A.992. Within 14 days of the end of each fiscal quarter, two times each year.~~ The first report, due April 1, must include the quarters ending on September 30 and December 31 of the previous calendar year. The second report, due October 1, must include the quarters ending on March 31 and June 30 of the current year. The legislative auditor must submit the review to the Legislative Audit Commission and the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance, finance, and ways and means.

(b) At a minimum, each transit financial activity review must include:

(1) a summary of monthly financial statements, including balance sheets and operating statements, that shows income, expenditures, and fund balance;

(2) a list of any obligations and agreements entered into related to transit purposes, whether for capital or operating, including but not limited to bonds, notes, grants, and future funding commitments;

(3) the amount of funds in clause (2) that has been committed;

(4) independent analysis by the fiscal oversight officer of the fiscal viability of revenues and fund balance compared to expenditures, taking into account:

(i) all expenditure commitments;

(ii) cash flow;

(iii) sufficiency of estimated funds; and

(iv) financial solvency of anticipated transit projects; and

(5) a notification concerning whether the requirements under paragraph (c) have been met.

(c) The Metropolitan Council ~~and the joint powers board under section 297A.992~~ must produce monthly financial statements as necessary for the review under paragraph (b), clause (1), and provide timely information as requested by the legislative auditor.

(d) This subdivision expires April 15, 2023.

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

Sec. 2. Minnesota Statutes 2016, section 13.461, is amended by adding a subdivision to read:

Subd. 33. **Metropolitan Council special transportation service.** Data sharing between the commissioner of human services and the Metropolitan Council to administer and coordinate transportation services for individuals with disabilities and elderly individuals is governed by section 473.386, subdivision 9.

EFFECTIVE DATE. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 3. Minnesota Statutes 2016, section 13.6905, subdivision 3, is amended to read:

Subd. 3. **Motor vehicle registration.** Various data on motor vehicle registrations are classified under sections 168.327, subdivision 3, and 168.346. Use of vehicle registration data is governed by section 168.345.

Sec. 4. Minnesota Statutes 2016, section 13.72, subdivision 10, is amended to read:

Subd. 10. **Transportation service data.** (a) Personal, medical, financial, familial, or locational information data pertaining to applicants for or users of services providing transportation for ~~the disabled~~ individuals with disabilities or elderly individuals are private data on individuals.

(b) Private transportation service data may be disclosed between the commissioner of human services and the Metropolitan Council to administer and coordinate human services programs and transportation services for individuals with disabilities and elderly individuals under section 473.386.

EFFECTIVE DATE. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 5. Minnesota Statutes 2017 Supplement, section 160.02, subdivision 1a, is amended to read:

Subd. 1a. **Bikeway.** "Bikeway" ~~means a bicycle lane, bicycle path, shared use path, bicycle route, or similar bicycle facility, regardless of whether designed for the exclusive use of bicycles or for shared use with other transportation modes~~ has the meaning given in section 169.011, subdivision 9.

Sec. 6. Minnesota Statutes 2016, section 160.295, subdivision 5, is amended to read:

Subd. 5. **Rural agricultural business or tourist-oriented business.** (a) A rural agricultural or tourist-oriented business serviced by a specific service sign must be open a minimum of eight hours per day, six days per week, and 12 months per year. However,

(b) A seasonal business may qualify if it is serviced by a specific service sign must be open eight hours per day and six days per week during the normal seasonal period.

(c) A farm winery serviced by a specific service sign must:

(1) be licensed under section 340A.315;

(2) be licensed by the Department of Health under section 157.16 or by the commissioner of agriculture under section 28A.04;

(3) provide continuous, staffed food service operation; and

(4) be open at least four hours per day and two days per week.

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

Sec. 7. Minnesota Statutes 2016, section 161.115, subdivision 111, is amended to read:

Subd. 111. **Route No. 180.** Beginning at a point on Route No. ~~392 southwest or west of Ashby~~ 3 at or near Erdahl, thence extending in a general northerly or northeasterly direction to a point on ~~Route No. 153 as herein established at or near Ashby, thence extending in a northeasterly direction to a point on~~ Route No. 181 as herein established at or near Ottertail.

Sec. 8. Minnesota Statutes 2016, section 161.14, is amended by adding a subdivision to read:

Subd. 87. **Specialist Noah Pierce Bridge.** The bridge on marked U.S. Highway 53 over marked Trunk Highway 37 in the city of Eveleth is designated as "Specialist Noah Pierce Bridge." Subject to section 161.139, the commissioner shall adopt a suitable design to mark this bridge and erect appropriate signs.

Sec. 9. Minnesota Statutes 2016, section 161.14, is amended by adding a subdivision to read:

Subd. 88. **Officer Bill Mathews Memorial Highway.** That segment of marked U.S. Highway 12 within the city limits of Wayzata is designated as "Officer Bill Mathews Memorial Highway." Subject to section 161.139, the commissioner shall adopt a suitable design to mark this highway and erect appropriate signs.

Sec. 10. Minnesota Statutes 2016, section 161.14, is amended by adding a subdivision to read:

Subd. 89. **Warrant Officer Dennis A. Groth Memorial Bridge.** The bridge on marked U.S. Highway 52 over Dakota County State-Aid Highway 42, known as 145th Street within the city of Rosemount, is designated as "Warrant Officer Dennis A. Groth Memorial Bridge." Subject to section 161.139, the commissioner shall adopt a suitable design to mark the bridge and erect appropriate signs.

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

Sec. 11. Minnesota Statutes 2016, section 161.14, is amended by adding a subdivision to read:

Subd. 90. **State Trooper Ray Krueger Memorial Highway.** That segment of marked Trunk Highway 210 within Cass County is designated as "State Trooper Ray Krueger Memorial Highway." Subject to section 161.139, the commissioner shall adopt a suitable design to mark this highway and erect appropriate signs in the vicinity of the location where Trooper Krueger died.

Sec. 12. Minnesota Statutes 2016, section 161.32, subdivision 2, is amended to read:

Subd. 2. **Direct negotiation.** In cases where the estimated cost of construction work or maintenance work does not exceed ~~\$150,000~~ \$250,000, the commissioner may enter into a contract for the work by direct negotiation, by obtaining two or more quotations for the work, and without advertising for bids or otherwise complying with the requirements of competitive bidding if the total contractual obligation of the state for the directly negotiated contract or contracts on any single project does not exceed ~~\$150,000~~ \$250,000. All quotations obtained shall be kept on file for a period of at least one year after receipt of the quotation.

Sec. 13. **[161.369] INDIAN EMPLOYMENT PREFERENCE.**

(a) As authorized by United States Code, title 23, section 140(d), the commissioner of transportation may implement an Indian employment preference for members of federally recognized tribes on projects carried out under United States Code, title 23, near an Indian reservation.

(b) For purposes of this section, a project is near a reservation if: (1) the project is within the distance a person seeking employment could reasonably be expected to commute to and from each work day; or (2) the commissioner, in consultation with federally recognized Minnesota tribes, determines a project is near an Indian reservation.

Sec. 14. Minnesota Statutes 2016, section 168.10, subdivision 1h, is amended to read:

Subd. 1h. **Collector military vehicle.** (a) A motor vehicle, including a truck, shall be listed and registered under this section if it meets the following conditions:

(1) it is at least 20 years old;

(2) its first owner following its manufacture was a branch of the armed forces of the United States and it presently conforms to the vehicle specifications required during the time of military ownership, or it has been restored and presently conforms to the specifications required by a branch of the armed forces for the model year that the restored vehicle could have been owned by that branch of the armed forces; and

(3) it is owned by a nonprofit organization and operated solely as a collector's vehicle. For purposes of this subdivision, "nonprofit organization" means a corporation, society, association, foundation, or institution organized and operated exclusively for historical or educational purposes, no part of the net earnings of which inures to the benefit of a private individual.

(b) The owner of the vehicle shall execute an affidavit stating the name and address of the person from whom purchased and of the new owner; the make, year, and model number of the motor vehicle; the manufacturer's identification number; and the collector military vehicle identification number, if any, located on the exterior of the vehicle. The affidavit must affirm that the vehicle is owned by a nonprofit organization and is operated solely as a collector's item and not for general transportation purposes. If the commissioner is satisfied that the affidavit is true and correct and the owner pays a \$25 tax and the plate fee authorized under section 168.12, the commissioner shall list the vehicle for taxation and registration and shall issue number plates. The number plates shall bear the inscriptions "Collector" and "Minnesota" and the registration number, but no date. The number plates are valid without renewal as long as the vehicle is in existence in Minnesota. The commissioner may revoke the plates for failure to comply with this subdivision.

(c) Notwithstanding section 168.09, 168.12, or other law to the contrary, the owner of a registered collector military vehicle is not required to display registration plates on the exterior of the vehicle if the vehicle has an exterior number identification that conforms to the identifying system for military vehicles in effect when the vehicle was last owned by the branch of the armed forces of the United States or in effect in the year to which the collector military vehicle has been restored. However, the state registration plates must be carried in or on the collector military vehicle at all times.

(d) The owner of a registered collector military vehicle that is not required to display registration plates under paragraph (c) may tow a registered trailer behind it. The trailer is not required to display registration plates if the trailer:

- (1) does not exceed a gross weight of 15,000 pounds;
- (2) otherwise conforms to registration, licensing, and safety laws and specifications;
- (3) conforms to military specifications for appearance and identification;
- (4) is intended to represent and does represent a military trailer; and
- (5) carries registration plates on or in the trailer or the collector military vehicle towing the trailer.

(e) This subdivision does not apply to a decommissioned military vehicle that (1) was also manufactured and sold as a comparable civilian vehicle, and (2) has the same size dimensions and vehicle weight as the comparable civilian vehicle. A decommissioned military vehicle under this paragraph is eligible for a motor vehicle title under chapter 168A and is subject to the same registration, insurance, equipment, and operating requirements as a motor vehicle.

Sec. 15. Minnesota Statutes 2016, section 168.101, subdivision 2a, is amended to read:

Subd. 2a. ~~Failure to send to registrar~~ **submit within ten days.** Any person who fails to mail in the application for registration or transfer with appropriate taxes and fees to the ~~commissioner or a deputy registrar of motor vehicles,~~ or otherwise fails to submit ~~said the~~ forms and remittance ~~to the registrar,~~ within ten days following date of sale ~~shall be~~ is guilty of a misdemeanor.

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

Sec. 16. Minnesota Statutes 2016, section 168.127, subdivision 6, is amended to read:

Subd. 6. **Fee.** ~~Instead of the filing fee described in section 168.33, subdivision 7,~~ For each vehicle in the fleet, the applicant for fleet registration shall pay:

- (1) the filing fee in section 168.33, subdivision 7, for transactions processed by a deputy registrar; or
- (2) an equivalent administrative fee to the for transactions processed by the commissioner for each vehicle in the fleet, which is imposed in lieu of but in the same amount as the filing fee in section 168.33, subdivision 7.

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

Sec. 17. Minnesota Statutes 2016, section 168.326, is amended to read:

168.326 EXPEDITED DRIVER AND VEHICLE SERVICES; FEE.

(a) When an applicant requests and pays an expedited service fee of \$20, in addition to other specified and statutorily mandated fees and taxes, the commissioner or, if appropriate, a driver's license agent or deputy registrar, shall expedite the processing of an application for a driver's license, driving instruction permit, Minnesota identification card, or vehicle title transaction.

(b) A driver's license agent or deputy registrar may retain \$10 of the expedited service fee for each expedited service request processed by the licensing agent or deputy registrar.

(c) When expedited service is requested, materials must be mailed or delivered to the requester within three days of receipt of the expedited service fee excluding Saturdays, Sundays, or the holidays listed in section 645.44, subdivision 5. The requester shall comply with all relevant requirements of the requested document.

(d) The commissioner may decline to accept an expedited service request if it is apparent at the time it is made that the request cannot be granted. The commissioner must not decline an expedited service request and must not prevent a driver's license agent or deputy from accepting an expedited service request solely on the basis of limitations of the driver and vehicle services information technology system.

(e) The expedited service fees collected under this section for an application for a driver's license, driving instruction permit, or Minnesota identification card minus any portion retained by a licensing agent or deputy registrar under paragraph (b) must be paid into the driver services operating account in the special revenue fund specified under section 299A.705.

(f) The expedited service fees collected under this section for a transaction for a vehicle service minus any portion retained by a licensing agent or deputy registrar under paragraph (b) must be paid into the vehicle services operating account in the special revenue fund specified under section 299A.705.

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

Sec. 18. Minnesota Statutes 2016, section 168.33, is amended by adding a subdivision to read:

Subd. 8b. Transactions by mail. A deputy registrar may receive motor vehicle applications and submissions under this chapter and chapter 168A by mail, process the transactions, and retain the appropriate filing fee under subdivision 7.

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

Sec. 19. **[168.335] DEPUTY REGISTRAR REIMBURSEMENTS.**

Subdivision 1. Reimbursement grants. (a) By August 1 of a fiscal year in which funds are specifically made available for purposes of this section, the commissioner of management and budget must provide reimbursement grants to deputy registrars.

(b) The commissioner must use existing resources to administer the reimbursements.

Subd. 2. Eligibility. A deputy registrar office operated by the state is not eligible to receive funds under this section.

Subd. 3. **Aid distribution.** (a) The reimbursement grant to each deputy registrar, as identified by the Driver and Vehicle Services-designated office location number, is calculated as follows:

(1) 50 percent of available funds allocated proportionally based on (i) the number of transactions where a filing fee under section 168.33, subdivision 7, is retained by each deputy registrar during the preceding fiscal year, compared to (ii) the total number of transactions where a filing fee is retained by all deputy registrars during that time period; and

(2) 50 percent of available funds allocated proportionally based on (i) the number of transactions where a filing fee is retained by each deputy registrar from July 1, 2014, through June 30, 2017, compared to (ii) the total number of transactions where a filing fee is retained by all deputy registrars during that time period.

(b) For a deputy registrar appointed after July 1, 2014, the commissioner of management and budget must identify whether a corresponding discontinued deputy registrar appointment exists. If a corresponding discontinued deputy registrar is identified, the commissioner must include the transactions of the discontinued deputy registrar in the calculations under paragraph (a) for the deputy registrar appointed after July 1, 2014.

(c) For a deputy registrar appointed after July 1, 2014, for which paragraph (b) does not apply, the commissioner of management and budget must calculate that deputy registrar's proportional share under paragraph (a), clause (2), based on the average number of transactions where a filing fee is retained among the deputy registrars, as calculated excluding any deputy registrars for which this paragraph applies.

(d) In the calculations under paragraph (a), the commissioner of management and budget must exclude transactions for (1) a deputy registrar office operated by the state, and (2) a discontinued deputy registrar for which paragraph (b) does not apply.

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

Sec. 20. Minnesota Statutes 2016, section 168.345, subdivision 2, is amended to read:

Subd. 2. **Lessees; information.** The commissioner may not furnish information about registered owners of passenger automobiles who are lessees under a lease for a term of 180 days or more to any person except the personnel of law enforcement agencies ~~and, trade associations performing a member service under section 604.15, subdivision 4a,~~ federal, state, and local governmental units, and, at the commissioner's discretion, to persons who use the information to notify lessees of automobile recalls. The commissioner may release information about lessees in the form of summary data, as defined in section 13.02, to persons who use the information in conducting statistical analysis and market research.

Sec. 21. Minnesota Statutes 2016, section 168A.02, subdivision 1, is amended to read:

Subdivision 1. **Application for certificate of title.** (a) Except as provided in section 168A.03, every owner of a vehicle which is in this state and for which no currently effective certificate of title has been issued in this state shall make application to the department for a certificate of title of the vehicle, pursuant to rules adopted by the department under section 168A.24, subdivision 2, clause 3 ~~(3)~~.

(b) A decommissioned military vehicle that (1) was also manufactured and sold as a comparable civilian vehicle, and (2) has the same size dimensions and vehicle weight as the comparable civilian vehicle, is eligible for a certificate of title under this chapter.

Sec. 22. Minnesota Statutes 2016, section 168A.151, subdivision 1, is amended to read:

Subdivision 1. **Salvage titles.** (a) When an insurer, licensed to conduct business in Minnesota, acquires ownership of a ~~late model or high value~~ vehicle through payment of damages, the insurer shall immediately apply for a salvage certificate of title or shall stamp the existing certificate of title with the legend "SALVAGE CERTIFICATE OF TITLE" in a manner prescribed by the department. Within ten days of obtaining the title of a vehicle through payment of damages, an insurer must notify the department in a manner prescribed by the department.

(b) A person shall immediately apply for a salvage certificate of title if the person acquires a damaged ~~late model or high value~~ vehicle with an out-of-state title and the vehicle:

- (1) is a vehicle that was acquired by an insurer through payment of damages;
- (2) is a vehicle for which the cost of repairs exceeds the value of the damaged vehicle; or
- (3) has an out-of-state salvage certificate of title as proof of ownership.

(c) A self-insured owner of a ~~late model or high value~~ vehicle that sustains damage by collision or other occurrence which exceeds 80 percent of its actual cash value shall immediately apply for a salvage certificate of title.

Sec. 23. Minnesota Statutes 2016, section 168A.29, subdivision 1, is amended to read:

Subdivision 1. **Amounts.** (a) The department must be paid the following fees:

- (1) for filing an application for and the issuance of an original certificate of title, ~~the sum of:~~

~~(i) until December 31, 2016, \$6.25 of which \$3.25 must be paid into the vehicle services operating account of the special revenue fund under section 299A.705, and from July 1, 2012, to June 30, 2016, a surcharge of \$1 must be added to the fee and credited to the driver and vehicle services technology account; and~~

~~(ii) on and after January 1, 2017, \$8.25, of which \$4.15 must be paid into the vehicle services operating account under section 299A.705;~~

(2) for each security interest when first noted upon a certificate of title, including the concurrent notation of any assignment thereof and its subsequent release or satisfaction, ~~the sum of \$2~~, except that no fee is due for a security interest filed by a public authority under section 168A.05, subdivision 8;

~~(3) until December 31, 2016, for the transfer of the interest of an owner and the issuance of a new certificate of title, the sum of \$5.50 of which \$2.50 must be paid into the vehicle services operating account of the special revenue fund under section 299A.705, and from July 1, 2012, to June 30, 2016, a surcharge of \$1 must be added to the fee and credited to the driver and vehicle services technology account;~~

~~(4) (3)~~ for each assignment of a security interest when first noted on a certificate of title, unless noted concurrently with the security interest, ~~the sum of \$1~~; and

~~(5) (4)~~ for issuing a duplicate certificate of title, ~~the sum of \$7.25, of which \$3.25 must be paid into the vehicle services operating account of the special revenue fund under section 299A.705; from July 1, 2012, to June 30, 2016, a surcharge of \$1 must be added to the fee and credited to the driver and vehicle services technology account.~~

(b) In addition to the fee required under paragraph (a), clause (1), the department must be paid \$3.50. The additional \$3.50 fee collected under this paragraph must be deposited in the special revenue fund and credited to the public safety motor vehicle account established in section 299A.70.

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

Sec. 24. Minnesota Statutes 2016, section 169.011, subdivision 5, is amended to read:

Subd. 5. **Bicycle lane.** "Bicycle lane" means a portion of a roadway ~~or shoulder~~ designed for exclusive or preferential use by persons using bicycles. Bicycle lanes are to be distinguished from the portion of the roadway ~~or shoulder~~ used for motor vehicle traffic by physical barrier, striping, marking, or other similar device.

Sec. 25. Minnesota Statutes 2016, section 169.011, subdivision 9, is amended to read:

Subd. 9. **Bikeway.** "Bikeway" means a bicycle lane, bicycle path, ~~or~~ bicycle route, shared use path, or similar bicycle facility, regardless of whether it is designed for the exclusive use of bicycles or ~~is to be for~~ shared use with other transportation modes.

Sec. 26. Minnesota Statutes 2016, section 169.011, subdivision 60, is amended to read:

Subd. 60. **Railroad train.** "Railroad train" means a steam engine, electric or other motor, with or without cars coupled thereto, operated upon rails, except streetcars. Railroad train includes on-track equipment or other rolling stock operated upon rails, whether the on-track equipment or rolling stock is self-propelled or coupled to another device.

Sec. 27. Minnesota Statutes 2016, section 169.18, subdivision 3, is amended to read:

Subd. 3. **Passing.** ~~The following rules shall govern the overtaking and passing of vehicles proceeding in the same direction, subject to the limitations, exceptions, and special rules hereinafter stated:~~

~~(1) (a)~~ (a) The driver of a vehicle overtaking another vehicle proceeding in the same direction ~~shall~~ must pass to the left ~~thereof of the other vehicle~~ at a safe distance and ~~shall not again drive~~ is prohibited from returning to the right side of the roadway until safely clear of the overtaken vehicle; ~~and~~.

~~(2) (b)~~ (b) Except when overtaking and passing on the right is permitted, the driver of an overtaken vehicle ~~shall~~ must give way to the right in favor of the overtaking vehicle ~~on audible warning, and shall~~ must not increase the speed ~~of the overtaken vehicle~~ until completely passed by the overtaking vehicle; ~~and~~.

~~(3) (c)~~ (c) The operator of a motor vehicle overtaking a bicycle or individual proceeding in the same direction on the roadway ~~shall leave or shoulder~~ must:

(1) either (i) maintain a safe clearance distance while passing, but in no case less than three feet clearance, when passing the bicycle or individual or one-half the width of the motor vehicle, whichever is greater; or (ii) completely enter another lane of the roadway while passing; and shall

(2) maintain clearance until the motor vehicle has safely past passed the overtaken bicycle or individual.

Sec. 28. Minnesota Statutes 2016, section 169.222, subdivision 1, is amended to read:

Subdivision 1. **Traffic laws apply.** (a) Every person operating a bicycle ~~shall have~~ has all of the rights and duties applicable to the driver of any other vehicle by this chapter, except in respect to those provisions in this chapter relating expressly to bicycles and in respect to those provisions of this chapter which by their nature cannot reasonably be applied to bicycles. This subdivision applies to a bicycle operating on the shoulder of a roadway.

(b) A person lawfully operating a bicycle (1) on a sidewalk, or (2) across a roadway or shoulder on a crosswalk, has all the rights and duties applicable to a pedestrian under the same circumstances.

Sec. 29. Minnesota Statutes 2016, section 169.222, subdivision 4, is amended to read:

Subd. 4. **Riding rules.** (a) Every person operating a bicycle ~~upon a roadway shall~~ on a road must ride as close as practicable to the right-hand curb or edge of the roadway ~~except under any of the following situations~~ road as the bicycle operator determines is safe. A person operating a bicycle is not required to ride as close to the right-hand curb when:

(1) ~~when~~ overtaking and passing another vehicle proceeding in the same direction;

(2) ~~when~~ preparing for a left turn at an intersection or into a private road or driveway;

(3) ~~when~~ reasonably necessary to avoid conditions that make it unsafe to continue along the right-hand curb or edge, including fixed or moving objects, vehicles, pedestrians, animals, surface hazards, or narrow width lanes, ~~that make it unsafe to continue along the right-hand curb or edge; or~~

(4) ~~when~~ operating on the shoulder of a roadway or in a bicycle lane; or

(5) operating in a right-hand turn lane before entering an intersection.

(b) If a bicycle is traveling on a shoulder of a roadway, the bicycle ~~shall~~ operator must travel in the same direction as adjacent vehicular traffic.

(c) Persons riding bicycles upon a roadway or shoulder shall not ride more than two abreast and shall not impede the normal and reasonable movement of traffic and, on a laned roadway, shall ride within a single lane.

(d) A person operating a bicycle upon a sidewalk, or across a roadway or shoulder on a crosswalk, shall yield the right-of-way to any pedestrian and shall give an audible signal when necessary before overtaking and passing any pedestrian. No person shall ride a bicycle upon a sidewalk within a business district unless permitted by local authorities. Local authorities may prohibit the operation of bicycles on any sidewalk or crosswalk under their jurisdiction.

(e) An individual operating a bicycle or other vehicle on a bikeway shall leave a safe distance when overtaking a bicycle or individual proceeding in the same direction on the bikeway, and shall maintain clearance until safely past the overtaken bicycle or individual.

~~(f) A person lawfully operating a bicycle on a sidewalk, or across a roadway or shoulder on a crosswalk, shall have all the rights and duties applicable to a pedestrian under the same circumstances.~~

~~(g)~~ (f) A person may operate an electric-assisted bicycle on the shoulder of a roadway, on a bikeway, or on a bicycle trail if not otherwise prohibited under section 85.015, subdivision 1d; 85.018, subdivision 2, paragraph (d); or 160.263, subdivision 2, paragraph (b), as applicable.

(g) Notwithstanding section 169.06, subdivision 4, a bicycle operator may cross an intersection proceeding from a dedicated right-hand turn lane without turning right.

Sec. 30. Minnesota Statutes 2016, section 169.26, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** (a) Except as provided in section 169.28, subdivision 1, when any person driving a vehicle approaches a railroad grade crossing under any of the circumstances stated in this paragraph, the driver shall stop the vehicle not less than ten feet from the nearest railroad track and shall not proceed until safe to do so and until the roadway is clear of traffic so that the vehicle can proceed without stopping until the rear of the vehicle is at least ten feet past the farthest railroad track. These requirements apply when:

- (1) a clearly visible electric or mechanical signal device warns of the immediate approach of a railroad train; or
- (2) an approaching railroad train is plainly visible and is in hazardous proximity.

(b) The fact that a moving railroad train approaching a railroad grade crossing is visible from the crossing is prima facie evidence that it is not safe to proceed.

(c) The driver of a vehicle shall stop and remain stopped and not traverse the grade crossing when a human flagger signals the approach or passage of a railroad train or when a crossing gate is lowered warning of the immediate approach or passage of a railroad train. No person may drive a vehicle past a flagger at a railroad crossing until the flagger signals that the way is clear to proceed or drive a vehicle past a lowered crossing gate.

Sec. 31. Minnesota Statutes 2016, section 169.28, is amended to read:

169.28 CERTAIN VEHICLES TO STOP AT RAILROAD CROSSING.

Subdivision 1. **Requirements.** (a) The driver of any motor vehicle carrying passengers for hire, or of any school bus whether carrying passengers or not, or of any Head Start bus whether carrying passengers or not, or of any vehicle that is required to stop at railroad grade crossings under Code of Federal Regulations, title 49, section 392.10, before crossing at grade any track or tracks of a railroad, shall stop the vehicle not less than 15 feet nor more than 50 feet from the nearest rail of the railroad and while so stopped shall listen and look in both directions along the track for any approaching railroad train, and for signals indicating the approach of a railroad train, except as ~~hereinafter~~ otherwise provided, and in this section. The driver shall not proceed until safe to do so and until the roadway is clear of traffic so that the vehicle can proceed without stopping until the rear of the vehicle is at least ten feet past the farthest railroad track. The driver must not shift gears while crossing the railroad tracks.

(b) A school bus or Head Start bus shall not be flagged across railroad grade crossings except at those railroad grade crossings that the local school administrative officer may designate.

(c) A type III vehicle, as defined in section 169.011, is exempt from the requirement of school buses to stop at railroad grade crossings.

(d) The requirements of this subdivision do not apply to the crossing of light rail vehicle track or tracks that are located in a public street when:

- (1) the crossing occurs within the intersection of two or more public streets;
- (2) the intersection is controlled by a traffic-control signal; and

(3) the intersection is marked with signs indicating to drivers that the requirements of this subdivision do not apply. Notwithstanding any other provision of law, the owner or operator of the track or tracks is authorized to place, maintain, and display the signs upon and in the view of the public street or streets.

Subd. 2. **Exempt crossing.** (a) The commissioner may designate a crossing as an exempt crossing:

- (1) if the crossing is on a rail line on which service has been abandoned;
- (2) if the crossing is on a rail line that carries fewer than five trains each year, traveling at speeds of ten miles per hour or less; or
- (3) as agreed to by the operating railroad and the Department of Transportation, following a diagnostic review of the crossing.

(b) The commissioner shall direct the railroad to erect at the crossing signs bearing the word "Exempt" that conform to section 169.06. The installation or presence of an exempt sign does not relieve a driver of the duty to use due care.

(c) A railroad train must not proceed across an exempt crossing unless a police officer is present to direct traffic or a railroad employee is on the ground to warn traffic until the railroad train enters the crossing.

~~(e)~~ (d) A vehicle that must stop at grade crossings under subdivision 1 is not required to stop at a marked exempt crossing unless directed otherwise by a police officer or a railroad employee.

Sec. 32. Minnesota Statutes 2016, section 169.29, is amended to read:

169.29 CROSSING RAILROAD TRACKS WITH CERTAIN EQUIPMENT.

(a) No person shall operate or move any caterpillar tractor, steam shovel, derrick, roller, or any equipment or structure having a normal operating speed of six or less miles per hour or a vertical body or load clearance of less than nine inches above the level surface of a roadway upon or across any tracks at a railroad grade crossing without first complying with this section.

(b) Before making any crossing, the person operating or moving any vehicle or equipment set forth in this section shall first stop the same not less than ten, nor more than 50, feet from the nearest rail of the railway, and while so stopped shall listen and look in both directions along the track for any approaching railroad train and for signals indicating the approach of a railroad train, and shall not proceed until the crossing can be made safely.

(c) No crossing shall be made when warning is given by automatic signal or crossing gates or a flagger or otherwise of the immediate approach of a railroad train or car.

(d) No stop need be made at a crossing on a rail line on which service has been abandoned and where a sign erected in conformance with section 169.06 and bearing the word "Exempt" has been installed, unless directed otherwise by a flagger. The installation or presence of an exempt sign shall not relieve any driver of the duty to use due care.

Sec. 33. Minnesota Statutes 2016, section 169.345, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For the purpose of section 168.021 and this section, the following terms have the meanings given them in this subdivision.

(b) "Health professional" means a licensed physician, licensed physician assistant, advanced practice registered nurse, licensed physical therapist, or licensed chiropractor.

(c) "Long-term certificate" means a certificate issued for a period greater than 12 months but not greater than 71 months.

(d) "Organization certificate" means a certificate issued to an entity other than a natural person for a period of three years.

(e) "Permit" refers to a permit that is issued for a period of 30 days, in lieu of the certificate referred to in subdivision 3, while the application is being processed.

(f) "Physically disabled person" means a person who:

(1) because of disability cannot walk without significant risk of falling;

(2) because of disability cannot walk 200 feet without stopping to rest;

(3) because of disability cannot walk without the aid of another person, a walker, a cane, crutches, braces, a prosthetic device, or a wheelchair;

(4) is restricted by a respiratory disease to such an extent that the person's forced (respiratory) expiratory volume for one second, when measured by spirometry, is less than one liter;

(5) has an arterial oxygen tension (PaO₂) of less than 60 mm/Hg on room air at rest;

(6) uses portable oxygen;

(7) has a cardiac condition to the extent that the person's functional limitations are classified in severity as class III or class IV according to standards set by the American Heart Association;

(8) has lost an arm or a leg and does not have or cannot use an artificial limb; or

(9) has a disability that would be aggravated by walking 200 feet under normal environmental conditions to an extent that would be life threatening.

(g) "Short-term certificate" means a certificate issued for a period greater than six months but not greater than 12 months.

(h) "Six-year certificate" means a certificate issued for a period of six years.

(i) "Temporary certificate" means a certificate issued for a period not greater than six months.

Sec. 34. Minnesota Statutes 2016, section 169.4503, subdivision 5, is amended to read:

Subd. 5. **Colors.** Fenderettes may be black. The beltline may be painted yellow over black or black over yellow. The rub rails ~~shall~~ must be black ~~or yellow~~. The area around the lenses of alternately flashing signal lamps extending outward from the edge of the lamp three inches, plus or minus one-quarter inch, to the sides and top and at least one inch to the bottom, ~~shall~~ must be black. Visors or hoods, black in color, with a minimum of four inches may be provided.

Sec. 35. Minnesota Statutes 2016, section 169.81, is amended by adding a subdivision to read:

Subd. 11. Automobile transporter. (a) For purposes of this subdivision, the following terms have the meanings given them:

(1) "automobile transporter" means any vehicle combination designed and used to transport assembled highway vehicles, including truck camper units;

(2) "stinger-steered combination automobile transporter" means a truck tractor semitrailer having the fifth wheel located on a drop frame located behind and below the rear-most axle of the power unit; and

(3) "backhaul" means the return trip of a vehicle transporting cargo or general freight, especially when carrying goods back over all or part of the same route.

(b) Stinger-steered combination automobile transporters having a length of 80 feet or less may be operated on interstate highways and other highways designated in this section, and in addition may carry a load that extends the length by four feet or less in the front of the vehicle and six feet or less in the rear of the vehicle.

(c) An automobile transporter may transport cargo or general freight on a backhaul, provided it complies with weight limitations for a truck tractor and semitrailer combination under section 169.824.

Sec. 36. Minnesota Statutes 2016, section 169.8261, subdivision 2, is amended to read:

Subd. 2. Conditions. (a) A vehicle or combination of vehicles described in subdivision 1 must:

(1) comply with seasonal load restrictions in effect between the dates set by the commissioner under section 169.87, subdivision 2;

(2) comply with bridge load limits posted under section 169.84;

(3) be equipped and operated with six or more axles and brakes on all wheels;

(4) not exceed 90,000 pounds gross vehicle weight, or 99,000 pounds gross vehicle weight during the time when seasonal increases are authorized under section 169.826;

(5) not be operated on interstate highways;

(6) obtain an annual permit from the commissioner of transportation;

(7) obey all road postings; and

(8) not exceed 20,000 pounds gross weight on any single axle.

(b) A vehicle operated under this section may exceed the legal axle weight limits listed in section 169.824 by not more than 12.5 percent; except that, the weight limits may be exceeded by not more than 23.75 percent during the time when seasonal increases are authorized under section 169.826, subdivision 1.

(c) Notwithstanding paragraph (a), clause (5), a vehicle or combination of vehicles hauling raw or unfinished forest products may also operate on the segment of marked Interstate Highway 35 provided under United States Code, title 23, section 127(q)(2)(D).

Sec. 37. Minnesota Statutes 2017 Supplement, section 169.829, subdivision 4, is amended to read:

Subd. 4. **Certain emergency vehicles.** (a) The provisions of sections 169.80 to 169.88 governing size, weight, and load do not apply to a fire apparatus, a law enforcement special response vehicle, or a licensed land emergency ambulance service vehicle.

(b) Emergency vehicles designed to transport personnel and equipment to support the suppression of fires and to mitigate other hazardous situations are subject to the following weight limitations when operated on an interstate highway: (1) 24,000 pounds on a single steering axle; (2) 33,500 pounds on a single drive axle; (3) 52,000 pounds on a tandem rear drive steer axle; and (4) 62,000 pounds on a tandem axle. The gross weight of an emergency vehicle operating on an interstate highway must not exceed 86,000 pounds.

Sec. 38. Minnesota Statutes 2016, section 169.829, is amended by adding a subdivision to read:

Subd. 5. **Sewage septic tank trucks.** (a) Sections 169.823 and 169.826 to 169.828 do not apply to a sewage septic tank truck used exclusively to transport sewage from septic or holding tanks.

(b) The weight limitations under section 169.824 are increased by ten percent for a single-unit vehicle transporting sewage from the point of service to (1) another point of service, or (2) the point of unloading.

(c) Notwithstanding sections 169.824, subdivision 1, paragraph (d); 169.826, subdivision 3; or any other law to the contrary, a permit is not required to operate a vehicle under this subdivision.

(d) The seasonal weight increases under section 169.826, subdivision 1, do not apply to a vehicle operated under this subdivision.

(e) A vehicle operated under this subdivision is subject to bridge load limits posted under section 169.84.

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

Sec. 39. Minnesota Statutes 2016, section 169.87, subdivision 6, is amended to read:

Subd. 6. **Recycling and garbage vehicles.** (a) Except as provided in paragraph (b) While a vehicle is engaged in the type of collection the vehicle was designed to perform, weight restrictions imposed under subdivisions 1 and 2 do not apply to:

(1) a vehicle that does not exceed 20,000 pounds per single axle and is designed and used exclusively for recycling, while engaged in recycling operating in a political subdivision that mandates curbside recycling pickup;

(b) Weight restrictions imposed under subdivisions 1 and 2 do not apply to: (1) (2) a vehicle that does not exceed 14,000 pounds per single axle and is used exclusively for recycling as described in paragraph (a);

(2) (3) a vehicle that does not exceed 14,000 pounds per single axle and is designed and used exclusively for collecting mixed municipal solid waste, as defined in section 115A.03, subdivision 21, while engaged in such collection; or

(3) (4) a portable toilet service vehicle that does not exceed 14,000 pounds per single axle or 26,000 pounds gross vehicle weight, and is designed and used exclusively for collecting liquid waste from portable toilets, while engaged in such collection; or

(5) a sewage septic tank truck that is designed and used exclusively to haul sewage from septic or holding tanks.

~~(e) (b)~~ Notwithstanding section 169.80, subdivision 1, ~~a violation of the owner or operator of a vehicle that violates the weight restrictions imposed under subdivisions 1 and 2 by a vehicle designed and used exclusively for recycling while engaged in recycling in a political subdivision that mandates curbside recycling pickup while engaged in such collection, by a vehicle that is designed and used exclusively for collecting mixed municipal solid waste as defined in section 115A.03, subdivision 21, while engaged in such collection, or by a portable toilet service vehicle that is designed and used exclusively for collecting liquid waste from portable toilets, while engaged in such collection,~~ is not subject to criminal penalties but is subject to a civil penalty for excess weight under section 169.871 if the vehicle (1) meets the requirements under paragraph (a), and (2) is engaged in the type of collection the vehicle was designed to perform.

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

Sec. 40. Minnesota Statutes 2016, section 169.974, subdivision 2, is amended to read:

Subd. 2. **License endorsement and permit requirements.** (a) No person shall operate a motorcycle on any street or highway without having a valid driver's license with a two-wheeled vehicle endorsement as provided by law. A person may operate an autocycle without a two-wheeled vehicle endorsement, provided the person has a valid driver's license issued under section 171.02.

(b) The commissioner of public safety shall issue a two-wheeled vehicle endorsement only if the applicant (1) has in possession a valid two-wheeled vehicle instruction permit as provided in paragraph (c), (2) has passed a written examination and road test administered by the Department of Public Safety for the endorsement, and (3) in the case of applicants under 18 years of age, presents a certificate or other evidence of having successfully completed an approved two-wheeled vehicle driver's safety course in this or another state, in accordance with rules adopted by the commissioner of public safety for courses offered by a public, private, or commercial school or institute. The commissioner of public safety may waive the road test for any applicant on determining that the applicant possesses a valid license to operate a two-wheeled vehicle issued by a jurisdiction that requires a comparable road test for license issuance.

(c) The commissioner of public safety shall issue a two-wheeled vehicle instruction permit to any person over 16 years of age who (1) is in possession of a valid driver's license, (2) is enrolled in an approved two-wheeled vehicle driver's safety course, and (3) has passed a written examination for the permit and paid a fee prescribed by the commissioner of public safety. A two-wheeled vehicle instruction permit is effective for one year and may be renewed under rules prescribed by the commissioner of public safety.

(d) No person who is operating by virtue of a two-wheeled vehicle instruction permit shall:

(1) carry any passengers on the streets and highways of this state on the motorcycle while the person is operating the motorcycle;

(2) drive the motorcycle at night; or

~~(3) drive the motorcycle on any highway marked as an interstate highway pursuant to title 23 of the United States Code; or~~

~~(4) (3)~~ drive the motorcycle without wearing protective headgear that complies with standards established by the commissioner of public safety.

(e) Notwithstanding paragraphs (a) to (d), the commissioner of public safety may issue a special motorcycle permit, restricted or qualified as the commissioner of public safety deems proper, to any person demonstrating a need for the permit and unable to qualify for a driver's license.

Sec. 41. **[174.13] TRANSPORTATION FACILITIES CAPITAL PROGRAM.**

Subdivision 1. Program established. (a) A transportation facilities capital program is established to prioritize among eligible projects that:

- (1) support the programmatic mission of the department;
- (2) extend the useful life of existing buildings; or
- (3) renovate or construct facilities to meet the department's current and future operational needs.

(b) Projects under the transportation facilities capital program may be funded by proceeds from the sale of trunk highway bonds or from other funds appropriated for the purposes of this section.

Subd. 2. Accounts. (a) A transportation facilities capital account is established in the trunk highway fund. The account consists of all money made available from the trunk highway fund for the purposes of this section and any other money donated, allotted, transferred, or otherwise provided to the account by law. Money in the account is appropriated to the commissioner for the purposes specified and consistent with the standards and criteria set forth in this section.

(b) A transportation facilities capital account is established in the bond proceeds account of the trunk highway fund. The account consists of trunk highway bond proceeds appropriated to the commissioner for the transportation facilities capital program. Money in the account may only be expended on trunk highway purposes, which includes the purposes in this section.

Subd. 3. Standards. (a) The legislature finds that many projects for preservation and replacement of portions of existing capital assets constitute the construction, improvement, and maintenance of the public highway system within the meaning of the Minnesota Constitution, article XIV, section 11, and capital expenditures under generally accepted accounting principles as applied to public expenditures. Projects can be financed more efficiently and economically under the program than by direct appropriations for specific projects.

(b) When allocating funding under this section, the commissioner must review the projects deemed eligible under subdivision 4 and prioritize allocations using the criteria in subdivision 5. Money allocated to a specific project in an appropriation or other law must be allocated as provided by the law.

Subd. 4. Eligible expenditures; limitations. (a) A project is eligible under this section only if it is a capital expenditure on a capital building asset owned or to be owned by the state within the meaning of generally accepted accounting principles as applied to public expenditures.

(b) Capital budget expenditures that are eligible under this section include but are not limited to: (1) acquisition of land and buildings; and (2) the predesign, engineering, construction, furnishing and equipping of district headquarter buildings, truck stations, salt storage or other unheated storage buildings, deicing and anti-icing facilities, fuel dispensing facilities, highway rest areas, and vehicle weigh and inspection stations.

Subd. 5. Criteria for priorities. When prioritizing funding allocation among projects eligible under subdivision 4, the commissioner must consider:

- (1) whether a project ensures the effective and efficient condition and operation of the facility;
- (2) the urgency in ensuring the safe use of existing buildings;

(3) the project's total life-cycle cost;

(4) additional criteria for priorities otherwise specified in state law, statute, or rule that applies to a category listed in the act making an appropriation for the program; and

(5) any other criteria the commissioner deems necessary.

Sec. 42. Minnesota Statutes 2016, section 174.66, is amended to read:

174.66 CONTINUATION OF CARRIER RULES.

(a) Orders and directives in force, issued, or promulgated under authority of chapters 174A, 216A, 218, 219, 221, and 222 remain and continue in force and effect until repealed, modified, or superseded by duly authorized orders or directives of the commissioner of transportation. To the extent allowed under federal law or regulation, rules adopted under authority of the following sections are transferred to the commissioner of transportation and continue in force and effect until repealed, modified, or superseded by duly authorized rules of the commissioner:

(1) section 218.041 except rules related to the form and manner of filing railroad rates, railroad accounting rules, and safety rules;

(2) section 219.40;

(3) rules relating to rates or tariffs, or the granting, limiting, or modifying of permits under section 221.031, subdivision 1; and

~~(4) rules relating to rates, charges, and practices under section 221.161, subdivision 4; and~~

~~(5) rules relating to rates, tariffs, or the granting, limiting, or modifying of permits under section 221.121.~~

(b) The commissioner shall review the transferred rules, orders, and directives and, when appropriate, develop and adopt new rules, orders, or directives.

Sec. 43. Minnesota Statutes 2016, section 221.031, subdivision 2d, is amended to read:

Subd. 2d. **Hours of service exemptions; agricultural purposes.** The federal regulations incorporated in section 221.0314, subdivision 9, for ~~maximum driving and on-duty time,~~ hours of service do not apply to drivers engaged in intrastate transportation within a 150-air-mile radius from the source of the commodities, or from the retail or wholesale distribution point of the farm supplies, for:

(1) agricultural commodities; or

(2) farm supplies for agricultural purposes from March 15 to December 15 of each year; or,

~~(2) sugar beets from September 1 to May 15 of each year.~~

Sec. 44. Minnesota Statutes 2016, section 221.031, is amended by adding a subdivision to read:

Subd. 2f. **Hours of service exemptions; utility construction.** (a) The federal regulations incorporated in section 221.0314, subdivision 9, for hours of service do not apply to drivers engaged in intrastate transportation of utility construction materials within a 50-mile radius from the site of a construction or maintenance project.

(b) For purposes of this subdivision, utility construction materials includes supplies and materials used in a project to construct or maintain (1) a street or highway; (2) equipment or facilities to furnish electric transmission service; (3) a telecommunications system or cable communications system; (4) a waterworks system, sanitary sewer, or storm sewer; (5) a gas heating service line; (6) a pipeline; and (7) a facility for other similar utility service.

Sec. 45. Minnesota Statutes 2016, section 221.0314, subdivision 9, is amended to read:

Subd. 9. **Hours of service of driver.** (a) Code of Federal Regulations, title 49, part 395, is incorporated by reference, except that paragraphs (a), (c), (d), (f), (h), (i), ~~(k)~~, (m), and (n) of section 395.1 of that part are not incorporated. In addition, cross-references to sections or paragraphs not incorporated in this subdivision are not incorporated by reference.

(b) For purposes of Code of Federal Regulations, title 49, part 395.1, paragraph (k), the planting and harvest period for Minnesota is from January 1 through December 31 each year.

(c) The requirements of Code of Federal Regulations, title 49, part 395, do not apply to drivers of lightweight vehicles.

Sec. 46. Minnesota Statutes 2016, section 221.036, subdivision 1, is amended to read:

Subdivision 1. **Order.** The commissioner may issue an order requiring violations to be corrected and administratively assessing monetary penalties for a violation of (1) section 221.021; (2) section 221.033, subdivision 2b; (3) section 221.171; (4) section 221.141; (5) a federal, state, or local law, regulation, rule, or ordinance pertaining to railroad-highway grade crossings; or (6) rules of the commissioner relating to the transportation of hazardous waste, motor carrier operations, or insurance, or tariffs and accounting. An order must be issued as provided in this section.

Sec. 47. Minnesota Statutes 2016, section 221.036, subdivision 3, is amended to read:

Subd. 3. **Amount of penalty; considerations.** (a) The commissioner may issue an order assessing a penalty of up to \$5,000 for all violations identified during a single audit or investigation of (1) section 221.021¹, 221.141², or 221.171, or (2) rules of the commissioner relating to motor carrier operations, or insurance, or tariffs and accounting, identified during a single inspection, audit, or investigation.

(b) The commissioner may issue an order assessing a penalty up to a maximum of \$10,000 for all violations of section 221.033, subdivision 2b, identified during a single inspection or audit.

(c) In determining the amount of a penalty, the commissioner shall consider:

(1) the willfulness of the violation;

(2) the gravity of the violation, including damage to humans, animals, air, water, land, or other natural resources of the state;

(3) the history of past violations, including the similarity of the most recent violation and the violation to be penalized, the time elapsed since the last violation, the number of previous violations, and the response of the person to the most recent violation identified;

(4) the economic benefit gained by the person by allowing or committing the violation; and

(5) other factors as justice may require, if the commissioner specifically identifies the additional factors in the commissioner's order.

(d) The commissioner shall assess a penalty in accordance with Code of Federal Regulations, title 49, section 383.53, against:

- (1) a driver who is convicted of a violation of an out-of-service order;
- (2) an employer who knowingly allows or requires an employee to operate a commercial motor vehicle in violation of an out-of-service order; or
- (3) an employer who knowingly allows or requires an employee to operate a commercial motor vehicle in violation of a federal, state, or local law or regulation pertaining to railroad-highway grade crossings.

Sec. 48. Minnesota Statutes 2016, section 221.122, subdivision 1, is amended to read:

Subdivision 1. **Registration, insurance, and filing requirements.** (a) An order issued by the commissioner which grants a certificate or permit must contain a service date.

(b) The person to whom the order granting the certificate or permit is issued shall do the following within 45 days from the service date of the order:

- (1) register vehicles which will be used to provide transportation under the permit or certificate with the commissioner and pay the vehicle registration fees required by law; and
- (2) file and maintain insurance or bond as required by section 221.141 and rules of the commissioner; ~~and,~~
- (3) ~~file rates and tariffs as required by section 221.161 and rules of the commissioner.~~

Sec. 49. Minnesota Statutes 2016, section 221.161, subdivision 1, is amended to read:

Subdivision 1. ~~**Filing; hearing upon commissioner initiative**~~ **Tariff maintenance and contents.** A household goods carrier ~~shall file and mover must maintain with the commissioner~~ a tariff showing rates and charges for transporting household goods. ~~Tariffs must be prepared and filed in accordance with the rules of the commissioner. When tariffs are filed in accordance with the rules and accepted by the commissioner, the filing constitutes notice to the public and interested parties of the contents of the tariffs. The commissioner shall not accept for filing tariffs that are unjust, unreasonable, unjustly discriminatory, unduly preferential or prejudicial, or otherwise in violation of this section or rules adopted under this section. If the tariffs appear to be unjust, unreasonable, unjustly discriminatory, unduly preferential or prejudicial, or otherwise in violation of this section or rules adopted under this section, after notification and investigation by the department, the commissioner may suspend and postpone the effective date of the tariffs and assign the tariffs for hearing upon notice to the household goods carrier filing the proposed tariffs and to other interested parties, including users of the service and competitive carriers by motor vehicle and rail. At the hearing, the burden of proof is on the household goods carrier filing the proposed tariff to sustain the validity of the proposed schedule of rates and charges. The tariffs and subsequent supplements to them or reissues of them must state the effective date, which may not be less than ten days following the date of filing, unless the period of time is reduced by special permission of the commissioner. A household goods mover must prepare a tariff under this section that complies with Code of Federal Regulations, title 49, part 1310.3.~~

Sec. 50. Minnesota Statutes 2016, section 221.161, is amended by adding a subdivision to read:

Subd. 5. **Tariff availability.** (a) A household goods mover subject to this section must maintain all of its effective tariffs at its principal place of business and at each of its terminal locations, and must make the tariffs available to the public for inspection at all times the household goods mover is open for business. Any publication referred to in a tariff must be maintained with that tariff.

(b) Upon request, a household goods mover must provide copies of tariffs, specific tariff provisions, or tariff subscriptions to the commissioner or any interested person.

Sec. 51. Minnesota Statutes 2016, section 221.171, subdivision 1, is amended to read:

Subdivision 1. **Compensation fixed by schedule on file.** ~~No~~ A household goods carrier shall ~~mover must not~~ charge or receive a greater, lesser, or different compensation for the transportation ~~of persons or property or for related service; provided~~ than the rates and charges ~~named in the carrier's schedule on file and in effect with the commissioner including any rate fixed by the commissioner specified in the tariff under section 221.161; nor shall.~~ A household goods ~~carrier~~ mover ~~must not~~ refund or remit in any manner or by any device, directly or indirectly, the rates and charges required to be collected by the ~~carrier~~ mover under the ~~carrier's~~ mover's schedules ~~or under the rates, if any, fixed by the commissioner.~~

Sec. 52. Minnesota Statutes 2016, section 222.46, is amended to read:

222.46 FREIGHT RAIL SERVICE IMPROVEMENT ACT; PURPOSE.

The legislature finds and determines that integrated transportation systems, including railways, highways and airways, are necessary in order to meet the economic and energy needs of the citizens of the state, both now and in the future. The legislature finds that a portion of the present railroad system in the state does not provide adequate service to citizens of the state. The legislature further finds and determines that it is in the best interest of the state to establish and fund a freight rail service improvement economic development program and to establish a railroad planning process in order to preserve and improve essential rail service in the state.

EFFECTIVE DATE. This section is effective June 30, 2018.

Sec. 53. Minnesota Statutes 2016, section 222.50, subdivision 3, is amended to read:

Subd. 3. **Commissioner's powers; rules.** The commissioner ~~shall have~~ has the power to:

~~(1) set priorities for the allocation and expenditure of money or in kind contributions authorized under the rail service improvement program and develop criteria for eligibility and approval of projects under the program. The criteria shall include the anticipated economic and social benefits to the state and to the area being served and the economic viability of the project;~~

~~(2)~~ negotiate and enter into contracts for rail line rehabilitation or other rail service improvement;

~~(3)~~ (2) disburse state and federal money for rail service improvements; and

~~(4)~~ (3) adopt rules necessary to carry out the purposes of sections 222.46 to 222.54.

EFFECTIVE DATE. This section is effective June 30, 2018.

Sec. 54. Minnesota Statutes 2016, section 222.50, subdivision 4, is amended to read:

Subd. 4. **Contract.** The commissioner may negotiate and enter into contracts for the purpose of rail service improvement and may incorporate funds available from the federal government. The participants in these contracts shall be railroads, rail users, and the department, and may be political subdivisions of the state and the federal government. In such contracts, participation by all parties shall be voluntary. The commissioner may provide a portion of the money required to carry out the terms of any such contract by expenditure from the freight rail service improvement account.

EFFECTIVE DATE. This section is effective June 30, 2018.

Sec. 55. **[222.505] FREIGHT RAIL ECONOMIC DEVELOPMENT PROGRAM.**

Subdivision 1. **Definition.** (a) For purposes of this section, "program" means the freight rail economic development program established in this section.

Subd. 2. **Program established.** (a) The commissioner, in consultation with the commissioner of employment and economic development, must establish a freight rail economic development program as provided under this section.

(b) By January 1, 2019, the commissioners must implement the program and begin accepting applications.

Subd. 3. **Freight rail accounts; appropriation.** (a) A freight rail account is established in the special revenue fund. The account consists of funds provided under paragraphs (b) and (c), section 222.63, subdivision 8, and any other money donated, allotted, transferred, or otherwise provided to the account. The account must not include any bond proceeds authorized by the Minnesota Constitution, article XI, section 5, clause (i). Funds in the account are annually appropriated to the commissioner for the program under this section.

(b) All funds provided to the commissioner from agreements or loans under section 222.50 must be deposited in the freight rail account in the special revenue fund.

(c) All funds made available to the commissioner from the disposition of railroad right-of-way or of any other property acquired pursuant to sections 222.46 to 222.62 must be deposited in the freight rail account in the special revenue fund.

(d) A freight rail account is established in the bond proceeds fund. The account consists of state bond proceeds appropriated to the commissioner for the program under this section. Money in the account may be expended only for bond-eligible purposes.

Subd. 4. **Program administration.** (a) The commissioner, in consultation with the commissioner of employment and economic development, must establish a project selection process for financial assistance under the program. The process must include public notice of available funds, procedures to submit applications, public access to information on project evaluation and selection, and financial assistance awards. The process must minimize applicant burdens and the length of time for application evaluation.

(b) The commissioner must maintain on an ongoing basis a project requests list that identifies all eligible projects that have been evaluated for grant awards under the program.

(c) An applicant must apply for financial assistance in the manner and at the times determined by the commissioners.

(d) The commissioner must make reasonable efforts to (1) publicize each solicitation for applications among all eligible recipients, and (2) provide technical and informational assistance related to applications.

Subd. 5. **Consultation.** In developing the program and on an ongoing basis, the commissioner must consult with eligible recipients of financial assistance under subdivision 8 and with counties and statutory and home rule charter cities in which industrial parks are located or proposed to be located. At a minimum, consultation must address:

(1) the project selection process, including project eligibility requirements, evaluation criteria and prioritization, and any significant policies in the program;

(2) flexibility of evaluation criteria to address unique situations;

(3) timeliness of project evaluation and award of financial assistance;

(4) adequacy of the program funding level; and

(5) legislative proposals for program funding.

Subd. 6. **Financial assistance; grants and loans.** The commissioner may provide financial assistance under the program through grants or through loans in the manner provided under section 222.50, subdivisions 4 and 5.

Subd. 7. **Financial assistance; limitations.** (a) When calculated in conjunction with any other state funding sources, a grant award under the program must not provide combined state funding that exceeds 85 percent of the total project cost estimate.

(b) The commissioner must ensure that financial assistance is provided in a manner that is balanced throughout the state, including with respect to (1) the number of projects receiving funding in a particular geographic location or region of the state, and (2) the total amount of financial assistance provided for projects in a particular geographic location or region of the state.

Subd. 8. **Award recipient eligibility.** (a) Eligible recipients of financial assistance under the program are:

(1) railroad companies that are classified by federal law or regulation as Class II railroads, Class II rail carriers, Class III railroads, or Class III rail carriers;

(2) rail users; and

(3) political subdivisions.

(b) An eligible recipient may receive funds regardless of rail facility ownership.

Subd. 9. **Project eligibility.** (a) The commissioner, in consultation with the commissioner of employment and economic development, must establish project eligibility criteria under the program. At a minimum, an eligible project must:

(1) improve safety, efficiency, service, or capacity of railroad freight movement;

(2) provide for rail line capital maintenance, preservation, rehabilitation, or improvements;

(3) improve rail service for a rail user or rail carrier; or

(4) promote the development of industrial parks primarily or substantially served by rail service.

(b) A project must be consistent with transportation plans adopted by the commissioner, including the statewide freight and passenger rail plan under section 174.03, subdivision 1b.

Subd. 10. **Project evaluation and prioritization.** The commissioner, in consultation with the commissioner of employment and economic development, must establish project evaluation criteria for grant awards under the program. At a minimum, the criteria must objectively prioritize projects based on:

(1) economic and employment impacts, including but not limited to responsiveness to emergent market conditions;

(2) addressing rail lines that have deteriorated or are in danger of deteriorating to such a degree that the rail line is unable to carry the speeds and weights necessary to efficiently transport goods and products; and

(3) percentage commitment of funding or in-kind assistance for the project from nonpublic sources.

Subd. 11. **Expenditures.** The commissioner may provide financial assistance and expend funds under the program for:

(1) capital improvement projects designed to improve a rail user or a rail carrier's rail service which includes but is not limited to rail track, track structures, and rail facilities and buildings;

(2) rehabilitation projects designed to improve a rail user or a rail carrier's rail service;

(3) rail-related development of industrial parks primarily or substantially served by rail service, which:

(i) includes capital improvements to or rehabilitation of main industrial lead track; and

(ii) excludes siding track designed to serve areas of an industrial park for which occupants are unidentified or uncommitted;

(4) highway-rail grade crossing improvement or grade separation projects, including but not limited to the local matching portion for federal grants;

(5) capital improvement projects designed to improve capacity or safety at rail yards;

(6) acquisition, maintenance, management, and disposition of railroad right-of-way under the state rail bank program in section 222.63;

(7) acquisition of a rail line by a regional railroad authority established under chapter 398A;

(8) rail planning studies;

(9) costs related to contractual agreements under section 222.52; and

(10) financial assistance under this section.

Subd. 12. **Design, engineering, and construction standards.** (a) The commissioner is prohibited from establishing specifications or engineering standards that are more restrictive than federal track safety standards under Code of Federal Regulations, title 49, part 213, or successor requirements, for track and track structures awarded financial assistance under the program.

(b) Sections 16B.30 to 16B.355 do not apply to rail facilities and buildings awarded financial assistance under the program.

Subd. 13. **Political subdivisions.** Any political subdivision may, with the approval of the commissioner, appropriate money for freight rail or rail service improvement and may participate in the freight rail economic development program and federal rail programs.

EFFECTIVE DATE. This section is effective June 30, 2018.

Sec. 56. Minnesota Statutes 2016, section 222.52, is amended to read:

222.52 COOPERATION BETWEEN STATES.

The commissioner may cooperate with other states in connection with the freight rail service improvement economic development program under section 222.505 and the railroad planning process. In exercising the authority conferred by this section, the commissioner may enter into contractual agreements with other states, including multistate coalitions.

EFFECTIVE DATE. This section is effective June 30, 2018.

Sec. 57. Minnesota Statutes 2016, section 222.57, is amended to read:

222.57 RAIL USER AND RAIL CARRIER LOAN GUARANTEE ACCOUNT.

There is created a rail user and rail carrier loan guarantee account as a separate account in the rail service improvement account, which shall be used by the commissioner for carrying out the provisions of sections 222.55 to 222.62 with respect to loans insured under section 222.58. The commissioner may transfer to the rail user and rail carrier loan guarantee account from money otherwise available in the freight rail service improvement account whatever amount is necessary to implement the rail user and rail carrier loan guarantee program, except that bond proceeds may not be transferred to the account for insurance of loans made for the purposes specified in section 222.58, subdivision 2, paragraph (b), clauses (3) to (5). The commissioner may withdraw any amount from the rail user and rail carrier loan guarantee account that is not required to insure outstanding loans as provided in section 222.60, subdivision 1.

EFFECTIVE DATE. This section is effective June 30, 2018.

Sec. 58. Minnesota Statutes 2016, section 222.63, subdivision 8, is amended to read:

Subd. 8. **Rail bank accounts; appropriation.** (a) ~~A special account shall be maintained in the state treasury, designated as the rail bank maintenance account, is established in the special revenue fund~~ to record the receipts and expenditures of the commissioner of transportation for the maintenance of rail bank property. Funds received by the commissioner of transportation from interest earnings, administrative payments, rentals, fees, or charges for the use of rail bank property, or received from rail line rehabilitation contracts ~~shall be~~ are credited to the rail bank maintenance account and must be used for the maintenance of that to maintain the property and held as a reserve for maintenance expenses in an amount determined by the commissioner, and. Amounts received in the rail bank maintenance account in excess of the reserve requirements ~~shall~~ must be transferred to the freight rail service improvement account under section 222.505, subdivision 3.

(b) All proceeds of the sale of abandoned rail lines ~~shall~~ must be deposited in the freight rail service improvement account.

(c) All money ~~to be~~ deposited in this the rail service improvement bank maintenance account as provided in this subdivision is appropriated to the commissioner of transportation for the purposes of this section. The appropriations ~~shall do not lapse but shall be~~ and are available until the purposes for which the funds are appropriated are accomplished.

EFFECTIVE DATE. This section is effective June 30, 2018.

Sec. 59. **[299A.704] DRIVER AND VEHICLE SERVICES FUND.**

A driver and vehicle services fund is established within the state treasury. The fund consists of accounts and money as specified by law, and any other money otherwise donated, allotted, appropriated, or legislated to the fund.

Sec. 60. Minnesota Statutes 2016, section 299A.705, is amended to read:

299A.705 DRIVER AND VEHICLE SERVICES ACCOUNTS.

Subdivision 1. **Vehicle services operating account.** (a) The vehicle services operating account is created in the ~~special revenue driver and vehicle services~~ fund, consisting of all money from the vehicle services fees specified in chapters 168, 168A, and 168D, and any other money otherwise donated, allotted, appropriated, or legislated to ~~this~~ the account.

(b) Funds appropriated ~~are available from this account must be used by the commissioner of public safety to~~ administer the vehicle services ~~as specified in chapters 168, 168A, and 168D, and section 169.345, including:~~

- (1) designing, producing, issuing, and mailing vehicle registrations, plates, emblems, and titles;
- (2) collecting title and registration taxes and fees;
- (3) transferring vehicle registration plates and titles;
- (4) maintaining vehicle records;
- (5) issuing disability certificates and plates;
- (6) licensing vehicle dealers;
- (7) appointing, monitoring, and auditing deputy registrars; and
- (8) inspecting vehicles when required by law.

Subd. 2. **Driver services operating account.** (a) The driver services operating account is created in the ~~special revenue driver and vehicle services~~ fund, consisting of all money collected under chapter 171 and any other money otherwise donated, allotted, appropriated, or legislated to the account.

(b) ~~Money in the~~ Funds appropriated from this account must be used by the commissioner of public safety to administer the driver services specified in chapters 169A and 171, including the activities associated with producing and mailing drivers' licenses and identification cards and notices relating to issuance, renewal, or withdrawal of driving and identification card privileges for any fiscal year or years and for the testing and examination of drivers.

Subd. 3. **Driver and vehicle services technology account.** (a) The driver and vehicle services technology account is created in the ~~special revenue driver and vehicle services~~ fund, consisting of the technology surcharge collected as specified in ~~chapters 168, 168A, and 171; the filing fee revenue collected under section 168.33, subdivision 7; section 168.33~~ and any other money otherwise donated, allotted, appropriated, or legislated to this account.

(b) Money in the account is annually appropriated to the commissioner of public safety to support the research, development, deployment, and maintenance of a driver and vehicle services information system.

(c) Following completion of the deposit of filing fee revenue into the driver and vehicle services technology account as provided under section 168.33, subdivision 7, the commissioner shall submit a notification to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance concerning driver and vehicle services information system implementation, which must include information on (1) total revenue deposited in the driver and vehicle services technology account, with a breakdown by sources of funds; (2) total project costs incurred, with a breakdown by key project components; and (3) an estimate of ongoing system maintenance costs.

Subd. 4. **Prohibited expenditures.** The commissioner is prohibited from expending money from driver and vehicle services accounts created in the ~~special revenue~~ driver and vehicle services fund for any purpose that is not specifically authorized in this section or in the chapters specified in this section.

Sec. 61. Minnesota Statutes 2016, section 360.013, is amended by adding a subdivision to read:

Subd. 46a. **Comprehensive plan.** "Comprehensive plan" has the meaning given in section 394.22, subdivision 9, or 462.352, subdivision 5.

Sec. 62. Minnesota Statutes 2016, section 360.017, subdivision 1, is amended to read:

Subdivision 1. **Creation; authorized disbursements.** (a) There is hereby created a fund to be known as the state airports fund. The fund shall consist of all money appropriated to it, or directed to be paid into it, by the legislature.

(b) The state airports fund shall be paid out on authorization of the commissioner and shall be used:

(1) to acquire, construct, improve, maintain, and operate airports and other air navigation facilities;

(2) to assist municipalities in the planning, acquisition, construction, improvement, and maintenance of airports and other air navigation facilities;

(3) to assist municipalities to initiate, enhance, and market scheduled air service at their airports;

(4) to promote interest and safety in aeronautics through education and information; and

(5) to pay the salaries and expenses of the Department of Transportation related to aeronautic planning, administration, and operation. All allotments of money from the state airports fund for salaries and expenses shall be approved by the commissioner of management and budget.

~~(c) A municipality that adopts a comprehensive plan that the commissioner finds is incompatible with the state aviation plan is not eligible for assistance from the state airports fund.~~

Sec. 63. Minnesota Statutes 2016, section 360.021, subdivision 1, is amended to read:

Subdivision 1. **Authority to establish.** The commissioner is authorized and empowered, on behalf of and in the name of this state, within the limitation of available appropriations, to acquire, by purchase, gift, devise, lease, condemnation proceedings, or otherwise, property, real or personal, for the purpose of establishing and constructing restricted landing areas and other air navigation facilities and to acquire in like manner, own, control, establish, construct, enlarge, improve, maintain, equip, operate, regulate, and police such restricted landing areas and other air navigation facilities, either within or without this state; and to make, prior to any such acquisition, investigations, surveys, and plans. The commissioner may maintain, equip, operate, regulate, and police airports, either within or without this state. The operation and maintenance of airports is an essential public service. The commissioner may

maintain at such airports facilities for the servicing of aircraft and for the comfort and accommodation of air travelers. The commissioner may dispose of any such property, airport, restricted landing area, or any other air navigation facility, by sale, lease, or otherwise, in accordance with the laws of this state governing the disposition of other like property of the state. The commissioner may not acquire or take over any restricted landing area, or other air navigation facility without the consent of the owner. The commissioner shall not acquire any additional state airports nor establish any additional state-owned airports. The commissioner may erect, equip, operate, and maintain on any airport buildings and equipment necessary and proper to maintain, and conduct such airport and air navigation facilities connected therewith. The commissioner shall not expend money for land acquisition, or for the construction, improvement, or maintenance of airports, or for air navigation facilities for an airport, unless the ~~governmental unit, municipality, county, or joint airport zoning board~~ involved has or is establishing a zoning authority for that airport, and the authority has made a good-faith showing that it is in the process of and will complete with due diligence, an airport zoning ordinance in accordance with sections 360.061 to 360.074. The commissioner may provide funds to support airport safety projects that maintain existing infrastructure, regardless of a zoning authority's efforts to complete a zoning regulation. The commissioner may withhold funding from only the airport subject to the proposed zoning ordinance. Notwithstanding the foregoing prohibition, the commissioner may continue to maintain the state-owned airport at Pine Creek.

Sec. 64. Minnesota Statutes 2016, section 360.024, is amended to read:

360.024 AIR TRANSPORTATION SERVICE CHARGE.

Subdivision 1. Charges. (a) The commissioner shall charge users of air transportation services provided by the commissioner for direct operating costs, excluding pilot salary ~~and~~.

(b) The commissioner may charge users for a portion of aircraft acquisition, replacement, or leasing costs.

Subd. 2. Accounts; appropriation. (a) An air transportation services account is established in the state airports fund. The account consists of money collected under subdivision 1, paragraph (a), and any other money donated, allotted, transferred, or otherwise provided to the account. All receipts for these services shall be deposited in the air transportation services account in the state airports fund and Funds in the account are annually appropriated to the commissioner to pay these direct air service operating costs.

(b) An aircraft capital account is established in the state airports fund. The account consists of collections under subdivision 1, paragraph (b), proceeds from the sale of aircraft under jurisdiction of the department, and any other money donated, allotted, transferred, or otherwise provided to the account. Except as provided by law, the commissioner must not transfer funds into or out of the account.

Sec. 65. Minnesota Statutes 2016, section 360.062, is amended to read:

360.062 AIRPORT HAZARD PREVENTION; PROTECTING EXISTING NEIGHBORHOOD LAND USES.

(a) It is hereby found that an airport hazard endangers the lives and property of users of the airport and of occupants of land in its vicinity, and may reduce the size of the area available for the landing, takeoff, and maneuvering of aircraft, thereby impairing the utility of the airport and the public investment therein. It is also found that the social and financial costs of disrupting existing land uses around airports ~~in built-up urban areas, particularly established residential neighborhoods,~~ often outweigh the benefits of a reduction in airport hazards that might result from the elimination or removal of those uses.

(b) Accordingly, it is hereby declared: (1) ~~that~~ the creation or establishment of an airport hazard is a public nuisance and an injury to the community served by the airport in question; (2) ~~that~~ it is ~~therefor~~ necessary in the interest of the public health, public safety, and general welfare that the creation or establishment of airport hazards

be prevented and that this should be accomplished to the extent legally possible, by exercise of the police power, without compensation; and (3) ~~that the elimination or removal of existing land uses, particularly established residential neighborhoods in built-up urban areas,~~ or their designation as nonconforming uses is not in the public interest and should be avoided whenever possible consistent with reasonable standards of safety.

(c) It is further declared that the prevention of the creation or establishment of airport hazards and the elimination, removal, alteration, mitigation, or marking and lighting of existing airport hazards are essential public purposes services for which political subdivisions may raise and expend public funds and acquire land or property interests therein.

Sec. 66. Minnesota Statutes 2016, section 360.063, subdivision 1, is amended to read:

Subdivision 1. **Enforcement under police power.** (a) In order to prevent the creation or establishment of airport hazards, every municipality having an airport hazard area within its territorial limits may, unless a joint airport zoning board is permitted under subdivision 3, adopt, amend from time to time, administer, and enforce, under the police power and in the manner and upon the conditions hereinafter prescribed, airport zoning regulations for such airport hazard area, which regulations may divide such area into zones, and, within such zones, specify the land uses permitted and regulate and restrict the height to which structures and trees may be erected or allowed to grow.

(b) ~~For the purpose of promoting~~ In order to promote health, safety, order, convenience, prosperity, general welfare and ~~for conserving to conserve~~ property values and ~~encouraging~~ encourage the most appropriate use of land, the municipality may regulate ~~the location, size and use of buildings and the density of population in that portion of an airport hazard area under approach zones for a distance not to exceed two miles from the airport boundary and in other portions of an~~ in airport hazard area may regulate by land use zoning for a distance not to exceed one mile from the airport boundary, and by height restriction zoning for a distance not to exceed 1 1/2 miles from the airport boundary areas: (1) land use; (2) height restrictions; (3) the location, size, and use of buildings; and (4) the density of population.

(c) The powers granted by this subdivision may be exercised by metropolitan airports commissions in contiguous cities of the first class in and for which they have been created.

(d) In the case of airports owned or operated by the state of Minnesota such powers shall be exercised by the state airport zoning boards or by the commissioner of transportation as authorized herein.

Sec. 67. Minnesota Statutes 2016, section 360.063, subdivision 3, is amended to read:

Subd. 3. **Joint airport zoning board.** (a) Where an airport is owned or controlled by a municipality and an airport hazard area appertaining to the airport is located within the territorial limits of another county or municipality, the municipality owning or controlling the airport may request a county or municipality in which an airport hazard area is located:

(1) to adopt and enforce airport zoning regulations for the area in question ~~that conform to standards prescribed by the commissioner pursuant to subdivision 4~~ under sections 360.0655 and 360.0656; or

(2) to join in creating a joint airport zoning board pursuant to paragraph (b). The owning or controlling municipality shall determine which of these actions it shall request, except as provided in paragraph (e) for the Metropolitan Airports Commission. The request shall be made by certified mail to the governing body of each county and municipality in which an airport hazard area is located.

(b) Where an airport is owned or controlled by a municipality and an airport hazard area appertaining to the airport is located within the territorial limits of another county or municipality, the municipality owning or controlling the airport and the county or other municipality within which the airport hazard area is located may, by

ordinance or resolution duly adopted, create a joint airport zoning board, which board shall have the same power to adopt, administer, and enforce airport zoning regulations applicable to the airport hazard area in question as that vested by subdivision 1 in the municipality within which the area is located. A joint board shall have as members two representatives appointed by the municipality owning or controlling the airport and two from the county or municipality, or in case more than one county or municipality is involved two from each county or municipality, in which the airport hazard is located, and in addition a chair elected by a majority of the members so appointed. All members shall serve at the pleasure of their respective appointing authority. Notwithstanding any other provision of law to the contrary, if the owning and controlling municipality is a city of the first class it shall appoint four members to the board, and the chair of the board shall be elected from the membership of the board.

(c) If a county or municipality, within 60 days of receiving a request from an owning or controlling municipality pursuant to paragraph (a), fails to adopt, or thereafter fails to enforce, the zoning regulations or fails to join in creating a joint airport zoning board, the owning or controlling municipality, or a joint airport zoning board created without participation by the subdivisions which fail to join the board, may itself adopt, administer, and enforce airport zoning regulations for the airport hazard area in question. In the event of conflict between the regulations and airport zoning regulations adopted by the county or municipality within which the airport hazard area is located, section 360.064, subdivision 2, applies.

(d) "Owning or controlling municipality," as used in this subdivision, includes:

(1) a joint airport operating board created pursuant to section 360.042 that has been granted all the powers of a municipality in zoning matters under the agreement creating the board;

(2) a joint airport operating board created pursuant to section 360.042 that has not been granted zoning powers under the agreement creating the board; provided that the board shall not itself adopt zoning regulations nor shall a joint airport zoning board created at its request adopt zoning regulations unless all municipalities that created the joint operating board join to create the joint zoning board; and

(3) the Metropolitan Airports Commission established and operated pursuant to chapter 473.

(e) The Metropolitan Airports Commission shall request creation of one joint airport zoning board for each airport operated under its authority.

Sec. 68. Minnesota Statutes 2016, section 360.064, subdivision 1, is amended to read:

Subdivision 1. **Comprehensive regulations.** In the event that a municipality has adopted, or hereafter adopts, a comprehensive zoning ordinance regulating, among other things the height of buildings, any airport zoning regulations applicable to the same area or portion thereof ~~may must~~ be incorporated by reference or incorporated in and made a part of such comprehensive zoning regulations and be administered and enforced in connection therewith.

Sec. 69. Minnesota Statutes 2016, section 360.065, subdivision 1, is amended to read:

Subdivision 1. **Notice of proposed zoning regulations, hearing.** (a) No airport zoning regulations shall be adopted, amended, or changed under sections 360.011 to 360.076, except by action of the governing body of the municipality or, county in question, or joint airport zoning board under section 360.0655 or 360.0656, or the boards provided for in section 360.063, subdivisions 3 and 7, or by the commissioner as provided in subdivisions 6 and 8; after public hearings, at which parties in interest and citizens shall have an opportunity to be heard.

(b) A public hearing ~~shall~~ must be held on the ~~proposed airport zoning regulations proposed by a municipality, county, or joint airport zoning board before they are submitted for approval to the commissioner and after that approval but before final adoption by the local zoning authority for approval.~~ If any changes that alter the regulations placed on a parcel of land are made to the proposed airport zoning regulations after the initial public hearing, the municipality, county, or joint airport zoning board must hold a second public hearing before final adoption of the regulation. The commissioner may require a second hearing as determined necessary.

(c) Notice of a hearing ~~required pursuant to this subdivision shall~~ must be published by the ~~local zoning authority~~ municipality, county, or joint airport zoning board at least three times during the period between 15 days and five days before the hearing in an official newspaper and in a second newspaper designated by that authority which has a wide general circulation in the area affected by the proposed regulations; and posted on the municipality's, county's, or joint airport zoning board's Web site. If there is not a second newspaper of wide general circulation in the area that the municipality, county, or joint airport zoning board can designate for the notice, the municipality, county, or joint airport zoning board is only required to publish the notice once in the official newspaper of the jurisdiction. The notice shall not be published in the legal notice section of a newspaper. The notice must specify the time, location, and purpose of the hearing, and must identify any additional location and time the proposed regulations will be available for public inspection. A copy of the published notice must be added to the record of the proceedings.

(d) Notice of a hearing ~~shall also be mailed to the governing body of each political subdivision in which property affected by the regulations is located. Notice shall~~ must be given by mail at least ~~15~~ ten days before each hearing to any persons in municipalities that own land proposed to be included in safety zone A or B as provided in the rules of the Department of Transportation and landowners where the location or size of a building, or the density of population, will be regulated. Mailed notice must also be provided at least ten days before each hearing to persons or municipalities that have previously requested such notice from the ~~authority~~ municipality, county, or joint airport zoning board. The notice must specify the time, location, and purpose of the hearing, and must identify any additional location and time the proposed regulations will be made available for public inspection. Mailed notice must also identify the property affected by the regulations. For the purpose of ~~giving~~ providing mailed notice, the ~~authority~~ municipality, county, or joint airport zoning board may use any appropriate records to determine the names and addresses of owners. A copy of the notice and a list of the owners and addresses to which the notice was sent ~~shall be attested to by the responsible person and shall~~ must be made a part of added to the records of the proceedings. ~~The Failure to give provide mailed notice to individual property owners; or defects a defect in the notice, shall~~ does not invalidate the proceedings; provided if a bona fide attempt to comply with this subdivision has been was made. A notice shall describe the property affected by the proposed regulations and the restrictions to be imposed on the property by the regulations and shall state the place and time at which the proposed regulations are available for public inspection.

Sec. 70. [360.0655] AIRPORT ZONING REGULATIONS BASED ON COMMISSIONER'S STANDARDS; SUBMISSION PROCESS.

Subdivision 1. Submission to commissioner; review. (a) Except as provided in section 360.0656, prior to adopting zoning regulations the municipality, county, or joint airport zoning board must submit the proposed regulations to the commissioner for the commissioner to determine whether the regulations conform to the standards prescribed by the commissioner. The municipality, county, or joint airport zoning board may elect to complete custom airport zoning under section 360.0656 instead of using the commissioner's standard, but only after providing written notice to the commissioner.

(b) Notwithstanding section 15.99, the commissioner must examine the proposed regulations within 90 days of receipt of the regulations and report to the municipality, county, or joint airport zoning board the commissioner's approval or objections, if any. Failure to respond within 90 days is deemed an approval. The commissioner may request additional information from the municipality, county, or joint airport zoning board within the 90-day review period. If the commissioner requests additional information, the 90-day review period is tolled until the commissioner receives information and deems the information satisfactory.

(c) If the commissioner objects on the grounds that the regulations do not conform to the standards prescribed by the commissioner, the municipality, county, or joint airport zoning board must make amendments necessary to resolve the objections or provide written notice to the commissioner that the municipality, county, or joint airport zoning board has elected to proceed with zoning under section 360.0656.

(d) If the municipality, county, or joint airport zoning board makes revisions to the proposed regulations after its initial public hearing, the municipality, county, or joint airport zoning board must conduct a second public hearing on the revisions and resubmit the revised proposed regulations to the commissioner for review. The commissioner must examine the revised proposed regulations within 90 days of receipt to determine whether the revised proposed regulations conform to the standards prescribed by the commissioner.

(e) If, after a second review period, the commissioner determines that the municipality, county, or joint airport zoning board failed to submit proposed regulations that conform to the commissioner's standards, the commissioner must provide a final written decision to the municipality, county, or joint airport zoning board.

(f) The municipality, county, or joint airport zoning board must not adopt regulations or take other action until the proposed regulations are approved by the commissioner.

(g) The commissioner may approve local zoning ordinances that are more stringent than the commissioner's standards.

(h) If the commissioner approves the proposed regulations, the municipality, county, or joint airport zoning board may adopt the regulations.

(i) A copy of the adopted regulations must be filed with the county recorder in each county that contains a zoned area subject to the regulations.

(j) Substantive rights that existed and had been exercised prior to August 1, 2018, are not affected by the filing of the regulations.

Subd. 2. Protection of existing land uses. (a) In order to ensure minimum disruption of existing land uses, the commissioner's airport zoning standards and local airport zoning ordinances or regulations adopted under this section must distinguish between the creation or establishment of a use and the elimination of an existing use, and must avoid the elimination, removal, or reclassification of existing uses to the extent consistent with reasonable safety standards. The commissioner's standards must include criteria for determining when an existing land use may constitute an airport hazard so severe that public safety considerations outweigh the public interest in preventing disruption to that land use.

(b) Airport zoning regulations that classify as a nonconforming use or require nonconforming use classification with respect to any existing low-density structure or existing isolated low-density building lots must be adopted under sections 360.061 to 360.074.

(c) A local airport zoning authority may classify a land use described in paragraph (b) as an airport hazard if the authority finds that the classification is justified by public safety considerations and is consistent with the commissioner's airport zoning standards. Any land use described in paragraph (b) that is classified as an airport hazard must be acquired, altered, or removed at public expense.

(d) This subdivision must not be construed to affect the classification of any land use under any zoning ordinances or regulations not adopted under sections 360.061 to 360.074.

Sec. 71. **[360.0656] CUSTOM AIRPORT ZONING STANDARDS.**

Subdivision 1. Custom airport zoning standards; factors. (a) Notwithstanding section 360.0655, a municipality, county, or joint airport zoning board must provide notice to the commissioner when the municipality, county, or joint airport zoning board intends to establish and adopt custom airport zoning regulations under this section.

(b) Airport zoning regulations submitted to the commissioner under this subdivision are not subject to the commissioner's zoning regulations under section 360.0655 or Minnesota Rules, part 8800.2400.

(c) When developing and adopting custom airport zoning regulations under this section, the municipality, county, or joint airport zoning board must include in the record a detailed analysis that explains how the proposed custom airport zoning regulations addressed the following factors to ensure a reasonable level of safety:

(1) the location of the airport, the surrounding land uses, and the character of neighborhoods in the vicinity of the airport, including:

(i) the location of vulnerable populations, including schools, hospitals, and nursing homes, in the airport hazard area;

(ii) the location of land uses that attract large assemblies of people in the airport hazard area;

(iii) the availability of contiguous open spaces in the airport hazard area;

(iv) the location of wildlife attractants in the airport hazard area;

(v) airport ownership or control of the federal Runway Protection Zone and the department's Clear Zone;

(vi) land uses that create or cause interference with the operation of radio or electronic facilities used by the airport or aircraft;

(vii) land uses that make it difficult for pilots to distinguish between airport lights and other lights, result in glare in the eyes of pilots using the airport, or impair visibility in the vicinity of the airport;

(viii) land uses that otherwise inhibit a pilot's ability to land, take off, or maneuver the aircraft;

(ix) airspace protection to prevent the creation of air navigation hazards in the airport hazard area; and

(x) the social and economic costs of restricting land uses;

(2) the airport's type of operations and how the operations affect safety surrounding the airport;

(3) the accident rate at the airport compared to a statistically significant sample, including an analysis of accident distribution based on the rate with a higher accident incidence;

(4) the planned land uses within an airport hazard area, including any applicable platting, zoning, comprehensive plan, or transportation plan; and

(5) any other information relevant to safety or the airport.

Subd. 2. **Submission to commissioner; review.** (a) Except as provided in section 360.0655, prior to adopting zoning regulations, the municipality, county, or joint airport zoning board must submit its proposed regulations and the supporting record to the commissioner for review. The commissioner must determine whether the proposed custom airport zoning regulations and supporting record (1) evaluate the criteria under subdivision 1, and (2) provide a reasonable level of safety.

(b) Notwithstanding section 15.99, the commissioner must examine the proposed regulations within 90 days of receipt of the regulations and report to the municipality, county, or joint airport zoning board the commissioner's approval or objections, if any. Failure to respond within 90 days is deemed an approval. The commissioner may request additional information from the municipality, county, or joint airport zoning board within the 90-day review period.

(c) If the commissioner objects on the grounds that the regulations do not provide a reasonable level of safety, the municipality, county, or joint airport zoning board must review, consider, and provide a detailed explanation demonstrating how it evaluated the objections and what action it took or did not take in response to the objections. If the municipality, county, or joint airport zoning board submits amended regulations after its initial public hearing, the municipality, county, or joint airport zoning board must conduct a second public hearing on the revisions and resubmit the revised proposed regulations to the commissioner for review. The commissioner must examine the revised proposed regulations within 90 days of receipt of the regulations. If the commissioner requests additional information, the 90-day review period is tolled until satisfactory information is received by the commissioner. Failure to respond within 90 days is deemed an approval.

(d) If, after the second review period, the commissioner determines that the municipality, county, or joint airport zoning board failed to submit proposed regulations that provide a reasonable safety level, the commissioner must provide a final written decision to the municipality, county, or joint airport zoning board.

(e) A municipality, county, or joint airport zoning board is prohibited from adopting custom regulations or taking other action until the proposed regulations are approved by the commissioner.

(f) If the commissioner approves the proposed regulations, the municipality, county, or joint airport zoning board may adopt the regulations.

(g) A copy of the adopted regulations must be filed with the county recorder in each county that contains a zoned area subject to the regulations.

(h) Substantive rights that existed and had been exercised prior to August 1, 2018, are not affected by the filing of the regulations.

Sec. 72. Minnesota Statutes 2016, section 360.066, subdivision 1, is amended to read:

Subdivision 1. **Reasonableness.** ~~Standards of the commissioner~~ Zoning standards defining airport hazard areas and the categories of uses permitted and airport zoning regulations adopted under sections 360.011 to 360.076, ~~shall~~ must be reasonable, and none shall impose a requirement or restriction ~~which~~ that is not reasonably necessary to effectuate the purposes of sections 360.011 to 360.076. ~~In determining what minimum airport zoning regulations may be adopted, the commissioner and a local airport zoning authority shall consider, among other things, the character of the flying operations expected to be conducted at the airport, the location of the airport, the nature of the terrain within the airport hazard area, the existing land uses and character of the neighborhood around the airport, the uses to which the property to be zoned are planned and adaptable, and the social and economic costs of restricting land uses versus the benefits derived from a strict application of the standards of the commissioner.~~

Sec. 73. Minnesota Statutes 2016, section 360.067, is amended by adding a subdivision to read:

Subd. 5. Federal no hazard determination. (a) Notwithstanding subdivisions 1 and 2, a municipality, county, or joint airport zoning board may include in its custom airport zoning regulations adopted under section 360.0656 an option to permit construction of a structure, an increase or alteration of the height of a structure, or the growth of an existing tree without a variance from height restrictions if the Federal Aviation Administration has analyzed the proposed construction, alteration, or growth under Code of Federal Regulations, title 14, part 77, and has determined the proposed construction, alteration, or growth does not:

(1) pose a hazard to air navigation;

(2) require changes to airport or aircraft operations; or

(3) require any mitigation conditions by the Federal Aviation Administration that cannot be satisfied by the landowner.

(b) A municipality, county, or joint airport zoning board that permits an exception to height restrictions under this subdivision must require the applicant to file the Federal Aviation Administration's no hazard determination with the applicable zoning administrator. The applicant must obtain written approval of the zoning administrator before construction, alteration, or growth may occur. Failure of the administrator to respond within 60 days to a filing under this subdivision is deemed a denial. The Federal Aviation Administration's no hazard determination does not apply to requests for variation from land use, density, or any other requirement unrelated to the height of structures or the growth of trees.

Sec. 74. Minnesota Statutes 2016, section 360.071, subdivision 2, is amended to read:

Subd. 2. Membership. (a) Where a zoning board of appeals or adjustment already exists, it may be appointed as the board of adjustment. Otherwise, the board of adjustment shall consist of five members, each to be appointed for a term of three years by the authority adopting the regulations and to be removable by the appointing authority for cause, upon written charges and after public hearing. The length of initial appointments may be staggered.

(b) In the case of a Metropolitan Airports Commission, five members shall be appointed by the commission chair from the area in and for which the commission was created, any of whom may be members of the commission. In the case of an airport owned or operated by the state of Minnesota, the board of commissioners of the county, or counties, in which the airport hazard area is located shall constitute the airport board of adjustment and shall exercise the powers and duties of such board as provided herein.

Sec. 75. Minnesota Statutes 2016, section 360.305, subdivision 6, is amended to read:

Subd. 6. Zoning required. The commissioner ~~shall~~ must not expend money for ~~planning or~~ land acquisition, ~~or~~ for the construction, improvement, or maintenance of airports, or for air navigation facilities for an airport, unless the ~~governmental unit~~ municipality, county, or joint airport zoning board involved has or is establishing a zoning authority for that airport, and the authority has made a good-faith showing that it is in the process of and will complete with due diligence, an airport zoning ordinance in accordance with sections 360.061 to 360.074. The commissioner may provide funds to support airport safety projects that maintain existing infrastructure, regardless of a zoning authority's efforts to complete a zoning regulation. The commissioner ~~shall~~ must make maximum use of zoning and easements to eliminate runway and other potential airport hazards rather than land acquisition in fee.

Sec. 76. Minnesota Statutes 2016, section 394.22, is amended by adding a subdivision to read:

Subd. 1a. **Airport safety zone.** "Airport safety zone" means an area subject to land use zoning controls adopted under sections 360.061 to 360.074 if the zoning controls regulate (1) the size or location of buildings, or (2) the density of population.

Sec. 77. Minnesota Statutes 2016, section 394.23, is amended to read:

394.23 COMPREHENSIVE PLAN.

The board has the power and authority to prepare and adopt by ordinance, a comprehensive plan. A comprehensive plan or plans when adopted by ordinance must be the basis for official controls adopted under the provisions of sections 394.21 to 394.37. The commissioner of natural resources must provide the natural heritage data from the county biological survey, if available, to each county for use in the comprehensive plan. When adopting or updating the comprehensive plan, the board must, if the data is available to the county, consider natural heritage data resulting from the county biological survey. In a county that is not a greater than 80 percent area, as defined in section 103G.005, subdivision 10b, the board must consider adopting goals and objectives that will protect open space and the environment. The board must consider the location and dimensions of airport safety zones in any portion of the county, and of any airport improvements, identified in the airport's most recent approved airport layout plan.

Sec. 78. Minnesota Statutes 2016, section 394.231, is amended to read:

394.231 COMPREHENSIVE PLANS IN GREATER MINNESOTA; OPEN SPACE.

A county adopting or updating a comprehensive plan in a county outside the metropolitan area as defined by section 473.121, subdivision 2, and that is not a greater than 80 percent area, as defined in section 103G.005, subdivision 10b, shall consider adopting goals and objectives for the preservation of agricultural, forest, wildlife, and open space land, and minimizing development in sensitive shoreland areas. Within three years of updating the comprehensive plan, the county shall consider adopting ordinances as part of the county's official controls that encourage the implementation of the goals and objectives. The county shall consider the following goals and objectives:

(1) minimizing the fragmentation and development of agricultural, forest, wildlife, and open space lands, including consideration of appropriate minimum lot sizes;

(2) minimizing further development in sensitive shoreland areas;

(3) minimizing development near wildlife management areas, scientific and natural areas, and nature centers;

(4) encouraging land uses in airport safety zones that are compatible with the safe operation of the airport and the safety of people in the vicinity of the airport;

~~(4)~~ (5) identification of areas of preference for higher density, including consideration of existing and necessary water and wastewater services, infrastructure, other services, and to the extent feasible, encouraging full development of areas previously zoned for nonagricultural uses;

~~(5)~~ (6) encouraging development close to places of employment, shopping centers, schools, mass transit, and other public and private service centers;

~~(6)~~ (7) identification of areas where other developments are appropriate; and

~~(7)~~ (8) other goals and objectives a county may identify.

Sec. 79. Minnesota Statutes 2016, section 394.25, subdivision 3, is amended to read:

Subd. 3. **In district zoning, maps.** Within each such district zoning ordinances or maps may also be adopted designating or limiting the location, height, width, bulk, type of foundation, number of stories, size of, and the specific uses for which dwellings, buildings, and structures may be erected or altered; the minimum and maximum size of yards, courts, or other open spaces; setback from existing roads and highways and roads and highways designated on an official map; protective measures necessary to protect the public interest including but not limited to controls relating to appearance, signs, lighting, hours of operation and other aesthetic performance characteristics including but not limited to noise, heat, glare, vibrations and smoke; the area required to provide for off street loading and parking facilities; heights of trees and structures near airports; and to avoid too great concentration or scattering of the population. All such provisions shall be uniform for each class of land or building throughout each district, but the provisions in one district may differ from those in other districts. No provision may prohibit earth sheltered construction as defined in section 216C.06, subdivision 14, or manufactured homes built in conformance with sections 327.31 to 327.35 that comply with all other zoning ordinances promulgated pursuant to this section. Airport safety zones must be included on maps that illustrate boundaries of zoning districts and that are adopted as official controls.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to maps created or updated under this section on or after that date.

Sec. 80. Minnesota Statutes 2016, section 462.352, is amended by adding a subdivision to read:

Subd. 1a. **Airport safety zone.** "Airport safety zone" has the meaning given in section 394.22, subdivision 1a.

Sec. 81. Minnesota Statutes 2016, section 462.355, subdivision 1, is amended to read:

Subdivision 1. **Preparation and review.** The planning agency shall prepare the comprehensive municipal plan. In discharging this duty the planning agency shall consult with and coordinate the planning activities of other departments and agencies of the municipality to insure conformity with and to assist in the development of the comprehensive municipal plan. In its planning activities the planning agency shall take due cognizance of the planning activities of adjacent units of government and other affected public agencies. The planning agency shall periodically review the plan and recommend amendments whenever necessary. When preparing or recommending amendments to the comprehensive plan, the planning agency of a municipality located within a county that is not a greater than 80 percent area, as defined in section 103G.005, subdivision 10b, must consider adopting goals and objectives that will protect open space and the environment. When preparing or recommending amendments to the comprehensive plan, the planning agency must consider (1) the location and dimensions of airport safety zones in any portion of the municipality, and (2) any airport improvements identified in the airport's most recent approved airport layout plan.

Sec. 82. Minnesota Statutes 2016, section 462.357, is amended by adding a subdivision to read:

Subd. 1i. **Airport safety zones on zoning maps.** Airport safety zones must be included on maps that illustrate boundaries of zoning districts and that are adopted as official controls.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to maps created or updated under this section on or after that date.

Sec. 83. Minnesota Statutes 2016, section 462.357, subdivision 9, is amended to read:

Subd. 9. **Development goals and objectives.** In adopting official controls after July 1, 2008, in a municipality outside the metropolitan area, as defined by section 473.121, subdivision 2, the municipality shall consider restricting new residential, commercial, and industrial development so that the new development takes place in areas subject to the following goals and objectives:

(1) minimizing the fragmentation and development of agricultural, forest, wildlife, and open space lands, including consideration of appropriate minimum lot sizes;

(2) minimizing further development in sensitive shoreland areas;

(3) minimizing development near wildlife management areas, scientific and natural areas, and nature centers;

(4) encouraging land uses in airport safety zones that are compatible with the safe operation of the airport and the safety of people in the vicinity of the airport;

~~(4)~~ (5) identification of areas of preference for higher density, including consideration of existing and necessary water and wastewater services, infrastructure, other services, and to the extent feasible, encouraging full development of areas previously zoned for nonagricultural uses;

~~(5)~~ (6) encouraging development close to places of employment, shopping centers, schools, mass transit, and other public and private service centers;

~~(6)~~ (7) identification of areas where other developments are appropriate; and

~~(7)~~ (8) other goals and objectives a municipality may identify.

Sec. 84. Minnesota Statutes 2016, section 473.13, is amended by adding a subdivision to read:

Subd. 1d. **Budget amendments.** In conjunction with the adoption of any amendment to a budget under subdivision 1, the council must submit a summary of the budget changes and a copy of the amended budget to the members and staff of the legislative committees with jurisdiction over transportation policy and finance and to the Legislative Commission on Metropolitan Government.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 85. Minnesota Statutes 2016, section 473.13, is amended by adding a subdivision to read:

Subd. 6. **Overview of revenues and expenditures; forecast.** (a) In cooperation with the Department of Management and Budget and as required by section 16A.103, in February and November of each year the council must prepare a financial overview and forecast of revenues and expenditures for the transportation components of the council's budget.

(b) At a minimum, the financial overview and forecast must identify:

(1) actual revenues, expenditures, transfers, reserves, and balances for each of the previous four budget years;

(2) budgeted and forecasted revenues, expenditures, transfers, reserves, and balances for each year within the state forecast period; and

(3) a comparison of the information under clause (2) to the prior forecast, including any changes made.

(c) The information under paragraph (b), clauses (1) and (2), must include:

(1) a breakdown for each transportation operating budget category established by the council, including but not limited to bus, light rail transit, commuter rail, planning, special transportation service under section 473.386, and assistance to replacement service providers under section 473.388;

(2) data for both transportation operating and capital expenditures; and

(3) fund balances for each replacement service provider under section 473.388.

(d) The financial overview and forecast must summarize reserve policies, identify the methodology for cost allocation, and review revenue assumptions and variables affecting the assumptions.

(e) The council must review the financial overview and forecast information with the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over finance, ways and means, and transportation finance no later than two weeks following the release of the forecast.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 86. Minnesota Statutes 2016, section 473.386, subdivision 3, is amended to read:

Subd. 3. **Duties of council.** In implementing the special transportation service, the council shall:

(a) encourage participation in the service by public, private, and private nonprofit providers of special transportation currently receiving capital or operating assistance from a public agency;

(b) when feasible and cost-efficient, contract with public, private, and private nonprofit providers that have demonstrated their ability to effectively provide service at a reasonable cost;

(c) encourage individuals using special transportation to use the type of service most appropriate to their particular needs;

(d) encourage shared rides to the greatest extent practicable;

(e) encourage public agencies that provide transportation to eligible individuals as a component of human services and educational programs to coordinate with this service and to allow reimbursement for transportation provided through the service at rates that reflect the public cost of providing that transportation;

(f) establish criteria to be used in determining individual eligibility for special transportation services;

(g) consult with the Transportation Accessibility Advisory Committee in a timely manner before changes are made in the provision of special transportation services;

(h) provide for effective administration and enforcement of council policies and standards; and

(i) ensure that, taken as a whole including contracts with public, private, and private nonprofit providers, the geographic coverage area of the special transportation service is continuous within the boundaries of the transit taxing district, as defined as of March 1, 2006, in section 473.446, subdivision 2, and any area added to the transit taxing district under section 473.4461 that received capital improvements financed in part by the Minnesota Urban Partnership Agreement (UPA) under the United States Department of Transportation UPA program.

EFFECTIVE DATE; APPLICATION. This section is effective July 1, 2019, and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 87. Minnesota Statutes 2016, section 473.386, is amended by adding a subdivision to read:

Subd. 9. **Data practices.** (a) For purposes of administering this section, and only with the consent of the data subject, the commissioner of human services and the Metropolitan Council may share the following private data on individuals eligible for special transportation services:

(1) name;

(2) date of birth;

(3) residential address; and

(4) program eligibility status with expiration date, to inform the other party of program eligibility.

(b) The commissioner of human services and the Metropolitan Council must provide notice regarding data sharing to each individual applying for or renewing eligibility to use special transportation services. The notice must seek consent to engage in data sharing under paragraph (a), and must state how and for what purposes the individual's private data will be shared between the commissioner of human services and the Metropolitan Council. A consent to engage in data sharing is effective until the individual's eligibility expires, but may be renewed if the individual applies to renew eligibility.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington. Within 60 days of this section's effective date, the commissioner of human services and the Metropolitan Council must provide notice regarding data sharing to each individual who is currently receiving special transportation services under Minnesota Statutes, section 473.386. The notice must provide an opportunity to opt out of data sharing under paragraph (a) of this section, and must state how and for what purposes the individual's private data will be shared between the commissioner of human services and the Metropolitan Council. An individual who is currently receiving special transportation services on this section's effective date is presumed to have consented to data sharing under paragraph (a) unless, within 60 days of the dissemination of the notice, the individual appropriately informs the commissioner of human services or the Metropolitan Council that the individual opts out of data sharing.

Sec. 88. Minnesota Statutes 2017 Supplement, section 473.4051, subdivision 2, is amended to read:

Subd. 2. **Operating costs.** (a) After operating revenue and federal money have been used to pay for light rail transit operations, 50 percent of the remaining operating costs must be paid by the state.

(b) Notwithstanding paragraph (a), all operating and ongoing capital maintenance costs must be paid from nonstate sources for a segment of a light rail transit line or line extension project that formally entered the engineering phase of the Federal Transit Administration's "New Starts" capital investment grant program between August 1, 2016, and December 31, 2016.

(c) For purposes of this subdivision, operating costs consist of the costs associated with light rail system daily operations and the maintenance costs associated with keeping light rail services and facilities operating. Operating costs do not include costs incurred to construct new buildings or facilities, purchase new vehicles, or make technology improvements.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 89. Minnesota Statutes 2016, section 473.4051, subdivision 3, is amended to read:

Subd. 3. **Capital costs.** State money ~~may~~ must not be used ~~to pay more than ten percent of~~ for the ~~total~~ capital cost of a light rail transit project.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment for appropriations encumbered on or after that date and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 90. Minnesota Statutes 2016, section 473.606, subdivision 5, is amended to read:

Subd. 5. **Employees, others, affirmative action; prevailing wage.** The corporation shall have the power to appoint engineers and other consultants, attorneys, and such other officers, agents, and employees as it may see fit, who shall perform such duties and receive such compensation as the corporation may determine notwithstanding the provisions of section 43A.17, subdivision 9, and be removable at the pleasure of the corporation. The corporation must adopt an affirmative action plan, which shall be submitted to the appropriate agency or office of the state for review and approval. The plan must include a yearly progress report to the agency or office. Whenever the corporation performs any work within the limits of a city of the first class, or establishes a minimum wage for skilled or unskilled labor in the specifications or any contract for work within one of the cities, the rate of pay to such skilled and unskilled labor must be the prevailing rate of wage for such labor in that city.

Sec. 91. Minnesota Statutes 2016, section 574.26, subdivision 1a, is amended to read:

Subd. 1a. **Exemptions: certain manufacturers; commissioner of transportation; road maintenance.** (a) Sections 574.26 to 574.32 do not apply to a manufacturer of public transit buses that manufactures at least 100 public transit buses in a calendar year. For purposes of this section, "public transit bus" means a motor vehicle designed to transport people, with a design capacity for carrying more than 40 passengers, including the driver. The term "public transit bus" does not include a school bus, as defined in section 169.011, subdivision 71.

(b) At the discretion of the commissioner of transportation, sections 574.26 to 574.32 do not apply to any projects of the Department of Transportation (1) costing less than the amount in section 471.345, subdivision 3, ~~or~~ (2) involving the permanent or semipermanent installation of heavy machinery, fixtures, or other capital equipment to be used primarily for maintenance or repair, or (3) awarded under section 161.32, subdivision 2.

(c) Sections 574.26 to 574.32 do not apply to contracts for snow removal, ice removal, grading, or other similar routine road maintenance on town roads.

Sec. 92. Laws 2014, chapter 312, article 11, section 38, subdivision 5, is amended to read:

Subd. 5. **Pilot program evaluation.** In coordination with the city, the commissioner of transportation shall evaluate effectiveness of the pilot program under this section, which must include analysis of traffic safety impacts, utility to motorists and tourists, costs and expenditures, extent of community support, and pilot program termination or continuation. By January 15, ~~2024~~ 2024, the commissioner shall submit a report on the evaluation to the ~~chairs and ranking minority~~ members and staff of the legislative committees with jurisdiction over transportation policy and finance.

Sec. 93. Laws 2014, chapter 312, article 11, section 38, subdivision 6, is amended to read:

Subd. 6. **Expiration.** The pilot program under this section expires January 1, ~~2022~~ 2025.

Sec. 94. **LEGISLATIVE ROUTE NO. 222 REMOVED.**

(a) Minnesota Statutes, section 161.115, subdivision 153, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of Red Lake County to transfer jurisdiction of Legislative Route No. 222 and after the commissioner notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 95. **LEGISLATIVE ROUTE NO. 253 REMOVED.**

(a) Minnesota Statutes, section 161.115, subdivision 184, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of Faribault County to transfer jurisdiction of Legislative Route No. 253 and after the commissioner notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 96. **LEGISLATIVE ROUTE NO. 254 REMOVED.**

(a) Minnesota Statutes, section 161.115, subdivision 185, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of Faribault County to transfer jurisdiction of Legislative Route No. 254 and after the commissioner notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 97. **LEGISLATIVE ROUTE NO. 277 REMOVED.**

(a) Minnesota Statutes, section 161.115, subdivision 208, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of Chippewa County to transfer jurisdiction of Legislative Route No. 277 and after the commissioner notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 98. **LEGISLATIVE ROUTE NO. 298 REMOVED.**

(a) Minnesota Statutes, section 161.115, subdivision 229, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of the city of Faribault to transfer jurisdiction of Legislative Route No. 298 and after the commissioner notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 99. **LEGISLATIVE ROUTE NO. 299 REMOVED.**

(a) Minnesota Statutes, section 161.115, subdivision 230, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of the city of Faribault to transfer jurisdiction of Legislative Route No. 299 and after the commissioner notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 100. **LEGISLATIVE ROUTE NO. 323 REMOVED.**

(a) Minnesota Statutes, section 161.115, subdivision 254, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of the city of Faribault to transfer jurisdiction of Legislative Route No. 323 and after the commissioner notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 101. **DEPARTMENT OF TRANSPORTATION LOAN CONVERSION AND LIEN RELEASE.**

The commissioner of transportation must (1) convert to a grant the remaining balance on Minnesota Department of Transportation Contract No. 1000714, originally executed as of June 1, 2015, with Minnesota Commercial Railway Company; (2) cancel all future payments under the contract; (3) release liens on the locomotives designated as MNNR 49 and MNNR 84; and (4) perform the appropriate filing. The commissioner is prohibited from requiring or accepting additional payments under the contract as of the effective date of this section. Notwithstanding the loan conversion and payment cancellation under this section, all other terms and conditions under Contract No. 1000714 remain effective for the duration of the period specified in the contract.

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

Sec. 102. **NORTHSTAR CORRIDOR EXTENSION; NEGOTIATIONS.**

The Department of Transportation must contact Burlington Northern Santa Fe Railway (BNSF) to negotiate an extension of the Northstar Corridor between Big Lake and St. Cloud. Negotiations under this section are subject to the following conditions:

(1) the Northstar Corridor will add at least one morning round trip departure between the St. Cloud Amtrak Depot and Big Lake Station with continuing service to Target Station each weekday, plus one evening round trip between Big Lake Station and St. Cloud Amtrak Depot that must begin at Target Station, with the departure and arrival times set so that approximately ten or more hours elapse between the morning departure and evening return each day for both round trips. The Department of Transportation may also negotiate weekend departures and arrivals between St. Cloud and Target Station;

(2) the Department of Transportation may negotiate for fewer round trip departures from Big Lake to Target Station each weekday, and fewer round trip departures on weekends;

(3) BNSF must continue to crew and dispatch all trains and provide other track-related services;

(4) the St. Cloud Metropolitan Transit Commission (MTC) must be responsible for fare collection in St. Cloud and must negotiate with Amtrak for using the Amtrak station. The MTC must negotiate an agreement with the Metropolitan Council, which is subject to approval by the city of St. Cloud, regarding the sharing of revenues and expenses related to the Amtrak Depot, fare collection, and advertising. The MTC, city of St. Cloud, and Stearns, Benton, and Sherburne Counties are prohibited from entering into agreements with the Metropolitan Council on any subject other than the operation of the Northstar Corridor;

(5) the Department of Transportation is prohibited from committing to spend any state funds on capital expenditures;

(6) the Department of Transportation is prohibited from committing to spend any more state funds on operating costs than the total sum it and the Metropolitan Council have budgeted for the Northstar Corridor; and

(7) the Department of Transportation may negotiate with the federal government, counties and cities, or the Northstar Corridor Development Authority to provide additional funding for services necessary to extend the Northstar Corridor.

Sec. 103. **NORTHSTAR COMMUTER RAIL OPERATING COSTS; EXCEPTION.**

(a) Minnesota Statutes, section 398A.10, subdivision 2, does not apply for reserve funds available to the Anoka County Regional Railroad Authority as of June 30, 2018, that are used to pay operating and maintenance costs of Northstar Commuter Rail.

(b) This section expires on January 1, 2021.

Sec. 104. **MARKED INTERSTATE HIGHWAY 35 SIGNS.**

The commissioner of transportation must erect signs that identify and direct motorists to the campuses of Minnesota State Academy for the Deaf and Minnesota State Academy for the Blind under Minnesota Statutes, sections 125A.61 to 125A.73. At least one sign in each direction of travel must be placed on marked Interstate Highway 35, located as near as practical to exits that reasonably access the campuses. The commissioner is prohibited from removing signs for the campuses posted on marked Trunk Highway 60.

Sec. 105. **COMMERCIAL DRIVER'S LICENSE FEDERAL REGULATION WAIVER REQUEST.**

The commissioner of public safety must apply to the Federal Motor Carrier Safety Administration for a waiver from the federal regulation that requires a person to have a passenger endorsement to drive a bus with no passengers for the sole purpose of delivering the bus to the purchaser.

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

Sec. 106. **REVISOR INSTRUCTIONS.**

(a) The revisor of statutes shall renumber Minnesota Statutes, section 160.02, subdivision 27a, as Minnesota Statutes, section 169.011, subdivision 73a. The revisor shall correct any cross-references made necessary by this renumbering.

(b) The revisor of statutes shall change the term "special revenue fund" to "driver and vehicle services fund" wherever the term appears in Minnesota Statutes when referring to the accounts under Minnesota Statutes, section 299A.705.

Sec. 107. **REPEALER.**

(a) Minnesota Statutes 2016, section 168.013, subdivision 21, is repealed.

(b) Minnesota Statutes 2016, section 221.161, subdivisions 2, 3, and 4, are repealed.

(c) Minnesota Statutes 2016, sections 360.063, subdivision 4; 360.065, subdivision 2; and 360.066, subdivisions 1a and 1b, are repealed.

(d) Minnesota Statutes 2016, sections 222.47; 222.50, subdivisions 1 and 7; and 222.51, are repealed.

(e) Minnesota Statutes 2017 Supplement, sections 222.49; and 222.50, subdivision 6, are repealed.

Sec. 108. **EFFECTIVE DATE; APPLICATION.**

(a) Sections 61 to 63, 65 to 83, and section 107, paragraph (c), are effective August 1, 2018, and apply to airport sponsors that make or plan to make changes to runway lengths or configurations on or after that date.

(b) Sections 61 to 63, 65 to 83, and section 107, paragraph (c), do not apply to airports that (1) have airport safety zoning ordinances approved by this commissioner in effect on August 1, 2018; (2) have not made and are not planning to make changes to runway lengths or configurations; and (3) are not required to update airport safety zoning ordinances."

Renumber the subdivisions in sequence

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 2, delete "human services;" and insert "state government finance;"

Page 1, line 9, before "providing" insert "establishing a supplemental budget for transportation activities; modifying various provisions governing transportation policy and finance;"

Page 1, line 11, before "amending" insert "authorizing the sale and issuance of state bonds;"

Correct the title numbers accordingly

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

MINORITY REPORT

April 25, 2018

We, the undersigned, being a minority of the Committee on Ways and Means, recommend that H. F. No. 3138 be amended as follows and placed on the General Register.

Delete everything after the enacting clause and insert:

"ARTICLE 1
DEPARTMENT OF HEALTH AND PUBLIC HEALTH

Section 1. Minnesota Statutes 2017 Supplement, section 62D.02, subdivision 4, is amended to read:

Subd. 4. **Health maintenance organization.** "Health maintenance organization" means a ~~foreign or domestic nonprofit~~ corporation organized under chapter 317A, or a local governmental unit as defined in subdivision 11, controlled and operated as provided in sections 62D.01 to 62D.30, which provides, either directly or through arrangements with providers or other persons, comprehensive health maintenance services, or arranges for the provision of these services, to enrollees on the basis of a fixed prepaid sum without regard to the frequency or extent of services furnished to any particular enrollee.

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

Sec. 2. Minnesota Statutes 2017 Supplement, section 62D.03, subdivision 1, is amended to read:

Subdivision 1. **Certificate of authority required.** Notwithstanding any law of this state to the contrary, any ~~foreign or domestic nonprofit~~ corporation organized to do so or a local governmental unit may apply to the commissioner of health for a certificate of authority to establish and operate a health maintenance organization in compliance with sections 62D.01 to 62D.30. No person shall establish or operate a health maintenance organization in this state, nor sell or offer to sell, or solicit offers to purchase or receive advance or periodic consideration in conjunction with a health maintenance organization or health maintenance contract unless the organization has a certificate of authority under sections 62D.01 to 62D.30.

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

Sec. 3. Minnesota Statutes 2017 Supplement, section 62D.05, subdivision 1, is amended to read:

Subdivision 1. **Authority granted.** Any nonprofit corporation or local governmental unit may, upon obtaining a certificate of authority as required in sections 62D.01 to 62D.30, operate as a health maintenance organization.

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

Sec. 4. Minnesota Statutes 2017 Supplement, section 62D.06, subdivision 1, is amended to read:

Subdivision 1. **Governing body composition; enrollee advisory body.** The governing body of any health maintenance organization which is a nonprofit corporation may include enrollees, providers, or other individuals; provided, however, that after a health maintenance organization which is a nonprofit corporation has been authorized under sections 62D.01 to 62D.30 for one year, at least 40 percent of the governing body shall be composed of enrollees and members elected by the enrollees and members from among the enrollees and members. For purposes of this section, "member" means a consumer who receives health care services through a self-insured contract that is administered by the health maintenance organization or its related third-party administrator. The number of members elected to the governing body shall not exceed the number of enrollees elected to the governing body. An enrollee or member elected to the governing board may not be a person:

(1) whose occupation involves, or before retirement involved, the administration of health activities or the provision of health services;

(2) who is or was employed by a health care facility as a licensed health professional; or

(3) who has or had a direct substantial financial or managerial interest in the rendering of a health service, other than the payment of a reasonable expense reimbursement or compensation as a member of the board of a health maintenance organization.

After a health maintenance organization which is a local governmental unit has been authorized under sections 62D.01 to 62D.30 for one year, an enrollee advisory body shall be established. The enrollees who make up this advisory body shall be elected by the enrollees from among the enrollees.

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

Sec. 5. Minnesota Statutes 2016, section 62D.12, is amended by adding a subdivision to read:

Subd. 8a. **Net earnings.** All net earnings of the nonprofit health maintenance organization shall be devoted to the nonprofit purposes of the health maintenance organization in providing comprehensive health care. No health maintenance organization shall provide for the payment, whether directly or indirectly, of any part of its net earnings, to any person as a dividend or rebate; provided, however, that the health maintenance organizations may make payments to providers or other persons based upon the efficient provision of services or as incentives to provide quality care. The commissioner of health shall, pursuant to sections 62D.01 to 62D.30, revoke the certificate of authority of any health maintenance organization in violation of this subdivision.

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

Sec. 6. Minnesota Statutes 2017 Supplement, section 62D.19, is amended to read:

62D.19 UNREASONABLE EXPENSES.

No health maintenance organization shall incur or pay for any expense of any nature which is unreasonably high in relation to the value of the service or goods provided. The commissioner of health shall implement and enforce this section by rules adopted under this section.

In an effort to achieve the stated purposes of sections 62D.01 to 62D.30; in order to safeguard the underlying nonprofit status of health maintenance organizations; and to ensure that the payment of health maintenance organization money to major participating entities results in a corresponding benefit to the health maintenance organization and its enrollees, when determining whether an organization has incurred an unreasonable expense in relation to a major participating entity, due consideration shall be given to, in addition to any other appropriate factors, whether the officers and trustees of the health maintenance organization have acted with good faith and in the best interests of the health maintenance organization in entering into, and performing under, a contract under which the health maintenance organization has incurred an expense. The commissioner has standing to sue, on behalf of a health maintenance organization, officers or trustees of the health maintenance organization who have breached their fiduciary duty in entering into and performing such contracts.

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

Sec. 7. Minnesota Statutes 2017 Supplement, section 62E.02, subdivision 3, is amended to read:

Subd. 3. **Health maintenance organization.** "Health maintenance organization" means a nonprofit corporation licensed and operated as provided in chapter 62D.

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

Sec. 8. Minnesota Statutes 2017 Supplement, section 103I.005, subdivision 2, is amended to read:

Subd. 2. **Boring.** "Boring" means a hole or excavation that ~~is not used to extract water and~~ includes exploratory borings, bored geothermal heat exchangers, temporary borings, and elevator borings.

Sec. 9. Minnesota Statutes 2017 Supplement, section 103I.005, subdivision 8a, is amended to read:

Subd. 8a. **Environmental well.** "Environmental well" means an excavation 15 or more feet in depth that is drilled, cored, bored, washed, driven, dug, jetted, or otherwise constructed to:

(1) conduct physical, chemical, or biological testing of groundwater, and includes a groundwater quality monitoring or sampling well;

(2) lower a groundwater level to control or remove contamination in groundwater, and includes a remedial well and excludes horizontal trenches; or

(3) monitor or measure physical, chemical, radiological, or biological parameters of the earth and earth fluids, or for vapor recovery or venting systems. An environmental well includes an excavation used to:

(i) measure groundwater levels, including a piezometer;

(ii) determine groundwater flow direction or velocity;

(iii) measure earth properties such as hydraulic conductivity, bearing capacity, or resistance;

(iv) obtain samples of geologic materials for testing or classification; or

(v) remove or remediate pollution or contamination from groundwater or soil through the use of a vent, vapor recovery system, or sparge point.

An environmental well does not include an exploratory boring.

Sec. 10. Minnesota Statutes 2017 Supplement, section 103I.005, subdivision 17a, is amended to read:

Subd. 17a. **Temporary environmental well boring.** ~~"Temporary environmental well" means an environmental well as defined in section 103I.005, subdivision 8a, that is sealed within 72 hours of the time construction on the well begins.~~ "Temporary boring" means an excavation that is 15 feet or more in depth that is sealed within 72 hours of the start of construction and is drilled, cored, washed, driven, dug, jetted, or otherwise constructed to:

(1) conduct physical, chemical, or biological testing of groundwater, including groundwater quality monitoring;

(2) monitor or measure physical, chemical, radiological, or biological parameters of earth materials or earth fluids, including hydraulic conductivity, bearing capacity, or resistance;

(3) measure groundwater levels, including use of a piezometer;

(4) determine groundwater flow direction or velocity; or

(5) collect samples of geologic materials for testing or classification, or soil vapors for testing or extraction.

Sec. 11. Minnesota Statutes 2017 Supplement, section 103I.205, subdivision 1, is amended to read:

Subdivision 1. **Notification required.** (a) Except as provided in paragraph (d), a person may not construct a water-supply, dewatering, or environmental well until a notification of the proposed well on a form prescribed by the commissioner is filed with the commissioner with the filing fee in section 103I.208, and, when applicable, the person has met the requirements of paragraph (e). If after filing the well notification an attempt to construct a well is unsuccessful, a new notification is not required unless the information relating to the successful well has substantially changed. A notification is not required prior to construction of a temporary ~~environmental well boring~~.

(b) The property owner, the property owner's agent, or the licensed contractor where a well is to be located must file the well notification with the commissioner.

(c) The well notification under this subdivision preempts local permits and notifications, and counties or home rule charter or statutory cities may not require a permit or notification for wells unless the commissioner has delegated the permitting or notification authority under section 103I.111.

(d) A person who is an individual that constructs a drive point water-supply well on property owned or leased by the individual for farming or agricultural purposes or as the individual's place of abode must notify the commissioner of the installation and location of the well. The person must complete the notification form prescribed by the commissioner and mail it to the commissioner by ten days after the well is completed. A fee may not be charged for the notification. A person who sells drive point wells at retail must provide buyers with notification forms and informational materials including requirements regarding wells, their location, construction, and disclosure. The commissioner must provide the notification forms and informational materials to the sellers.

(e) When the operation of a well will require an appropriation permit from the commissioner of natural resources, a person may not begin construction of the well until the person submits the following information to the commissioner of natural resources:

(1) the location of the well;

(2) the formation or aquifer that will serve as the water source;

(3) the maximum daily, seasonal, and annual pumpage rates and volumes that will be requested in the appropriation permit; and

(4) other information requested by the commissioner of natural resources that is necessary to conduct the preliminary assessment required under section 103G.287, subdivision 1, paragraph (c).

The person may begin construction after receiving preliminary approval from the commissioner of natural resources.

Sec. 12. Minnesota Statutes 2017 Supplement, section 103I.205, subdivision 4, is amended to read:

Subd. 4. **License required.** (a) Except as provided in paragraph (b), (c), (d), or (e), section 103I.401, subdivision 2, or 103I.601, subdivision 2, a person may not drill, construct, repair, or seal a well or boring unless the person has a well contractor's license in possession.

(b) A person may construct, repair, and seal an environmental well or temporary boring if the person:

(1) is a professional engineer licensed under sections 326.02 to 326.15 in the branches of civil or geological engineering;

(2) is a hydrologist or hydrogeologist certified by the American Institute of Hydrology;

(3) is a professional geoscientist licensed under sections 326.02 to 326.15;

(4) is a geologist certified by the American Institute of Professional Geologists; or

(5) meets the qualifications established by the commissioner in rule.

A person must be licensed by the commissioner as an environmental well contractor on forms provided by the commissioner.

(c) A person may do the following work with a limited well/boring contractor's license in possession. A separate license is required for each of the four activities:

(1) installing, repairing, and modifying well screens, pitless units and pitless adaptors, well pumps and pumping equipment, and well casings from the pitless adaptor or pitless unit to the upper termination of the well casing;

(2) sealing wells and borings;

(3) constructing, repairing, and sealing dewatering wells; or

(4) constructing, repairing, and sealing bored geothermal heat exchangers.

(d) A person may construct, repair, and seal an elevator boring with an elevator boring contractor's license.

(e) Notwithstanding other provisions of this chapter requiring a license, a license is not required for a person who complies with the other provisions of this chapter if the person is:

(1) an individual who constructs a water-supply well on land that is owned or leased by the individual and is used by the individual for farming or agricultural purposes or as the individual's place of abode; or

(2) an individual who performs labor or services for a contractor licensed under the provisions of this chapter in connection with the construction, sealing, or repair of a well or boring at the direction and under the personal supervision of a contractor licensed under the provisions of this chapter; ~~or.~~

~~(3) a licensed plumber who is repairing submersible pumps or water pipes associated with well water systems if: (i) the repair location is within an area where there is no licensed well contractor within 50 miles, and (ii) the licensed plumber complies with all relevant sections of the plumbing code.~~

Sec. 13. Minnesota Statutes 2016, section 103I.205, subdivision 9, is amended to read:

Subd. 9. **Report of work.** Within ~~30~~ 60 days after completion or sealing of a well or boring, the person doing the work must submit a verified report to the commissioner containing the information specified by rules adopted under this chapter.

Within 30 days after receiving the report, the commissioner shall send or otherwise provide access to a copy of the report to the commissioner of natural resources, to the local soil and water conservation district where the well is located, and to the director of the Minnesota Geological Survey.

Sec. 14. Minnesota Statutes 2017 Supplement, section 103I.208, subdivision 1, is amended to read:

Subdivision 1. **Well notification fee.** The well notification fee to be paid by a property owner is:

(1) for construction of a water supply well, \$275, which includes the state core function fee;

(2) for a well sealing, \$75 for each well or boring, which includes the state core function fee, except that a single fee of \$75 is required for all temporary ~~environmental wells~~ borings recorded on the sealing notification for a single property, ~~having depths within a 25-foot range, and sealed within 72 hours of start of construction, except that temporary borings less than 25 feet in depth are exempt from the notification and fee requirements in this chapter;~~

(3) for construction of a dewatering well, \$275, which includes the state core function fee, for each dewatering well except a dewatering project comprising five or more dewatering wells shall be assessed a single fee of \$1,375 for the dewatering wells recorded on the notification; and

(4) for construction of an environmental well, \$275, which includes the state core function fee, except that a single fee of \$275 is required for all environmental wells recorded on the notification that are located on a single property, and except that no fee is required for construction of a temporary ~~environmental well~~ boring.

Sec. 15. Minnesota Statutes 2017 Supplement, section 103I.235, subdivision 3, is amended to read:

Subd. 3. **Temporary ~~environmental well~~ boring and unsuccessful well exemption.** This section does not apply to temporary ~~environmental wells~~ borings or unsuccessful wells that have been sealed by a licensed contractor in compliance with this chapter.

Sec. 16. Minnesota Statutes 2016, section 103I.301, subdivision 6, is amended to read:

Subd. 6. **Notification required.** A person may not seal a well or boring until a notification of the proposed sealing is filed as prescribed by the commissioner. Temporary borings less than 25 feet in depth are exempt from the notification requirements in this chapter.

Sec. 17. Minnesota Statutes 2017 Supplement, section 103I.601, subdivision 4, is amended to read:

Subd. 4. **Notification and map of borings.** (a) By ten days before beginning exploratory boring, an explorer must submit to the commissioner of health a notification of the proposed boring ~~on a form prescribed by the commissioner, map~~ and a fee of \$275 ~~for each exploratory boring~~.

(b) By ten days before beginning exploratory boring, an explorer must submit to the commissioners of health and natural resources a county road map on a single sheet of paper that is eight and one-half by 11 inches in size and having a scale of one-half inch equal to one mile, as prepared by the Department of Transportation, or a 7.5 minute series topographic map (1:24,000 scale), as prepared by the United States Geological Survey, showing the location of each proposed exploratory boring to the nearest estimated 40 acre parcel. Exploratory boring that is proposed on the map may not be commenced later than 180 days after submission of the map, unless a new map is submitted.

Sec. 18. **[137.68] ADVISORY COUNCIL ON RARE DISEASES.**

Subdivision 1. **Establishment.** The Board of Regents of the University of Minnesota is requested to establish an advisory council on rare diseases to provide advice on research, diagnosis, treatment, and education related to rare diseases. For purposes of this section, "rare disease" has the meaning given in United States Code, title 21, section 360bb. The council shall be called the Chloe Barnes Advisory Council on Rare Diseases.

Subd. 2. **Membership.** (a) The advisory council may consist of public members appointed by the Board of Regents or a designee according to paragraph (b) and four members of the legislature appointed according to paragraph (c).

(b) The Board of Regents or a designee is requested to appoint the following public members:

(1) three physicians licensed and practicing in the state with experience researching, diagnosing, or treating rare diseases;

(2) one registered nurse or advanced practice registered nurse licensed and practicing in the state with experience treating rare diseases;

(3) at least two hospital administrators, or their designees, from hospitals in the state that provide care to persons diagnosed with a rare disease. One administrator or designee appointed under this clause must represent a hospital in which the scope of service focuses on rare diseases of pediatric patients;

(4) three persons age 18 or older who either have a rare disease or are a caregiver of a person with a rare disease;

(5) a representative of a rare disease patient organization that operates in the state;

(6) a social worker with experience providing services to persons diagnosed with a rare disease;

(7) a pharmacist with experience with drugs used to treat rare diseases;

(8) a dentist licensed and practicing in the state with experience treating rare diseases;

(9) a representative of the biotechnology industry;

(10) a representative of health plan companies;

(11) a medical researcher with experience conducting research on rare diseases;

(12) a genetic counselor with experience providing services to persons diagnosed with a rare disease or caregivers of those persons; and

(13) other public members, who may serve on an ad hoc basis.

(c) The advisory council shall include two members of the senate, one appointed by the majority leader and one appointed by the minority leader; and two members of the house of representatives, one appointed by the speaker of the house and one appointed by the minority leader.

(d) The commissioner of health or a designee, a representative of Mayo Medical School, and a representative of the University of Minnesota Medical School, shall serve as ex officio, nonvoting members of the advisory council.

(e) Initial appointments to the advisory council shall be made no later than July 1, 2018. Members appointed according to paragraph (b) shall serve for a term of three years, except that the initial members appointed according to paragraph (b) shall have an initial term of two, three, or four years determined by lot by the chairperson. Members appointed according to paragraph (b) shall serve until their successors have been appointed.

Subd. 3. **Meetings.** The Board of Regents or a designee is requested to convene the first meeting of the advisory council no later than September 1, 2018. The advisory council shall meet at the call of the chairperson or at the request of a majority of advisory council members.

Subd. 4. **Duties.** The advisory council's duties may include, but are not limited to:

(1) in conjunction with the state's medical schools, the state's schools of public health, and hospitals in the state that provide care to persons diagnosed with a rare disease, developing resources or recommendations relating to quality of and access to treatment and services in the state for persons with a rare disease, including but not limited to:

(i) a list of existing, publicly accessible resources on research, diagnosis, treatment, and education relating to rare diseases;

(ii) identifying best practices for rare disease care implemented in other states, at the national level, and at the international level, that will improve rare disease care in the state and seeking opportunities to partner with similar organizations in other states and countries;

(iii) identifying problems faced by patients with a rare disease when changing health plans, including recommendations on how to remove obstacles faced by these patients to finding a new health plan and how to improve the ease and speed of finding a new health plan that meets the needs of patients with a rare disease; and

(iv) identifying best practices to ensure health care providers are adequately informed of the most effective strategies for recognizing and treating rare diseases; and

(2) advising, consulting, and cooperating with the Department of Health, the Advisory Committee on Heritable and Congenital Disorders, and other agencies of state government in developing information and programs for the public and the health care community relating to diagnosis, treatment, and awareness of rare diseases.

Subd. 5. **Conflict of interest.** Advisory council members are subject to the Board of Regents policy on conflicts of interest.

Subd. 6. **Annual report.** By January 1 of each year, beginning January 1, 2019, the advisory council shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education and health care policy on the advisory council's activities under subdivision 4 and other issues on which the advisory council may choose to report.

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

Sec. 19. **[144.064] THE VIVIAN ACT.**

Subdivision 1. **Short title.** This section shall be known and may be cited as the "Vivian Act."

Subd. 2. **Definitions.** For purposes of this section, the following terms have the meanings given them:

(1) "commissioner" means the commissioner of health;

(2) "health care practitioner" means a medical professional that provides prenatal or postnatal care;

(3) "CMV" means the human herpesvirus cytomegalovirus, also called HCMV, human herpesvirus 5, and HHV-5; and

(4) "congenital CMV" means the transmission of a CMV infection from a pregnant mother to her fetus.

Subd. 3. **Commissioner duties.** (a) The commissioner shall make available to health care practitioners and women who may become pregnant, expectant parents, and parents of infants up-to-date and evidence-based information about congenital CMV that has been reviewed by experts with knowledge of the disease. The information shall include the following:

(1) the recommendation to consider testing for congenital CMV in babies who did not pass their newborn hearing screen or in which a pregnancy history suggests increased risk for congenital CMV infection;

(2) the incidence of CMV;

(3) the transmission of CMV to pregnant women and women who may become pregnant;

(4) birth defects caused by congenital CMV;

(5) available preventative measures to avoid the infection of women who are pregnant or may become pregnant; and

(6) resources available for families of children born with congenital CMV.

(b) The commissioner shall follow existing department practice, inclusive of community engagement, to ensure that the information in paragraph (a) is culturally and linguistically appropriate for all recipients.

(c) The department shall establish an outreach program to:

(1) educate women who may become pregnant, expectant parents, and parents of infants about CMV; and

(2) raise awareness for CMV among health care providers who provide care to expectant mothers or infants.

Sec. 20. Minnesota Statutes 2016, section 144.121, subdivision 1a, is amended to read:

Subd. 1a. Fees for ionizing radiation-producing equipment. (a) A facility with ionizing radiation-producing equipment must pay an annual initial or annual renewal registration fee consisting of a base facility fee of \$100 and an additional fee for each radiation source, as follows:

(1) medical or veterinary equipment	\$100
(2) dental x-ray equipment	\$40
(3) x-ray equipment not used on humans or animals	\$100
(4) devices with sources of ionizing radiation not used on humans or animals	\$100
(5) <u>security screening system</u>	<u>\$100</u>

(b) A facility with radiation therapy and accelerator equipment must pay an annual registration fee of \$500. A facility with an industrial accelerator must pay an annual registration fee of \$150.

(c) Electron microscopy equipment is exempt from the registration fee requirements of this section.

(d) For purposes of this section, a security screening system means radiation-producing equipment designed and used for security screening of humans who are in custody of a correctional or detention facility, and is used by the facility to image and identify contraband items concealed within or on all sides of a human body. For purposes of this section, a correctional or detention facility is a facility licensed by the commissioner of corrections under section 241.021, and operated by a state agency or political subdivision charged with detection, enforcement, or incarceration in respect to state criminal and traffic laws.

Sec. 21. Minnesota Statutes 2016, section 144.121, is amended by adding a subdivision to read:

Subd. 9. **Exemption from examination requirements; operators of security screening systems.** (a) An employee of a correctional or detention facility who operates a security screening system and the facility in which the system is being operated are exempt from the requirements of subdivisions 5 and 6.

(b) An employee of a correctional or detention facility who operates a security screening system and the facility in which the system is being operated must meet the requirements of a variance to Minnesota Rules, parts 4732.0305 and 4732.0565, issued under Minnesota Rules, parts 4717.7000 to 4717.7050. This paragraph expires on December 31 of the year that the permanent rules adopted by the commissioner governing security screening systems are published in the State Register.

EFFECTIVE DATE. This section is effective 30 days following final enactment.

Sec. 22. **[144.131] ADVISORY COUNCIL ON PANDAS AND PANS.**

Subdivision 1. **Advisory council established.** The commissioner of health shall establish an advisory council on pediatric autoimmune neuropsychiatric disorders associated with streptococcal infections (PANDAS) and pediatric acute-onset neuropsychiatric syndrome (PANS) to advise the commissioner regarding research, diagnosis, treatment, and education relating to PANDAS and PANS.

Subd. 2. **Membership.** (a) The advisory council shall consist of 14 public members appointed according to paragraph (b) and two members of the legislature appointed according to paragraph (c).

(b) The commissioner shall appoint the following public members to the advisory council in the manner provided in section 15.0597:

(1) an immunologist who is licensed by the Board of Medical Practice and who has experience treating PANS with the use of intravenous immunoglobulin;

(2) a health care provider who is licensed and practicing in Minnesota and who has experience treating persons with PANS and autism spectrum disorder;

(3) a representative of a nonprofit PANS advocacy organization;

(4) a family practice physician who is licensed by the Board of Medical Practice and practicing in Minnesota and who has experience treating persons with PANS;

(5) a medical researcher with experience conducting research on PANDAS, PANS, obsessive-compulsive disorder, and other neurological disorders;

(6) a health care provider who is licensed and practicing in Minnesota and who has expertise in treating patients with eating disorders;

(7) a representative of a professional organization in Minnesota for school psychologists or school social workers;

(8) a child psychiatrist who is licensed by the Board of Medical Practice and practicing in Minnesota and who has experience treating persons with PANS;

(9) a pediatrician who is licensed by the Board of Medical Practice and practicing in Minnesota and who has experience treating persons with PANS;

(10) a representative of an organization focused on autism spectrum disorder;

(11) a parent of a child who has been diagnosed with PANS and autism spectrum disorder;

(12) a social worker licensed by the Board of Social Work and practicing in Minnesota;

(13) a designee of the commissioner of education with expertise in special education; and

(14) a representative of health plan companies that offer health plans in the individual or group markets.

(c) Legislative members shall be appointed to the advisory council as follows:

(1) the Subcommittee on Committees of the Committee on Rules and Administration in the senate shall appoint one member from the senate; and

(2) the speaker of the house shall appoint one member from the house of representatives.

(d) The commissioner of health or a designee shall serve as a nonvoting member of the advisory council.

Subd. 3. **Terms.** Members of the advisory council shall serve for a term of three years and may be reappointed. Members shall serve until their successors have been appointed.

Subd. 4. **Administration.** The commissioner of health or the commissioner's designee shall provide meeting space and administrative services for the advisory council.

Subd. 5. **Compensation and expenses.** Public members of the advisory council shall not receive compensation but may be reimbursed for allowed actual and necessary expenses incurred in the performance of the member's duties for the advisory council, in the same manner and amount as authorized by the commissioner's plan adopted under section 43A.18, subdivision 2.

Subd. 6. **Chair; meetings.** (a) At the advisory council's first meeting, and every two years thereafter, the members of the advisory council shall elect from among their membership a chair and a vice-chair, whose duties shall be established by the advisory council.

(b) The chair of the advisory council shall fix a time and place for regular meetings. The advisory council shall meet at least four times each year at the call of the chair or at the request of a majority of the advisory council's members.

Subd. 7. **Duties.** The advisory council shall:

(1) advise the commissioner regarding research, diagnosis, treatment, and education relating to PANDAS and PANS;

(2) annually develop recommendations on the following issues related to PANDAS and PANS:

(i) practice guidelines for diagnosis and treatment;

(ii) ways to increase clinical awareness and education of PANDAS and PANS among pediatricians, other physicians, school-based health centers, and providers of mental health services;

(iii) outreach to educators and parents to increase awareness of PANDAS and PANS; and

(iv) development of a network of volunteer experts on the diagnosis and treatment of PANDAS and PANS to assist in education and research; and

(3) by October 1, 2019, and each October 1 thereafter, complete an annual report with the advisory council's recommendations on the issues listed in clause (2), and submit the report to the chairs and ranking minority members of the legislative committees with jurisdiction over health care and education. The commissioner shall also post a copy of each annual report on the Department of Health Web site.

Subd. 8. **Expiration.** The advisory council expires October 1, 2024.

Sec. 23. Minnesota Statutes 2016, section 144.1501, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the following definitions apply.

(b) "Advanced dental therapist" means an individual who is licensed as a dental therapist under section 150A.06, and who is certified as an advanced dental therapist under section 150A.106.

(c) "Alcohol and drug counselor" means an individual who is licensed as an alcohol and drug counselor under chapter 148F.

~~(e)~~ (d) "Dental therapist" means an individual who is licensed as a dental therapist under section 150A.06.

~~(d)~~ (e) "Dentist" means an individual who is licensed to practice dentistry.

~~(e)~~ (f) "Designated rural area" means a statutory and home rule charter city or township that is outside the seven-county metropolitan area as defined in section 473.121, subdivision 2, excluding the cities of Duluth, Mankato, Moorhead, Rochester, and St. Cloud.

~~(f)~~ (g) "Emergency circumstances" means those conditions that make it impossible for the participant to fulfill the service commitment, including death, total and permanent disability, or temporary disability lasting more than two years.

~~(g)~~ (h) "Mental health professional" means an individual providing clinical services in the treatment of mental illness who is qualified in at least one of the ways specified in section 245.462, subdivision 18.

~~(h)~~ (i) "Medical resident" means an individual participating in a medical residency in family practice, internal medicine, obstetrics and gynecology, pediatrics, or psychiatry.

~~(i)~~ (j) "Midlevel practitioner" means a nurse practitioner, nurse-midwife, nurse anesthetist, advanced clinical nurse specialist, or physician assistant.

~~(k)~~ (k) "Nurse" means an individual who has completed training and received all licensing or certification necessary to perform duties as a licensed practical nurse or registered nurse.

~~(l)~~ (l) "Nurse-midwife" means a registered nurse who has graduated from a program of study designed to prepare registered nurses for advanced practice as nurse-midwives.

~~(m)~~ (m) "Nurse practitioner" means a registered nurse who has graduated from a program of study designed to prepare registered nurses for advanced practice as nurse practitioners.

~~(n)~~ (n) "Pharmacist" means an individual with a valid license issued under chapter 151.

~~(o)~~ (o) "Physician" means an individual who is licensed to practice medicine in the areas of family practice, internal medicine, obstetrics and gynecology, pediatrics, or psychiatry.

~~(p)~~ (p) "Physician assistant" means a person licensed under chapter 147A.

~~(q)~~ (q) "Public health nurse" means a registered nurse licensed in Minnesota who has obtained a registration certificate as a public health nurse from the Board of Nursing in accordance with Minnesota Rules, chapter 6316.

~~(r)~~ (r) "Qualified educational loan" means a government, commercial, or foundation loan for actual costs paid for tuition, reasonable education expenses, and reasonable living expenses related to the graduate or undergraduate education of a health care professional.

~~(s)~~ (s) "Underserved urban community" means a Minnesota urban area or population included in the list of designated primary medical care health professional shortage areas (HPSAs), medically underserved areas (MUAs), or medically underserved populations (MUPs) maintained and updated by the United States Department of Health and Human Services.

Sec. 24. Minnesota Statutes 2017 Supplement, section 144.1501, subdivision 2, is amended to read:

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

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

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

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

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

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

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

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

Sec. 25. Minnesota Statutes 2016, section 144.1501, subdivision 3, is amended to read:

Subd. 3. **Eligibility.** (a) To be eligible to participate in the loan forgiveness program, an individual must:

(1) be a medical or dental resident; a licensed pharmacist; or be enrolled in a training or education program to become a dentist, dental therapist, advanced dental therapist, mental health professional, pharmacist, public health nurse, midlevel practitioner, registered nurse, ~~or a licensed practical nurse,~~ or alcohol and drug counselor. The commissioner may also consider applications submitted by graduates in eligible professions who are licensed and in practice; and

(2) submit an application to the commissioner of health.

(b) An applicant selected to participate must sign a contract to agree to serve a minimum three-year full-time service obligation according to subdivision 2, which shall begin no later than March 31 following completion of required training, with the exception of a nurse, who must agree to serve a minimum two-year full-time service obligation according to subdivision 2, which shall begin no later than March 31 following completion of required training.

Sec. 26. Minnesota Statutes 2016, section 144.1506, subdivision 2, is amended to read:

Subd. 2. **Expansion grant program.** (a) The commissioner of health shall award primary care residency expansion grants to eligible primary care residency programs to plan and implement new residency slots. A planning grant shall not exceed \$75,000, and a training grant shall not exceed \$150,000 per new residency slot for the first year, \$100,000 for the second year, and \$50,000 for the third year of the new residency slot. For eligible residency programs longer than three years, training grants may be awarded for the duration of the residency, not exceeding an average of \$100,000 per residency slot per year.

(b) Funds may be spent to cover the costs of:

(1) planning related to establishing an accredited primary care residency program;

(2) obtaining accreditation by the Accreditation Council for Graduate Medical Education or another national body that accredits residency programs;

- (3) establishing new residency programs or new resident training slots;
- (4) recruitment, training, and retention of new residents and faculty;
- (5) travel and lodging for new residents;
- (6) faculty, new resident, and preceptor salaries related to new residency slots;
- (7) training site improvements, fees, equipment, and supplies required for new primary care resident training slots; and
- (8) supporting clinical education in which trainees are part of a primary care team model.

Sec. 27. **[144.397] STATEWIDE TOBACCO CESSATION SERVICES.**

(a) The commissioner of health shall administer, or contract for the administration of, statewide tobacco cessation services to assist Minnesotans who are seeking advice or services to help them quit using tobacco products. The commissioner shall establish statewide public awareness activities to inform the public of the availability of the services and encourage the public to utilize the services because of the dangers and harm of tobacco use and dependence.

(b) Services to be provided may include, but are not limited to:

(1) telephone-based coaching and counseling;

(2) referrals;

(3) written materials mailed upon request;

(4) Web-based texting or e-mail services; and

(5) free Food and Drug Administration-approved tobacco cessation medications.

(c) Services provided must be consistent with evidence-based best practices in tobacco cessation services. Services provided must be coordinated with employer, health plan company, and private sector tobacco prevention and cessation services that may be available to individuals depending on their employment or health coverage.

Sec. 28. Minnesota Statutes 2016, section 144.608, subdivision 1, is amended to read:

Subdivision 1. **Trauma Advisory Council established.** (a) A Trauma Advisory Council is established to advise, consult with, and make recommendations to the commissioner on the development, maintenance, and improvement of a statewide trauma system.

(b) The council shall consist of the following members:

(1) a trauma surgeon certified by the American Board of Surgery or the American Osteopathic Board of Surgery who practices in a level I or II trauma hospital;

(2) a general surgeon certified by the American Board of Surgery or the American Osteopathic Board of Surgery whose practice includes trauma and who practices in a designated rural area as defined under section 144.1501, subdivision 1, paragraph ~~(e)~~ (f);

(3) a neurosurgeon certified by the American Board of Neurological Surgery who practices in a level I or II trauma hospital;

(4) a trauma program nurse manager or coordinator practicing in a level I or II trauma hospital;

(5) an emergency physician certified by the American Board of Emergency Medicine or the American Osteopathic Board of Emergency Medicine whose practice includes emergency room care in a level I, II, III, or IV trauma hospital;

(6) a trauma program manager or coordinator who practices in a level III or IV trauma hospital;

(7) a physician certified by the American Board of Family Medicine or the American Osteopathic Board of Family Practice whose practice includes emergency department care in a level III or IV trauma hospital located in a designated rural area as defined under section 144.1501, subdivision 1, paragraph ~~(e)~~ (f);

(8) a nurse practitioner, as defined under section 144.1501, subdivision 1, paragraph ~~(t)~~ (m), or a physician assistant, as defined under section 144.1501, subdivision 1, paragraph ~~(p)~~ (p), whose practice includes emergency room care in a level IV trauma hospital located in a designated rural area as defined under section 144.1501, subdivision 1, paragraph ~~(e)~~ (f);

(9) a physician certified in pediatric emergency medicine by the American Board of Pediatrics or certified in pediatric emergency medicine by the American Board of Emergency Medicine or certified by the American Osteopathic Board of Pediatrics whose practice primarily includes emergency department medical care in a level I, II, III, or IV trauma hospital, or a surgeon certified in pediatric surgery by the American Board of Surgery whose practice involves the care of pediatric trauma patients in a trauma hospital;

(10) an orthopedic surgeon certified by the American Board of Orthopaedic Surgery or the American Osteopathic Board of Orthopedic Surgery whose practice includes trauma and who practices in a level I, II, or III trauma hospital;

(11) the state emergency medical services medical director appointed by the Emergency Medical Services Regulatory Board;

(12) a hospital administrator of a level III or IV trauma hospital located in a designated rural area as defined under section 144.1501, subdivision 1, paragraph ~~(e)~~ (f);

(13) a rehabilitation specialist whose practice includes rehabilitation of patients with major trauma injuries or traumatic brain injuries and spinal cord injuries as defined under section 144.661;

(14) an attendant or ambulance director who is an EMT, EMT-I, or EMT-P within the meaning of section 144E.001 and who actively practices with a licensed ambulance service in a primary service area located in a designated rural area as defined under section 144.1501, subdivision 1, paragraph ~~(e)~~ (f); and

(15) the commissioner of public safety or the commissioner's designee.

Sec. 29. Minnesota Statutes 2016, section 144A.43, subdivision 11, is amended to read:

Subd. 11. **Medication administration.** "Medication administration" means performing a set of tasks ~~to ensure a client takes medications, and includes~~ that include the following:

(1) checking the client's medication record;

- (2) preparing the medication as necessary;
- (3) administering the medication to the client;
- (4) documenting the administration or reason for not administering the medication; and
- (5) reporting to a registered nurse or appropriate licensed health professional any concerns about the medication, the client, or the client's refusal to take the medication.

Sec. 30. Minnesota Statutes 2016, section 144A.43, is amended by adding a subdivision to read:

Subd. 12a. **Medication reconciliation.** "Medication reconciliation" means the process of identifying the most accurate list of all medications the client is taking, including the name, dosage, frequency, and route by comparing the client record to an external list of medications obtained from the client, hospital, prescriber, or other provider.

Sec. 31. Minnesota Statutes 2016, section 144A.43, subdivision 27, is amended to read:

Subd. 27. **Service ~~plan~~ agreement.** "Service ~~plan~~ agreement" means the written ~~plan~~ agreement between the client or client's representative and the temporary licensee or licensee about the services that will be provided to the client.

Sec. 32. Minnesota Statutes 2016, section 144A.43, subdivision 30, is amended to read:

Subd. 30. **Standby assistance.** "Standby assistance" means the presence of another person ~~within arm's reach to minimize the risk of injury while performing daily activities through physical intervention or cueing~~ to assist a client with an assistive task by providing cues, oversight, and minimal physical assistance.

Sec. 33. Minnesota Statutes 2016, section 144A.472, subdivision 5, is amended to read:

Subd. 5. ~~Transfers prohibited; Changes in ownership.~~ **Changes in ownership.** ~~Any~~ (a) A home care license issued by the commissioner may not be transferred to another party. Before acquiring ownership of or a controlling interest in a home care provider business, a prospective ~~applicant~~ owner must apply for a new ~~temporary~~ license. A change of ownership is a transfer of operational control ~~to a different business entity~~ of the home care provider business and includes:

- (1) transfer of the business to a different or new corporation;
- (2) in the case of a partnership, the dissolution or termination of the partnership under chapter 323A, with the business continuing by a successor partnership or other entity;
- (3) relinquishment of control of the provider to another party, including to a contract management firm that is not under the control of the owner of the business' assets;
- (4) transfer of the business by a sole proprietor to another party or entity; or
- (5) ~~in the case of a privately held corporation, the change in~~ transfer of ownership or control of 50 percent or more of the outstanding voting stock controlling interest of a home care provider business not covered by clauses (1) to (4).

(b) An employee who was employed by the previous owner of the home care provider business prior to the effective date of a change in ownership under paragraph (a), and who will be employed by the new owner in the same or a similar capacity, shall be treated as if no change in employer occurred, with respect to orientation, training, tuberculosis testing, background studies, and competency testing and training on the policies identified in subdivision 1, clause (14), and subdivision 2, if applicable.

(c) Notwithstanding paragraph (b), a new owner of a home care provider business must ensure that employees of the provider receive and complete training and testing on any provisions of policies that differ from those of the previous owner, within 90 days after the date of the change in ownership.

Sec. 34. Minnesota Statutes 2017 Supplement, section 144A.472, subdivision 7, is amended to read:

Subd. 7. **Fees; application, change of ownership, and renewal.** (a) An initial applicant seeking temporary home care licensure must submit the following application fee to the commissioner along with a completed application:

- (1) for a basic home care provider, \$2,100; or
- (2) for a comprehensive home care provider, \$4,200.

(b) A home care provider who is filing a change of ownership as required under subdivision 5 must submit the following application fee to the commissioner, along with the documentation required for the change of ownership:

- (1) for a basic home care provider, \$2,100; or
- (2) for a comprehensive home care provider, \$4,200.

(c) For the period ending June 30, 2018, a home care provider who is seeking to renew the provider's license shall pay a fee to the commissioner based on revenues derived from the provision of home care services during the calendar year prior to the year in which the application is submitted, according to the following schedule:

License Renewal Fee

Provider Annual Revenue	Fee
greater than \$1,500,000	\$6,625
greater than \$1,275,000 and no more than \$1,500,000	\$5,797
greater than \$1,100,000 and no more than \$1,275,000	\$4,969
greater than \$950,000 and no more than \$1,100,000	\$4,141
greater than \$850,000 and no more than \$950,000	\$3,727
greater than \$750,000 and no more than \$850,000	\$3,313
greater than \$650,000 and no more than \$750,000	\$2,898
greater than \$550,000 and no more than \$650,000	\$2,485
greater than \$450,000 and no more than \$550,000	\$2,070
greater than \$350,000 and no more than \$450,000	\$1,656
greater than \$250,000 and no more than \$350,000	\$1,242
greater than \$100,000 and no more than \$250,000	\$828
greater than \$50,000 and no more than \$100,000	\$500
greater than \$25,000 and no more than \$50,000	\$400
no more than \$25,000	\$200

(d) For the period between July 1, 2018, and June 30, 2020, a home care provider who is seeking to renew the provider's license shall pay a fee to the commissioner in an amount that is ten percent higher than the applicable fee in paragraph (c). A home care provider's fee shall be based on revenues derived from the provision of home care services during the calendar year prior to the year in which the application is submitted.

(e) Beginning July 1, 2020, a home care provider who is seeking to renew the provider's license shall pay a fee to the commissioner based on revenues derived from the provision of home care services during the calendar year prior to the year in which the application is submitted, according to the following schedule:

License Renewal Fee

Provider Annual Revenue	Fee
greater than \$1,500,000	\$7,651
greater than \$1,275,000 and no more than \$1,500,000	\$6,695
greater than \$1,100,000 and no more than \$1,275,000	\$5,739
greater than \$950,000 and no more than \$1,100,000	\$4,783
greater than \$850,000 and no more than \$950,000	\$4,304
greater than \$750,000 and no more than \$850,000	\$3,826
greater than \$650,000 and no more than \$750,000	\$3,347
greater than \$550,000 and no more than \$650,000	\$2,870
greater than \$450,000 and no more than \$550,000	\$2,391
greater than \$350,000 and no more than \$450,000	\$1,913
greater than \$250,000 and no more than \$350,000	\$1,434
greater than \$100,000 and no more than \$250,000	\$957
greater than \$50,000 and no more than \$100,000	\$577
greater than \$25,000 and no more than \$50,000	\$462
no more than \$25,000	\$231

(f) If requested, the home care provider shall provide the commissioner information to verify the provider's annual revenues or other information as needed, including copies of documents submitted to the Department of Revenue.

(g) At each annual renewal, a home care provider may elect to pay the highest renewal fee for its license category, and not provide annual revenue information to the commissioner.

(h) A temporary license or license applicant, or temporary licensee or licensee that knowingly provides the commissioner incorrect revenue amounts for the purpose of paying a lower license fee, shall be subject to a civil penalty in the amount of double the fee the provider should have paid.

(i) The fee for failure to comply with the notification requirements of section 144A.473, subdivision 2, paragraph (c), is \$1,000.

(j) Fees and penalties collected under this section shall be deposited in the state treasury and credited to the state government special revenue fund. All fees are nonrefundable. Fees collected under paragraphs (c), (d), and (e) are nonrefundable even if received before July 1, 2017, for temporary licenses or licenses being issued effective July 1, 2017, or later.

Sec. 35. Minnesota Statutes 2016, section 144A.473, is amended to read:

144A.473 ISSUANCE OF TEMPORARY LICENSE AND LICENSE RENEWAL.

Subdivision 1. **Temporary license and renewal of license.** (a) The department shall review each application to determine the applicant's knowledge of and compliance with Minnesota home care regulations. Before granting a temporary license or renewing a license, the commissioner may further evaluate the applicant or licensee by requesting additional information or documentation or by conducting an on-site survey of the applicant to determine compliance with sections 144A.43 to 144A.482.

(b) Within 14 calendar days after receiving an application for a license, the commissioner shall acknowledge receipt of the application in writing. The acknowledgment must indicate whether the application appears to be complete or whether additional information is required before the application will be considered complete.

(c) Within 90 days after receiving a complete application, the commissioner shall issue a temporary license, renew the license, or deny the license.

(d) The commissioner shall issue a license that contains the home care provider's name, address, license level, expiration date of the license, and unique license number. All licenses, except for temporary licenses issued under subdivision 2, are valid for up to one year from the date of issuance.

Subd. 2. **Temporary license.** (a) For new license applicants, the commissioner shall issue a temporary license for either the basic or comprehensive home care level. A temporary license is effective for up to one year from the date of issuance, except that a temporary license may be extended according to subdivision 3. Temporary licensees must comply with sections 144A.43 to 144A.482.

(b) During the temporary license ~~year period~~, the commissioner shall survey the temporary licensee within 90 calendar days after the commissioner is notified or has evidence that the temporary licensee is providing home care services.

(c) Within five days of beginning the provision of services, the temporary licensee must notify the commissioner that it is serving clients. The notification to the commissioner may be mailed or e-mailed to the commissioner at the address provided by the commissioner. If the temporary licensee does not provide home care services during the temporary license ~~year period~~, then the temporary license expires at the end of the ~~year period~~ and the applicant must reapply for a temporary home care license.

(d) A temporary licensee may request a change in the level of licensure prior to being surveyed and granted a license by notifying the commissioner in writing and providing additional documentation or materials required to update or complete the changed temporary license application. The applicant must pay the difference between the application fees when changing from the basic level to the comprehensive level of licensure. No refund will be made if the provider chooses to change the license application to the basic level.

(e) If the temporary licensee notifies the commissioner that the licensee has clients within 45 days prior to the temporary license expiration, the commissioner may extend the temporary license for up to 60 days in order to allow the commissioner to complete the on-site survey required under this section and follow-up survey visits.

Subd. 3. **Temporary licensee survey.** (a) If the temporary licensee is in substantial compliance with the survey, the commissioner shall issue either a basic or comprehensive home care license. If the temporary licensee is not in substantial compliance with the survey, the commissioner shall either: (1) not issue a basic or comprehensive license and there will be no contested hearing right under chapter 14 terminate the temporary license; or (2) extend the temporary license for a period not to exceed 90 days and apply conditions, as permitted under section 144A.475,

subdivision 2, to the extension of a temporary license. If the temporary licensee is not in substantial compliance with the survey within the time period of the extension, or if the temporary licensee does not satisfy the license conditions, the commissioner may deny the license.

(b) If the temporary licensee whose basic or comprehensive license has been denied or extended with conditions disagrees with the conclusions of the commissioner, then the temporary licensee may request a reconsideration by the commissioner or commissioner's designee. The reconsideration request process must be conducted internally by the commissioner or commissioner's designee, and chapter 14 does not apply.

(c) The temporary licensee requesting reconsideration must make the request in writing and must list and describe the reasons why the temporary licensee disagrees with the decision to deny the basic or comprehensive home care license or the decision to extend the temporary license with conditions.

(d) The reconsideration request and supporting documentation must be received by the commissioner within 15 calendar days after the date the temporary licensee receives the correction order.

(e) A temporary licensee whose license is denied, is permitted to continue operating as a home care provider during the period of time when:

(1) a reconsideration request is in process;

(2) an extension of a temporary license is being negotiated;

(3) the placement of conditions on a temporary license is being negotiated; or

(4) a transfer of home care clients from the temporary licensee to a new home care provider is in process.

(f) A temporary licensee whose license is denied must comply with the requirements for notification and transfer of clients in section 144A.475, subdivision 5.

Sec. 36. Minnesota Statutes 2016, section 144A.474, subdivision 2, is amended to read:

Subd. 2. **Types of home care surveys.** (a) "Initial full survey" means the survey of a new temporary licensee conducted after the department is notified or has evidence that the temporary licensee is providing home care services to determine if the provider is in compliance with home care requirements. Initial full surveys must be completed within 14 months after the department's issuance of a temporary basic or comprehensive license.

(b) "Change in ownership survey" means a full survey of a new licensee due to a change in ownership. Change in ownership surveys must be completed within six months after the department's issuance of a new license due to a change in ownership.

(c) "Core survey" means periodic inspection of home care providers to determine ongoing compliance with the home care requirements, focusing on the essential health and safety requirements. Core surveys are available to licensed home care providers who have been licensed for three years and surveyed at least once in the past three years with the latest survey having no widespread violations beyond Level 1 as provided in subdivision 11. Providers must also not have had any substantiated licensing complaints, substantiated complaints against the agency under the Vulnerable Adults Act or Maltreatment of Minors Act, or an enforcement action as authorized in section 144A.475 in the past three years.

(1) The core survey for basic home care providers must review compliance in the following areas:

- (i) reporting of maltreatment;
- (ii) orientation to and implementation of the home care bill of rights;
- (iii) statement of home care services;
- (iv) initial evaluation of clients and initiation of services;
- (v) client review and monitoring;
- (vi) service ~~plan~~ agreement implementation and changes to the service ~~plan~~ agreement;
- (vii) client complaint and investigative process;
- (viii) competency of unlicensed personnel; and
- (ix) infection control.

(2) For comprehensive home care providers, the core survey must include everything in the basic core survey plus these areas:

- (i) delegation to unlicensed personnel;
- (ii) assessment, monitoring, and reassessment of clients; and
- (iii) medication, treatment, and therapy management.

~~(e)~~ (d) "Full survey" means the periodic inspection of home care providers to determine ongoing compliance with the home care requirements that cover the core survey areas and all the legal requirements for home care providers. A full survey is conducted for all temporary licensees ~~and, for licensees that receive licenses due to an approved change in ownership,~~ for providers who do not meet the requirements needed for a core survey, and when a surveyor identifies unacceptable client health or safety risks during a core survey. A full survey must include all the tasks identified as part of the core survey and any additional review deemed necessary by the department, including additional observation, interviewing, or records review of additional clients and staff.

~~(d)~~ (e) "Follow-up surveys" means surveys conducted to determine if a home care provider has corrected deficient issues and systems identified during a core survey, full survey, or complaint investigation. Follow-up surveys may be conducted via phone, e-mail, fax, mail, or on-site reviews. Follow-up surveys, other than complaint surveys, shall be concluded with an exit conference and written information provided on the process for requesting a reconsideration of the survey results.

~~(e)~~ (f) Upon receiving information alleging that a home care provider has violated or is currently violating a requirement of sections 144A.43 to 144A.482, the commissioner shall investigate the complaint according to sections 144A.51 to 144A.54.

Sec. 37. Minnesota Statutes 2016, section 144A.475, subdivision 1, is amended to read:

Subdivision 1. **Conditions.** (a) The commissioner may refuse to grant a temporary license, refuse to grant a license as a result of a change in ownership, refuse to renew a license, suspend or revoke a license, or impose a conditional license if the home care provider or owner or managerial official of the home care provider:

(1) is in violation of, or during the term of the license has violated, any of the requirements in sections 144A.471 to 144A.482;

(2) permits, aids, or abets the commission of any illegal act in the provision of home care;

(3) performs any act detrimental to the health, safety, and welfare of a client;

(4) obtains the license by fraud or misrepresentation;

(5) knowingly made or makes a false statement of a material fact in the application for a license or in any other record or report required by this chapter;

(6) denies representatives of the department access to any part of the home care provider's books, records, files, or employees;

(7) interferes with or impedes a representative of the department in contacting the home care provider's clients;

(8) interferes with or impedes a representative of the department in the enforcement of this chapter or has failed to fully cooperate with an inspection, survey, or investigation by the department;

(9) destroys or makes unavailable any records or other evidence relating to the home care provider's compliance with this chapter;

(10) refuses to initiate a background study under section 144.057 or 245A.04;

(11) fails to timely pay any fines assessed by the department;

(12) violates any local, city, or township ordinance relating to home care services;

(13) has repeated incidents of personnel performing services beyond their competency level; or

(14) has operated beyond the scope of the home care provider's license level.

(b) A violation by a contractor providing the home care services of the home care provider is a violation by the home care provider.

Sec. 38. Minnesota Statutes 2016, section 144A.475, subdivision 2, is amended to read:

Subd. 2. **Terms to suspension or conditional license.** (a) A suspension or conditional license designation may include terms that must be completed or met before a suspension or conditional license designation is lifted. A conditional license designation may include restrictions or conditions that are imposed on the provider. Terms for a suspension or conditional license may include one or more of the following and the scope of each will be determined by the commissioner:

(1) requiring a consultant to review, evaluate, and make recommended changes to the home care provider's practices and submit reports to the commissioner at the cost of the home care provider;

(2) requiring supervision of the home care provider or staff practices at the cost of the home care provider by an unrelated person who has sufficient knowledge and qualifications to oversee the practices and who will submit reports to the commissioner;

(3) requiring the home care provider or employees to obtain training at the cost of the home care provider;

(4) requiring the home care provider to submit reports to the commissioner;

(5) prohibiting the home care provider from taking any new clients for a period of time; or

(6) any other action reasonably required to accomplish the purpose of this subdivision and section 144A.45, subdivision 2.

(b) A home care provider subject to this subdivision may continue operating during the period of time home care clients are being transferred to other providers.

Sec. 39. Minnesota Statutes 2016, section 144A.475, subdivision 5, is amended to read:

Subd. 5. **Plan required.** (a) The process of suspending or revoking a license must include a plan for transferring affected clients to other providers by the home care provider, which will be monitored by the commissioner. Within three business days of being notified of the final revocation or suspension action, the home care provider shall provide the commissioner, the lead agencies as defined in section 256B.0911, and the ombudsman for long-term care with the following information:

(1) a list of all clients, including full names and all contact information on file;

(2) a list of each client's representative or emergency contact person, including full names and all contact information on file;

(3) the location or current residence of each client;

(4) the payor sources for each client, including payor source identification numbers; and

(5) for each client, a copy of the client's service plan, and a list of the types of services being provided.

(b) The revocation or suspension notification requirement is satisfied by mailing the notice to the address in the license record. The home care provider shall cooperate with the commissioner and the lead agencies during the process of transferring care of clients to qualified providers. Within three business days of being notified of the final revocation or suspension action, the home care provider must notify and disclose to each of the home care provider's clients, or the client's representative or emergency contact persons, that the commissioner is taking action against the home care provider's license by providing a copy of the revocation or suspension notice issued by the commissioner.

(c) A home care provider subject to this subdivision may continue operating during the period of time home care clients are being transferred to other providers.

Sec. 40. Minnesota Statutes 2016, section 144A.476, subdivision 1, is amended to read:

Subdivision 1. **Prior criminal convictions; owner and managerial officials.** (a) Before the commissioner issues a temporary license, issues a license as a result of an approved change in ownership, or renews a license, an owner or managerial official is required to complete a background study under section 144.057. No person may be involved in the management, operation, or control of a home care provider if the person has been disqualified under chapter 245C. If an individual is disqualified under section 144.057 or chapter 245C, the individual may request reconsideration of the disqualification. If the individual requests reconsideration and the commissioner sets aside or rescinds the disqualification, the individual is eligible to be involved in the management, operation, or control of the provider. If an individual has a disqualification under section 245C.15, subdivision 1, and the disqualification is affirmed, the individual's disqualification is barred from a set aside, and the individual must not be involved in the management, operation, or control of the provider.

(b) For purposes of this section, owners of a home care provider subject to the background check requirement are those individuals whose ownership interest provides sufficient authority or control to affect or change decisions related to the operation of the home care provider. An owner includes a sole proprietor, a general partner, or any other individual whose individual ownership interest can affect the management and direction of the policies of the home care provider.

(c) For the purposes of this section, managerial officials subject to the background check requirement are individuals who provide direct contact as defined in section 245C.02, subdivision 11, or individuals who have the responsibility for the ongoing management or direction of the policies, services, or employees of the home care provider. Data collected under this subdivision shall be classified as private data on individuals under section 13.02, subdivision 12.

(d) The department shall not issue any license if the applicant or owner or managerial official has been unsuccessful in having a background study disqualification set aside under section 144.057 and chapter 245C; if the owner or managerial official, as an owner or managerial official of another home care provider, was substantially responsible for the other home care provider's failure to substantially comply with sections 144A.43 to 144A.482; or if an owner that has ceased doing business, either individually or as an owner of a home care provider, was issued a correction order for failing to assist clients in violation of this chapter.

Sec. 41. Minnesota Statutes 2016, section 144A.479, subdivision 7, is amended to read:

Subd. 7. **Employee records.** The home care provider must maintain current records of each paid employee, regularly scheduled volunteers providing home care services, and of each individual contractor providing home care services. The records must include the following information:

(1) evidence of current professional licensure, registration, or certification, if licensure, registration, or certification is required by this statute or other rules;

(2) records of orientation, required annual training and infection control training, and competency evaluations;

(3) current job description, including qualifications, responsibilities, and identification of staff providing supervision;

(4) documentation of annual performance reviews which identify areas of improvement needed and training needs;

(5) for individuals providing home care services, verification that ~~required any~~ health screenings required by infection control programs established under section 144A.4798 have taken place and the dates of those screenings; and

(6) documentation of the background study as required under section 144.057.

Each employee record must be retained for at least three years after a paid employee, home care volunteer, or contractor ceases to be employed by or under contract with the home care provider. If a home care provider ceases operation, employee records must be maintained for three years.

Sec. 42. Minnesota Statutes 2016, section 144A.4791, subdivision 1, is amended to read:

Subdivision 1. **Home care bill of rights; notification to client.** (a) The home care provider shall provide the client or the client's representative a written notice of the rights under section 144A.44 before the ~~initiation of date~~ that services are first provided to that client. The provider shall make all reasonable efforts to provide notice of the rights to the client or the client's representative in a language the client or client's representative can understand.

(b) In addition to the text of the home care bill of rights in section 144A.44, subdivision 1, the notice shall also contain the following statement describing how to file a complaint with these offices.

"If you have a complaint about the provider or the person providing your home care services, you may call, write, or visit the Office of Health Facility Complaints, Minnesota Department of Health. You may also contact the Office of Ombudsman for Long-Term Care or the Office of Ombudsman for Mental Health and Developmental Disabilities."

The statement should include the telephone number, Web site address, e-mail address, mailing address, and street address of the Office of Health Facility Complaints at the Minnesota Department of Health, the Office of the Ombudsman for Long-Term Care, and the Office of the Ombudsman for Mental Health and Developmental Disabilities. The statement should also include the home care provider's name, address, e-mail, telephone number, and name or title of the person at the provider to whom problems or complaints may be directed. It must also include a statement that the home care provider will not retaliate because of a complaint.

(c) The home care provider shall obtain written acknowledgment of the client's receipt of the home care bill of rights or shall document why an acknowledgment cannot be obtained. The acknowledgment may be obtained from the client or the client's representative. Acknowledgment of receipt shall be retained in the client's record.

Sec. 43. Minnesota Statutes 2016, section 144A.4791, subdivision 3, is amended to read:

Subd. 3. **Statement of home care services.** Prior to the ~~initiation of date that~~ services are first provided to the client, a home care provider must provide to the client or the client's representative a written statement which identifies if the provider has a basic or comprehensive home care license, the services the provider is authorized to provide, and which services the provider cannot provide under the scope of the provider's license. The home care provider shall obtain written acknowledgment from the clients that the provider has provided the statement or must document why the provider could not obtain the acknowledgment.

Sec. 44. Minnesota Statutes 2016, section 144A.4791, subdivision 6, is amended to read:

Subd. 6. **Initiation of services.** When a provider ~~initiates~~ provides home care services and to a client before the individualized review or assessment by a licensed health professional or registered nurse as required in subdivisions 7 and 8 has not been is completed, the ~~provider~~ licensed health professional or registered nurse must complete a temporary plan ~~and agreement~~ with the client ~~for services~~ and orient staff assigned to deliver services as identified in the temporary plan.

Sec. 45. Minnesota Statutes 2016, section 144A.4791, subdivision 7, is amended to read:

Subd. 7. **Basic individualized client review and monitoring.** (a) When services being provided are basic home care services, an individualized initial review of the client's needs and preferences must be conducted at the client's residence with the client or client's representative. This initial review must be completed within 30 days after the ~~initiation of the~~ date that home care services are first provided.

(b) Client monitoring and review must be conducted as needed based on changes in the needs of the client and cannot exceed 90 days from the date of the last review. The monitoring and review may be conducted at the client's residence or through the utilization of telecommunication methods based on practice standards that meet the individual client's needs.

Sec. 46. Minnesota Statutes 2016, section 144A.4791, subdivision 8, is amended to read:

Subd. 8. **Comprehensive assessment, monitoring, and reassessment.** (a) When the services being provided are comprehensive home care services, an individualized initial assessment must be conducted in person by a registered nurse. When the services are provided by other licensed health professionals, the assessment must be conducted by the appropriate health professional. This initial assessment must be completed within five days after ~~initiation of the~~ date that home care services are first provided.

(b) Client monitoring and reassessment must be conducted in the client's home no more than 14 days after ~~initiation of the~~ date that home care services are first provided.

(c) Ongoing client monitoring and reassessment must be conducted as needed based on changes in the needs of the client and cannot exceed 90 days from the last date of the assessment. The monitoring and reassessment may be conducted at the client's residence or through the utilization of telecommunication methods based on practice standards that meet the individual client's needs.

Sec. 47. Minnesota Statutes 2016, section 144A.4791, subdivision 9, is amended to read:

Subd. 9. **Service ~~plan~~ agreement, implementation, and revisions to service ~~plan~~ agreement.** (a) No later than 14 days after the ~~initiation of~~ date that home care services are first provided, a home care provider shall finalize a current written service ~~plan~~ agreement.

(b) The service ~~plan~~ agreement and any revisions must include a signature or other authentication by the home care provider and by the client or the client's representative documenting agreement on the services to be provided. The service ~~plan~~ agreement must be revised, if needed, based on client review or reassessment under subdivisions 7 and 8. The provider must provide information to the client about changes to the provider's fee for services and how to contact the Office of the Ombudsman for Long-Term Care.

(c) The home care provider must implement and provide all services required by the current service ~~plan~~ agreement.

(d) The service ~~plan~~ agreement and revised service ~~plan~~ agreement must be entered into the client's record, including notice of a change in a client's fees when applicable.

(e) Staff providing home care services must be informed of the current written service ~~plan~~ agreement.

(f) The service ~~plan~~ agreement must include:

(1) a description of the home care services to be provided, the fees for services, and the frequency of each service, according to the client's current review or assessment and client preferences;

(2) the identification of the staff or categories of staff who will provide the services;

(3) the schedule and methods of monitoring reviews or assessments of the client;

(4) ~~the frequency of sessions of supervision of staff and type of personnel who will supervise staff; and the schedule and methods of monitoring staff providing home care services; and~~

(5) a contingency plan that includes:

(i) the action to be taken by the home care provider and by the client or client's representative if the scheduled service cannot be provided;

(ii) information and a method for a client or client's representative to contact the home care provider;

(iii) names and contact information of persons the client wishes to have notified in an emergency or if there is a significant adverse change in the client's condition, ~~including identification of and information as to who has authority to sign for the client in an emergency;~~ and

(iv) the circumstances in which emergency medical services are not to be summoned consistent with chapters 145B and 145C, and declarations made by the client under those chapters.

Sec. 48. Minnesota Statutes 2016, section 144A.4792, subdivision 1, is amended to read:

Subdivision 1. **Medication management services; comprehensive home care license.** (a) This subdivision applies only to home care providers with a comprehensive home care license that provide medication management services to clients. Medication management services may not be provided by a home care provider who has a basic home care license.

(b) A comprehensive home care provider who provides medication management services must develop, implement, and maintain current written medication management policies and procedures. The policies and procedures must be developed under the supervision and direction of a registered nurse, licensed health professional, or pharmacist consistent with current practice standards and guidelines.

(c) The written policies and procedures must address requesting and receiving prescriptions for medications; preparing and giving medications; verifying that prescription drugs are administered as prescribed; documenting medication management activities; controlling and storing medications; monitoring and evaluating medication use; resolving medication errors; communicating with the prescriber, pharmacist, and client and client representative, if any; disposing of unused medications; and educating clients and client representatives about medications. When controlled substances are being managed, stored, and secured by the comprehensive home care provider, the policies and procedures must also identify how the provider will ensure security and accountability for the overall management, control, and disposition of those substances in compliance with state and federal regulations and with subdivision 22.

Sec. 49. Minnesota Statutes 2016, section 144A.4792, subdivision 2, is amended to read:

Subd. 2. **Provision of medication management services.** (a) For each client who requests medication management services, the comprehensive home care provider shall, prior to providing medication management services, have a registered nurse, licensed health professional, or authorized prescriber under section 151.37 conduct

an assessment to determine what medication management services will be provided and how the services will be provided. This assessment must be conducted face-to-face with the client. The assessment must include an identification and review of all medications the client is known to be taking. The review and identification must include indications for medications, side effects, contraindications, allergic or adverse reactions, and actions to address these issues.

(b) The assessment must:

(1) identify interventions needed in management of medications to prevent diversion of medication by the client or others who may have access to the medications; and

(2) provide instructions to the client or client's representative on interventions to manage the client's medications and prevent diversion of medications.

"Diversion of medications" means the misuse, theft, or illegal or improper disposition of medications.

Sec. 50. Minnesota Statutes 2016, section 144A.4792, subdivision 5, is amended to read:

Subd. 5. **Individualized medication management plan.** (a) For each client receiving medication management services, the comprehensive home care provider must prepare and include in the service ~~plan~~ agreement a written statement of the medication management services that will be provided to the client. The provider must develop and maintain a current individualized medication management record for each client based on the client's assessment that must contain the following:

(1) a statement describing the medication management services that will be provided;

(2) a description of storage of medications based on the client's needs and preferences, risk of diversion, and consistent with the manufacturer's directions;

(3) documentation of specific client instructions relating to the administration of medications;

(4) identification of persons responsible for monitoring medication supplies and ensuring that medication refills are ordered on a timely basis;

(5) identification of medication management tasks that may be delegated to unlicensed personnel;

(6) procedures for staff notifying a registered nurse or appropriate licensed health professional when a problem arises with medication management services; and

(7) any client-specific requirements relating to documenting medication administration, verifications that all medications are administered as prescribed, and monitoring of medication use to prevent possible complications or adverse reactions.

(b) The medication management record must be current and updated when there are any changes.

(c) Medication reconciliation must be completed when a licensed nurse, licensed health professional, or authorized prescriber is providing medication management.

Sec. 51. Minnesota Statutes 2016, section 144A.4792, subdivision 10, is amended to read:

Subd. 10. **Medication management for clients who will be away from home.** (a) A home care provider who is providing medication management services to the client and controls the client's access to the medications must develop and implement policies and procedures for giving accurate and current medications to clients for planned or unplanned times away from home according to the client's individualized medication management plan. The policy and procedures must state that:

(1) for planned time away, the medications must be obtained from the pharmacy or set up by ~~the registered a~~ licensed nurse according to appropriate state and federal laws and nursing standards of practice;

(2) for unplanned time away, when the pharmacy is not able to provide the medications, a licensed nurse or unlicensed personnel shall give the client or client's representative medications in amounts and dosages needed for the length of the anticipated absence, not to exceed ~~120 hours~~ seven calendar days;

(3) the client or client's representative must be provided written information on medications, including any special instructions for administering or handling the medications, including controlled substances;

(4) the medications must be placed in a medication container or containers appropriate to the provider's medication system and must be labeled with the client's name and the dates and times that the medications are scheduled; and

(5) the client or client's representative must be provided in writing the home care provider's name and information on how to contact the home care provider.

(b) For unplanned time away when the licensed nurse is not available, the registered nurse may delegate this task to unlicensed personnel if:

(1) the registered nurse has trained the unlicensed staff and determined the unlicensed staff is competent to follow the procedures for giving medications to clients; and

(2) the registered nurse has developed written procedures for the unlicensed personnel, including any special instructions or procedures regarding controlled substances that are prescribed for the client. The procedures must address:

(i) the type of container or containers to be used for the medications appropriate to the provider's medication system;

(ii) how the container or containers must be labeled;

(iii) the written information about the medications to be given to the client or client's representative;

(iv) how the unlicensed staff must document in the client's record that medications have been given to the client or the client's representative, including documenting the date the medications were given to the client or the client's representative and who received the medications, the person who gave the medications to the client, the number of medications that were given to the client, and other required information;

(v) how the registered nurse shall be notified that medications have been given to the client or client's representative and whether the registered nurse needs to be contacted before the medications are given to the client or the client's representative; ~~and~~

(vi) a review by the registered nurse of the completion of this task to verify that this task was completed accurately by the unlicensed personnel; and

(vii) how the unlicensed staff must document in the client's record any unused medications that are returned to the provider, including the name of each medication and the doses of each returned medication.

Sec. 52. Minnesota Statutes 2016, section 144A.4793, subdivision 6, is amended to read:

Subd. 6. **Treatment and therapy orders or prescriptions.** There must be an up-to-date written or electronically recorded order ~~or prescription~~ from an authorized prescriber for all treatments and therapies. The order must contain the name of the client, a description of the treatment or therapy to be provided, and the frequency, duration, and other information needed to administer the treatment or therapy. Treatment and therapy orders must be renewed at least every 12 months.

Sec. 53. Minnesota Statutes 2017 Supplement, section 144A.4796, subdivision 2, is amended to read:

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

- (1) an overview of sections 144A.43 to 144A.4798;
 - (2) introduction and review of all the provider's policies and procedures related to the provision of home care services by the individual staff person;
 - (3) handling of emergencies and use of emergency services;
 - (4) compliance with and reporting of the maltreatment of minors or vulnerable adults under sections 626.556 and 626.557;
 - (5) home care bill of rights under section 144A.44;
 - (6) handling of clients' complaints, reporting of complaints, and where to report complaints including information on the Office of Health Facility Complaints and the Common Entry Point;
 - (7) consumer advocacy services of the Office of Ombudsman for Long-Term Care, Office of Ombudsman for Mental Health and Developmental Disabilities, Managed Care Ombudsman at the Department of Human Services, county managed care advocates, or other relevant advocacy services; and
 - (8) review of the types of home care services the employee will be providing and the provider's scope of licensure.
- (b) In addition to the topics listed in paragraph (a), orientation may also contain training on providing services to clients with hearing loss. Any training on hearing loss provided under this subdivision must be high quality and research-based, may include online training, and must include training on one or more of the following topics:
- (1) an explanation of age-related hearing loss and how it manifests itself, its prevalence, and challenges it poses to communication;
 - (2) health impacts related to untreated age-related hearing loss, such as increased incidence of dementia, falls, hospitalizations, isolation, and depression; or

(3) information about strategies and technology that may enhance communication and involvement, including communication strategies, assistive listening devices, hearing aids, visual and tactile alerting devices, communication access in real time, and closed captions.

Sec. 54. Minnesota Statutes 2016, section 144A.4797, subdivision 3, is amended to read:

Subd. 3. **Supervision of staff providing delegated nursing or therapy home care tasks.** (a) Staff who perform delegated nursing or therapy home care tasks must be supervised by an appropriate licensed health professional or a registered nurse periodically where the services are being provided to verify that the work is being performed competently and to identify problems and solutions related to the staff person's ability to perform the tasks. Supervision of staff performing medication or treatment administration shall be provided by a registered nurse or appropriate licensed health professional and must include observation of the staff administering the medication or treatment and the interaction with the client.

(b) The direct supervision of staff performing delegated tasks must be provided within 30 days after the date on which the individual begins working for the home care provider and first performs delegated tasks for clients and thereafter as needed based on performance. This requirement also applies to staff who have not performed delegated tasks for one year or longer.

Sec. 55. Minnesota Statutes 2016, section 144A.4798, is amended to read:

144A.4798 EMPLOYEE HEALTH STATUS DISEASE PREVENTION AND INFECTION CONTROL.

Subdivision 1. **Tuberculosis (TB) prevention and infection control.** (a) A home care provider must establish and maintain a TB prevention and comprehensive tuberculosis infection control program based on according to the most current tuberculosis infection control guidelines issued by the United States Centers for Disease Control and Prevention (CDC), Division of Tuberculosis Elimination, as published in the CDC's Morbidity and Mortality Weekly Report. ~~Components of a TB prevention and control program include screening all staff providing home care services, both paid and unpaid, at the time of hire for active TB disease and latent TB infection, and developing and implementing a written TB infection control plan. The commissioner shall make the most recent CDC standards available to home care providers on the department's Web site. This program must include a tuberculosis infection control plan that covers all paid and unpaid employees, contractors, students, and volunteers. The commissioner shall provide technical assistance regarding implementation of the guidelines.~~

(b) Written evidence of compliance with this subdivision must be maintained by the home care provider.

Subd. 2. **Communicable diseases.** A home care provider must follow current ~~federal or state guidelines~~ state requirements for prevention, control, and reporting of ~~human immunodeficiency virus (HIV), hepatitis B virus (HBV), hepatitis C virus, or other~~ communicable diseases as defined in Minnesota Rules, ~~part parts~~ 4605.7040, 4605.7044, 4605.7050, 4605.7075, 4605.7080, and 4605.7090.

Subd. 3. **Infection control program.** A home care provider must establish and maintain an effective infection control program that complies with accepted health care, medical, and nursing standards for infection control.

Sec. 56. Minnesota Statutes 2016, section 144A.4799, subdivision 1, is amended to read:

Subdivision 1. **Membership.** The commissioner of health shall appoint eight persons to a home care and assisted living program advisory council consisting of the following:

(1) three public members as defined in section 214.02 who shall be ~~either~~ persons who are currently receiving home care services or, persons who have received home care services within five years of the application date, persons who have family members receiving home care services, or persons who have family members who have received home care services within five years of the application date;

(2) three Minnesota home care licensees representing basic and comprehensive levels of licensure who may be a managerial official, an administrator, a supervising registered nurse, or an unlicensed personnel performing home care tasks;

(3) one member representing the Minnesota Board of Nursing; and

(4) one member representing the Office of Ombudsman for Long-Term Care.

Sec. 57. Minnesota Statutes 2017 Supplement, section 144A.4799, subdivision 3, is amended to read:

Subd. 3. **Duties.** (a) At the commissioner's request, the advisory council shall provide advice regarding regulations of Department of Health licensed home care providers in this chapter, including advice on the following:

(1) community standards for home care practices;

(2) enforcement of licensing standards and whether certain disciplinary actions are appropriate;

(3) ways of distributing information to licensees and consumers of home care;

(4) training standards;

(5) identifying emerging issues and opportunities in ~~the home care field, including~~ and assisted living;

(6) identifying the use of technology in home and telehealth capabilities;

~~(6) (7)~~ allowable home care licensing modifications and exemptions, including a method for an integrated license with an existing license for rural licensed nursing homes to provide limited home care services in an adjacent independent living apartment building owned by the licensed nursing home; and

~~(7) (8)~~ recommendations for studies using the data in section 62U.04, subdivision 4, including but not limited to studies concerning costs related to dementia and chronic disease among an elderly population over 60 and additional long-term care costs, as described in section 62U.10, subdivision 6.

(b) The advisory council shall perform other duties as directed by the commissioner.

(c) The advisory council shall annually review the balance of the account in the state government special revenue fund described in section 144A.474, subdivision 11, paragraph (i), and make annual recommendations by January 15 directly to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services regarding appropriations to the commissioner for the purposes in section 144A.474, subdivision 11, paragraph (i).

Sec. 58. Minnesota Statutes 2016, section 144A.484, subdivision 1, is amended to read:

Subdivision 1. **Integrated licensing established.** ~~(a) From January 1, 2014, to June 30, 2015, the commissioner of health shall enforce the home and community-based services standards under chapter 245D for those providers who also have a home care license pursuant to this chapter as required under Laws 2013, chapter 108, article 8, section 60, and article 11, section 31. During this period, the commissioner shall provide technical assistance to achieve and maintain compliance with applicable law or rules governing the provision of home and community-based services, including complying with the service recipient rights notice in subdivision 4, clause (4). If during the survey, the commissioner finds that the licensee has failed to achieve compliance with an applicable law or rule under chapter 245D and this failure does not imminently endanger the health, safety, or rights of the persons served by the program, the commissioner may issue a licensing survey report with recommendations for achieving and maintaining compliance.~~

~~(b) Beginning July 1, 2015,~~ A home care provider applicant or license holder may apply to the commissioner of health for a home and community-based services designation for the provision of basic support services identified under section 245D.03, subdivision 1, paragraph (b). The designation allows the license holder to provide basic support services that would otherwise require licensure under chapter 245D, under the license holder's home care license governed by sections 144A.43 to ~~144A.481~~ 144A.4799.

Sec. 59. Minnesota Statutes 2016, section 144E.16, is amended by adding a subdivision to read:

Subd. 9. **Rules authorizing patient-assisted medication administration.** (a) The board shall adopt rules authorizing EMTs, AEMTs, and paramedics certified under section 144E.28 to assist a patient, in emergency situations, with administering prescription medications that are:

(1) carried by a patient;

(2) intended to treat adrenal insufficiency or another rare but previously diagnosed condition that requires emergency treatment with a previously prescribed medication;

(3) intended to treat a specific life-threatening condition; and

(4) administered via routes of delivery that are within the skill set of the EMT, AEMT, or paramedic.

(b) EMTs, AEMTs, and paramedics assisting a patient with medication administration according to the rules adopted under this subdivision may do so only under the authority of guidelines approved by the ambulance service medical director or under direct medical control.

Sec. 60. Minnesota Statutes 2016, section 144E.16, is amended by adding a subdivision to read:

Subd. 10. **Rules establishing standards for communication with patients regarding need for emergency medical services.** The board shall adopt rules to establish guidelines for ambulance services to communicate with a patient in the service area of the ambulance service, and with the patient's caregivers, concerning the patient's health condition, the likelihood that the patient will need emergency medical services, and how to collaboratively develop emergency medical services care plans to meet the patient's needs.

Sec. 61. Minnesota Statutes 2017 Supplement, section 144H.01, subdivision 5, is amended to read:

Subd. 5. **Medically complex or technologically dependent child.** "Medically complex or technologically dependent child" means a child under 21 years of age who, ~~because of a medical condition, requires continuous therapeutic interventions or skilled nursing supervision which must be prescribed by a licensed physician and administered by, or under the direct supervision of, a licensed registered nurse~~ meets the criteria for medical complexity described in the federally approved community alternative care waiver.

Sec. 62. Minnesota Statutes 2017 Supplement, section 144H.04, subdivision 1, is amended to read:

Subdivision 1. **Licenses.** (a) A person seeking licensure for a PPEC center must submit a completed application for licensure to the commissioner, in a form and manner determined by the commissioner. The applicant must also submit the application fee, in the amount specified in section 144H.05, subdivision 1. ~~Effective~~ For the period January 1, 2019, through December 31, 2020, the commissioner shall issue licenses for no more than two PPEC centers according to the requirements in the phase-in of licensure of prescribed pediatric extended care centers in section 88. Beginning January 1, 2018 2021, the commissioner shall issue a license for a PPEC center if the commissioner determines that the applicant and center meet the requirements of this chapter and rules that apply to PPEC centers. A license issued under this subdivision is valid for two years.

(b) The commissioner may limit issuance of PPEC center licenses to PPEC centers located in areas of the state with a demonstrated home care worker shortage.

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

Sec. 63. Minnesota Statutes 2016, section 145.56, subdivision 2, is amended to read:

Subd. 2. **Community-based programs.** To the extent funds are appropriated for the purposes of this subdivision, the commissioner shall establish a grant program to fund:

(1) community-based programs to provide education, outreach, and advocacy services to populations who may be at risk for suicide;

(2) community-based programs that educate community helpers and gatekeepers, such as family members, spiritual leaders, coaches, and business owners, employers, and coworkers on how to prevent suicide by encouraging help-seeking behaviors;

(3) community-based programs that educate populations at risk for suicide and community helpers and gatekeepers that must include information on the symptoms of depression and other psychiatric illnesses, the warning signs of suicide, skills for preventing suicides, and making or seeking effective referrals to intervention and community resources;

(4) community-based programs to provide evidence-based suicide prevention and intervention education to school staff, parents, and students in grades kindergarten through 12, and for students attending Minnesota colleges and universities;

(5) community-based programs to provide evidence-based suicide prevention and intervention to public school nurses, teachers, administrators, coaches, school social workers, peace officers, firefighters, emergency medical technicians, advanced emergency medical technicians, paramedics, primary care providers, and others; ~~and~~

(6) community-based, evidence-based postvention training to mental health professionals and practitioners in order to provide technical assistance to communities after a suicide and to prevent suicide clusters and contagion; and

(7) a nonprofit organization to provide crisis telephone counseling services across the state to people in suicidal crisis or emotional distress, 24 hours a day, seven days a week, 365 days a year.

Sec. 64. Minnesota Statutes 2016, section 145.928, subdivision 1, is amended to read:

Subdivision 1. **Goal; establishment.** It is the goal of the state, by 2010, to decrease by 50 percent the disparities in infant mortality rates and adult and child immunization rates for American Indians and populations of color, as compared with rates for whites. To do so and to achieve other measurable outcomes, the commissioner of health shall establish a program to close the gap in the health status of American Indians and populations of color as compared with whites in the following priority areas: infant mortality, access to and utilization of high-quality prenatal care, breast and cervical cancer screening, HIV/AIDS and sexually transmitted infections, adult and child immunizations, cardiovascular disease, diabetes, and accidental injuries and violence.

Sec. 65. Minnesota Statutes 2016, section 145.928, subdivision 7, is amended to read:

Subd. 7. **Community grant program; immunization rates, prenatal care access and utilization, and infant mortality rates.** (a) The commissioner shall award grants to eligible applicants for local or regional projects and initiatives directed at reducing health disparities in one or ~~both~~ more of the following priority areas:

- (1) decreasing racial and ethnic disparities in infant mortality rates; ~~or~~
- (2) decreasing racial and ethnic disparities in access to and utilization of high-quality prenatal care; or
- ~~(2)~~ (3) increasing adult and child immunization rates in nonwhite racial and ethnic populations.

(b) The commissioner may award up to 20 percent of the funds available as planning grants. Planning grants must be used to address such areas as community assessment, coordination activities, and development of community supported strategies.

(c) Eligible applicants may include, but are not limited to, faith-based organizations, social service organizations, community nonprofit organizations, community health boards, tribal governments, and community clinics. Applicants must submit proposals to the commissioner. A proposal must specify the strategies to be implemented to address one or ~~both~~ more of the priority areas listed in paragraph (a) and must be targeted to achieve the outcomes established according to subdivision 3.

(d) The commissioner shall give priority to applicants who demonstrate that their proposed project or initiative:

- (1) is supported by the community the applicant will serve;
- (2) is research-based or based on promising strategies;
- (3) is designed to complement other related community activities;
- (4) utilizes strategies that positively impact ~~both~~ two or more priority areas;
- (5) reflects racially and ethnically appropriate approaches; and
- (6) will be implemented through or with community-based organizations that reflect the race or ethnicity of the population to be reached.

Sec. 66. Minnesota Statutes 2016, section 146B.03, is amended by adding a subdivision to read:

Subd. 7a. **Supervisors.** (a) A technician must have been licensed in Minnesota or in a jurisdiction with which Minnesota has reciprocity for at least:

- (1) two years as a tattoo technician in order to supervise a temporary tattoo technician; or
- (2) one year as a body piercing technician in order to supervise a temporary body piercing technician.

(b) Any technician who agrees to supervise more than two temporary tattoo technicians during the same time period, or more than four body piercing technicians during the same time period, must provide to the commissioner a supervisory plan that describes how the technician will provide supervision to each temporary technician in accordance with section 146B.01, subdivision 28.

(c) The commissioner may refuse to approve as a supervisor a technician who has been disciplined in Minnesota or in another jurisdiction after considering the criteria in section 146B.02, subdivision 10, paragraph (b).

Sec. 67. Minnesota Statutes 2016, section 147A.08, is amended to read:

147A.08 EXEMPTIONS.

(a) This chapter does not apply to, control, prevent, or restrict the practice, service, or activities of persons listed in section 147.09, clauses (1) to (6) and (8) to (13), persons regulated under section 214.01, subdivision 2, or persons defined in section 144.1501, subdivision 1, paragraphs ~~(i), (k), and (j)~~, (l), and (m).

(b) Nothing in this chapter shall be construed to require licensure of:

(1) a physician assistant student enrolled in a physician assistant educational program accredited by the Accreditation Review Commission on Education for the Physician Assistant or by its successor agency approved by the board;

(2) a physician assistant employed in the service of the federal government while performing duties incident to that employment; or

(3) technicians, other assistants, or employees of physicians who perform delegated tasks in the office of a physician but who do not identify themselves as a physician assistant.

Sec. 68. Minnesota Statutes 2016, section 148.512, subdivision 17a, is amended to read:

Subd. 17a. **Speech-language pathology assistant.** "Speech-language pathology assistant" means a person who ~~provides speech language pathology services under the supervision of a licensed speech language pathologist in accordance with section 148.5192~~ practices speech-language pathology assisting, meets the requirements under section 148.5185 or 148.5186, and is licensed by the commissioner.

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

Sec. 69. Minnesota Statutes 2016, section 148.513, subdivision 1, is amended to read:

Subdivision 1. **Unlicensed practice prohibited.** A person must not engage in the practice of speech-language pathology ~~or, audiology, or speech-language pathology assisting unless the person is licensed as a speech-language pathologist or, an audiologist, or a speech-language pathology assistant under sections 148.511 to 148.5198 or is practicing as a speech language pathology assistant in accordance with section 148.5192. For purposes of this subdivision, a speech language pathology assistant's duties are limited to the duties described in accordance with section 148.5192, subdivision 2.~~

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

Sec. 70. Minnesota Statutes 2016, section 148.513, subdivision 2, is amended to read:

Subd. 2. **Protected titles and restrictions on use; speech-language pathologists and audiologists.** ~~(a) Notwithstanding paragraph (b)~~ Except as provided in subdivision 2b, the use of the following terms or initials which represent the following terms, alone or in combination with any word or words, by any person to form an occupational title is prohibited unless that person is licensed as a speech-language pathologist or audiologist under sections 148.511 to 148.5198:

(1) speech-language;

(2) speech-language pathologist, S, SP, or SLP;

- (3) speech pathologist;
- (4) language pathologist;
- (5) audiologist, A, or AUD;
- (6) speech therapist;
- (7) speech clinician;
- (8) speech correctionist;
- (9) language therapist;
- (10) voice therapist;
- (11) voice pathologist;
- (12) logopedist;
- (13) communicologist;
- (14) aphasiologist;
- (15) phoniatrix;
- (16) audiometrist;
- (17) audioprosthologist;
- (18) hearing therapist;
- (19) hearing clinician; or
- (20) hearing aid audiologist.

Use of the term "Minnesota licensed" in conjunction with the titles protected under this ~~paragraph~~ subdivision by any person is prohibited unless that person is licensed as a speech-language pathologist or audiologist under sections 148.511 to 148.5198.

~~(b) A speech language pathology assistant practicing under section 148.5192 must not represent, indicate, or imply to the public that the assistant is a licensed speech language pathologist and shall only utilize one of the following titles: "speech language pathology assistant," "SLP assistant," or "SLP asst."~~

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

Sec. 71. Minnesota Statutes 2016, section 148.513, is amended by adding a subdivision to read:

Subd. 2b. **Protected titles and restrictions on use; speech-language pathology assistants.** (a) Use of the following titles is prohibited, unless that person is licensed under section 148.5185 or 148.5186: "speech-language pathology assistant," "SLP assistant," or "SLP asst."

(b) A speech-language pathology assistant licensed under section 148.5185 or 148.5186 must not represent, indicate, or imply to the public that the assistant is a licensed speech-language pathologist and shall only utilize one of the following titles: "speech-language pathology assistant," "SLP assistant," or "SLP asst." A speech-language pathology assistant licensed under section 148.5185 or 148.5186 may use the term "licensed" or "Minnesota licensed" in connection with a title listed in this paragraph. Use of the term "Minnesota licensed" in conjunction with any of the titles protected under paragraph (a) by any person is prohibited unless that person is licensed under section 148.5185 or 148.5186.

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

Sec. 72. Minnesota Statutes 2016, section 148.515, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** Except as provided in section 148.516 or 148.517, an applicant for licensure as a speech-language pathologist or audiologist must meet the requirements in this section.

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

Sec. 73. Minnesota Statutes 2016, section 148.516, is amended to read:

148.516 LICENSURE BY EQUIVALENCY.

An applicant who applies for licensure by equivalency as a speech-language pathologist or audiologist must show evidence of possessing a current certificate of clinical competence issued by the American Speech-Language-Hearing Association or board certification by the American Board of Audiology and must meet the requirements of section 148.514.

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

Sec. 74. **[148.5185] RESTRICTED LICENSURE; SPEECH-LANGUAGE PATHOLOGY ASSISTANTS.**

Subdivision 1. **Qualifications for a restricted license.** To be eligible for restricted licensure as a speech-language pathology assistant, an applicant must satisfy the requirements in subdivision 2, 3, or 4.

Subd. 2. **Person practicing as a speech-language pathology assistant before January 1, 2019.** (a) A person who is practicing as a speech-language pathology assistant before January 1, 2019, and who does not meet the qualifications for a license under section 148.5186 may apply for a restricted speech-language pathology assistant license from the commissioner. An applicant under this paragraph must submit to the commissioner:

(1) proof of current employment as a speech-language pathology assistant; and

(2) a signed affidavit affirming supervision, from the licensed speech-language pathologist currently supervising the applicant.

(b) In order to be licensed as a speech-language pathology assistant under section 148.5186, a licensee with a restricted license under this subdivision must obtain an associate degree from a speech-language pathology assistant program that is accredited by the Higher Learning Commission of the North Central Association of Colleges or its equivalent, as approved by the commissioner, and that includes (1) coursework on an introduction to communication disorders, phonetics, language development, articulation disorders, language disorders, anatomy of speech/language hearing, stuttering, adult communication disorders, and clinical documentations and materials management; and (2) at least 100 hours of supervised field work experience in speech-language pathology assisting. Upon completion of the requirements in this paragraph prior to January 1, 2025, a licensee with a restricted license under this subdivision is eligible to apply for licensure under section 148.5186.

Subd. 3. Person with a bachelor's degree in communication sciences or disorders and practicing as a speech-language pathology assistant before January 1, 2019. (a) A person with a bachelor's degree in the discipline of communication sciences or disorders and who is practicing as a speech-language pathology assistant before January 1, 2019, but who does not meet the qualifications for a license under section 148.5186, may apply for a restricted speech-language pathology assistant license from the commissioner. An applicant under this paragraph must submit to the commissioner:

(1) a transcript from an educational institution documenting satisfactory completion of a bachelor's degree in the discipline of communication sciences or disorders;

(2) proof of current employment as a speech-language pathology assistant; and

(3) a signed affidavit affirming supervision, from the licensed speech-language pathologist currently supervising the applicant.

(b) In order to be licensed as a speech-language pathology assistant under section 148.5186, a licensee with a restricted license under this subdivision must complete (1) coursework from a speech-language pathology assistant program in articulation disorders, language disorders, adult communication disorders, and stuttering; and (2) at least 100 hours of supervised field work experience in speech-language pathology assisting. Upon completion of the requirements in this paragraph prior to January 1, 2025, a licensee with a restricted license under this subdivision is eligible to apply for licensure under section 148.5186.

Subd. 4. Person with an associate degree from a program that does not meet requirements in section 148.5186. (a) A person with an associate degree from a speech-language pathology assistant program that does not meet the requirements in section 148.5186, subdivision 1, clause (1), may apply for a restricted speech-language pathology assistant license from the commissioner. An applicant under this paragraph must submit to the commissioner a transcript from an educational institution documenting satisfactory completion of an associate degree from a speech-language pathology assistant program. If the commissioner determines that the applicant's speech-language pathology assistant program does not include coursework or supervised field work experience that is equivalent to a program under section 148.5186, subdivision 1, clause (1), the commissioner may issue a restricted license to the applicant.

(b) In order to be licensed as a speech-language pathology assistant under section 148.5186, a licensee with a restricted license under this subdivision must complete any missing coursework or supervised field work experience, as determined by the commissioner, in a speech-language pathology assisting program. Upon completion of the requirements in this paragraph prior to January 1, 2025, a licensee with a restricted license under this subdivision is eligible to apply for licensure under section 148.5186.

Subd. 5. Additional requirements; restricted license. (a) A restricted license issued under subdivision 2, 3, or 4 may be renewed biennially until January 1, 2025.

(b) A licensee with a restricted license under subdivision 2 or 3 may only practice speech-language pathology assisting for the employer with whom the licensee was employed when the licensee applied for licensure.

Subd. 6. Continuing education. In order to renew a restricted license, a licensee must comply with the continuing education requirements in section 148.5193, subdivision 1a.

Subd. 7. Scope of practice. Scope of practice for a speech-language pathology assistant licensed under this section is governed by section 148.5192, subdivision 2.

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

Sec. 75. **[148.5186] LICENSURE; SPEECH-LANGUAGE PATHOLOGY ASSISTANTS.**

Subdivision 1. Requirements for licensure. To be eligible for licensure as a speech-language pathology assistant, an applicant must submit to the commissioner a transcript from an educational institution documenting satisfactory completion of either:

(1) an associate degree from a speech-language pathology assistant program that is accredited by the Higher Learning Commission of the North Central Association of Colleges or its equivalent as approved by the commissioner, which includes at least 100 hours of supervised field work experience in speech-language pathology assisting; or

(2) a bachelor's degree in the discipline of communication sciences or disorders and a speech-language pathology assistant certificate program that includes (i) coursework in an introduction to speech-language pathology assisting, stuttering, articulation disorders, and language disorders; and (ii) at least 100 hours of supervised field work experience in speech-language pathology assisting.

Subd. 2. Licensure by equivalency. An applicant who applies for licensure by equivalency as a speech-language pathology assistant must provide evidence to the commissioner of satisfying the requirements in subdivision 1.

Subd. 3. Scope of practice. Scope of practice for a speech-language pathology assistant licensed under this section is governed by section 148.5192, subdivision 2.

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

Sec. 76. Minnesota Statutes 2017 Supplement, section 148.519, subdivision 1, is amended to read:

Subdivision 1. Applications for licensure; speech-language pathologists and audiologists. (a) An applicant for licensure as a speech-language pathologist or audiologist must:

(1) submit a completed application for licensure on forms provided by the commissioner. The application must include the applicant's name, certification number under chapter 153A, if applicable, business address and telephone number, or home address and telephone number if the applicant practices speech-language pathology or audiology out of the home, and a description of the applicant's education, training, and experience, including previous work history for the five years immediately preceding the date of application. The commissioner may ask the applicant to provide additional information necessary to clarify information submitted in the application; and

(2) submit documentation of the certificate of clinical competence issued by the American Speech-Language-Hearing Association, board certification by the American Board of Audiology, or satisfy the following requirements:

(i) submit a transcript showing the completion of a master's or doctoral degree or its equivalent meeting the requirements of section 148.515, subdivision 2;

(ii) submit documentation of the required hours of supervised clinical training;

(iii) submit documentation of the postgraduate clinical or doctoral clinical experience meeting the requirements of section 148.515, subdivision 4; and

(iv) submit documentation of receiving a qualifying score on an examination meeting the requirements of section 148.515, subdivision 6.

(b) In addition, an applicant must:

(1) sign a statement that the information in the application is true and correct to the best of the applicant's knowledge and belief;

(2) submit with the application all fees required by section 148.5194;

(3) sign a waiver authorizing the commissioner to obtain access to the applicant's records in this or any other state in which the applicant has engaged in the practice of speech-language pathology or audiology; and

(4) consent to a fingerprint-based criminal history background check as required under section 144.0572, pay all required fees, and cooperate with all requests for information. An applicant must complete a new criminal history background check if more than one year has elapsed since the applicant last applied for a license.

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

Sec. 77. Minnesota Statutes 2016, section 148.519, is amended by adding a subdivision to read:

Subd. 1a. **Applications for licensure; speech-language pathology assistants.** An applicant for licensure as a speech-language pathology assistant must submit to the commissioner:

(1) a completed application on forms provided by the commissioner. The application must include the applicant's name, business address and telephone number, home address and telephone number, and a description of the applicant's education, training, and experience, including previous work history for the five years immediately preceding the application date. The commissioner may ask the applicant to provide additional information needed to clarify information submitted in the application;

(2) documentation that the applicant satisfied one of the qualifications listed in section 148.5185 or 148.5186;

(3) a signed statement that the information in the application is true and correct to the best of the applicant's knowledge and belief;

(4) all fees required under section 148.5194; and

(5) a signed waiver authorizing the commissioner to obtain access to the applicant's records in this or any other state in which the applicant has worked as a speech-language pathology assistant.

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

Sec. 78. Minnesota Statutes 2016, section 148.5192, subdivision 1, is amended to read:

Subdivision 1. **Delegation requirements.** A licensed speech-language pathologist may delegate duties to a speech-language pathology assistant in accordance with this section. Duties may only be delegated to an individual who ~~has documented with a transcript from an educational institution satisfactory completion of either:~~

~~(1) an associate degree from a speech language pathology assistant program that is accredited by the Higher Learning Commission of the North Central Association of Colleges or its equivalent as approved by the commissioner; or~~

~~(2) a bachelor's degree in the discipline of communication sciences or disorders with additional transcript credit in the area of instruction in assistant level service delivery practices and completion of at least 100 hours of supervised field work experience as a speech language pathology assistant student is licensed under section 148.5185 or 148.5186.~~

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

Sec. 79. Minnesota Statutes 2017 Supplement, section 148.5193, subdivision 1, is amended to read:

Subdivision 1. **Number of contact hours required.** (a) An applicant for licensure renewal as a speech-language pathologist or audiologist must meet the requirements for continuing education stipulated by the American Speech-Language-Hearing Association or the American Board of Audiology, or satisfy the requirements described in paragraphs (b) to (e).

(b) Within one month following expiration of a license, an applicant for licensure renewal as either a speech-language pathologist or an audiologist must provide evidence to the commissioner of a minimum of 30 contact hours of continuing education obtained within the two years immediately preceding licensure expiration. A minimum of 20 contact hours of continuing education must be directly related to the licensee's area of licensure. Ten contact hours of continuing education may be in areas generally related to the licensee's area of licensure. Licensees who are issued licenses for a period of less than two years shall prorate the number of contact hours required for licensure renewal based on the number of months licensed during the biennial licensure period. Licensees shall receive contact hours for continuing education activities only for the biennial licensure period in which the continuing education activity was performed.

(c) An applicant for licensure renewal as both a speech-language pathologist and an audiologist must attest to and document completion of a minimum of 36 contact hours of continuing education offered by a continuing education sponsor within the two years immediately preceding licensure renewal. A minimum of 15 contact hours must be received in the area of speech-language pathology and a minimum of 15 contact hours must be received in the area of audiology. Six contact hours of continuing education may be in areas generally related to the licensee's areas of licensure. Licensees who are issued licenses for a period of less than two years shall prorate the number of contact hours required for licensure renewal based on the number of months licensed during the biennial licensure period. Licensees shall receive contact hours for continuing education activities only for the biennial licensure period in which the continuing education activity was performed.

(d) If the licensee is licensed by the Professional Educator Licensing and Standards Board:

(1) activities that are approved in the categories of Minnesota Rules, part 8710.7200, subpart 3, items A and B, and that relate to speech-language pathology, shall be considered:

(i) offered by a sponsor of continuing education; and

(ii) directly related to speech-language pathology;

(2) activities that are approved in the categories of Minnesota Rules, part 8710.7200, subpart 3, shall be considered:

(i) offered by a sponsor of continuing education; and

(ii) generally related to speech-language pathology; and

(3) one clock hour as defined in Minnesota Rules, part 8710.7200, subpart 1, is equivalent to 1.0 contact hours of continuing education.

(e) Contact hours may not be accumulated in advance and transferred to a future continuing education period.

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

Sec. 80. Minnesota Statutes 2016, section 148.5193, is amended by adding a subdivision to read:

Subd. 1a. **Continuing education; speech-language pathology assistants.** An applicant for licensure renewal as a speech-language pathology assistant must meet the requirements for continuing education established by the commissioner.

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

Sec. 81. Minnesota Statutes 2016, section 148.5194, is amended by adding a subdivision to read:

Subd. 3b. **Speech-language pathology assistant initial licensure and renewal fees.** The fee for initial speech-language pathology assistant licensure under section 148.5185 or 148.5186 is \$130. The fee for licensure renewal is \$120.

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

Sec. 82. Minnesota Statutes 2016, section 148.5194, subdivision 8, is amended to read:

Subd. 8. **Penalty fees.** (a) The penalty fee for practicing speech-language pathology or audiology or using protected titles without a current license after the credential has expired and before it is renewed is the amount of the license renewal fee for any part of the first month, plus the license renewal fee for any part of any subsequent month up to 36 months. The penalty fee for a speech-language pathology assistant who practices speech-language pathology assisting or uses protected titles without a current license after a license has expired and before it is renewed is the amount of the license renewal fee for any part of the first month, plus the license renewal fee for any part of any subsequent month up to 36 months.

(b) The penalty fee for applicants who engage in the unauthorized practice of speech-language pathology or audiology or using protected titles before being issued a license is the amount of the license application fee for any part of the first month, plus the license application fee for any part of any subsequent month up to 36 months. The penalty fee for a speech-language pathology assistant who engages in the unauthorized practice of speech-language pathology assisting or uses protected titles without being issued a license is the amount of the license application fee for any part of the first month, plus the license application fee for any part of any subsequent month up to 36 months. This paragraph does not apply to applicants not qualifying for a license who engage in the unauthorized practice of speech language pathology or audiology.

(c) The penalty fee for practicing speech-language pathology or audiology and failing to submit a continuing education report by the due date with the correct number or type of hours in the correct time period is \$100 plus \$20 for each missing clock hour. The penalty fee for a licensed speech-language pathology assistant who fails to submit a continuing education report by the due date with the correct number or type of hours in the correct time period is \$100 plus \$20 for each missing clock hour. "Missing" means not obtained between the effective and expiration dates of the certificate, the one-month period following the certificate expiration date, or the 30 days following notice of a penalty fee for failing to report all continuing education hours. The licensee must obtain the missing number of continuing education hours by the next reporting due date.

(d) Civil penalties and discipline incurred by licensees prior to August 1, 2005, for conduct described in paragraph (a), (b), or (c) shall be recorded as nondisciplinary penalty fees. For conduct described in paragraph (a) or (b) occurring after August 1, 2005, and exceeding six months, payment of a penalty fee does not preclude any disciplinary action reasonably justified by the individual case.

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

Sec. 83. Minnesota Statutes 2016, section 148.5195, subdivision 3, is amended to read:

Subd. 3. **Grounds for disciplinary action by commissioner.** The commissioner may take any of the disciplinary actions listed in subdivision 4 on proof that the individual has:

- (1) intentionally submitted false or misleading information to the commissioner or the advisory council;
- (2) failed, within 30 days, to provide information in response to a written request by the commissioner or advisory council;
- (3) performed services of a speech-language pathologist ~~or~~, audiologist, or speech-language pathology assistant in an incompetent or negligent manner;
- (4) violated sections 148.511 to 148.5198;
- (5) failed to perform services with reasonable judgment, skill, or safety due to the use of alcohol or drugs, or other physical or mental impairment;
- (6) violated any state or federal law, rule, or regulation, and the violation is a felony or misdemeanor, an essential element of which is dishonesty, or which relates directly or indirectly to the practice of speech-language pathology ~~or~~, audiology, or speech-language pathology assisting. Conviction for violating any state or federal law which relates to speech-language pathology ~~or~~, audiology, or speech-language pathology assisting is necessarily considered to constitute a violation, except as provided in chapter 364;
- (7) aided or abetted another person in violating any provision of sections 148.511 to 148.5198;
- (8) been or is being disciplined by another jurisdiction, if any of the grounds for the discipline is the same or substantially equivalent to those under sections 148.511 to 148.5198;
- (9) not cooperated with the commissioner or advisory council in an investigation conducted according to subdivision 1;
- (10) advertised in a manner that is false or misleading;
- (11) engaged in conduct likely to deceive, defraud, or harm the public; or demonstrated a willful or careless disregard for the health, welfare, or safety of a client;
- (12) failed to disclose to the consumer any fee splitting or any promise to pay a portion of a fee to any other professional other than a fee for services rendered by the other professional to the client;
- (13) engaged in abusive or fraudulent billing practices, including violations of federal Medicare and Medicaid laws, Food and Drug Administration regulations, or state medical assistance laws;

(14) obtained money, property, or services from a consumer through the use of undue influence, high pressure sales tactics, harassment, duress, deception, or fraud;

(15) performed services for a client who had no possibility of benefiting from the services;

(16) failed to refer a client for medical evaluation or to other health care professionals when appropriate or when a client indicated symptoms associated with diseases that could be medically or surgically treated;

(17) had the certification required by chapter 153A denied, suspended, or revoked according to chapter 153A;

(18) used the term doctor of audiology, doctor of speech-language pathology, AuD, or SLPD without having obtained the degree from an institution accredited by the North Central Association of Colleges and Secondary Schools, the Council on Academic Accreditation in Audiology and Speech-Language Pathology, the United States Department of Education, or an equivalent;

(19) failed to comply with the requirements of section 148.5192 regarding supervision of speech-language pathology assistants; or

(20) if the individual is an audiologist or certified hearing instrument dispenser:

(i) prescribed or otherwise recommended to a consumer or potential consumer the use of a hearing instrument, unless the prescription from a physician or recommendation from an audiologist or certified dispenser is in writing, is based on an audiogram that is delivered to the consumer or potential consumer when the prescription or recommendation is made, and bears the following information in all capital letters of 12-point or larger boldface type: "THIS PRESCRIPTION OR RECOMMENDATION MAY BE FILLED BY, AND HEARING INSTRUMENTS MAY BE PURCHASED FROM, THE LICENSED AUDIOLOGIST OR CERTIFIED DISPENSER OF YOUR CHOICE";

(ii) failed to give a copy of the audiogram, upon which the prescription or recommendation is based, to the consumer when the consumer requests a copy;

(iii) failed to provide the consumer rights brochure required by section 148.5197, subdivision 3;

(iv) failed to comply with restrictions on sales of hearing instruments in sections 148.5197, subdivision 3, and 148.5198;

(v) failed to return a consumer's hearing instrument used as a trade-in or for a discount in the price of a new hearing instrument when requested by the consumer upon cancellation of the purchase agreement;

(vi) failed to follow Food and Drug Administration or Federal Trade Commission regulations relating to dispensing hearing instruments;

(vii) failed to dispense a hearing instrument in a competent manner or without appropriate training;

(viii) delegated hearing instrument dispensing authority to a person not authorized to dispense a hearing instrument under this chapter or chapter 153A;

(ix) failed to comply with the requirements of an employer or supervisor of a hearing instrument dispenser trainee;

(x) violated a state or federal court order or judgment, including a conciliation court judgment, relating to the activities of the individual's hearing instrument dispensing; or

(xi) failed to include on the audiogram the practitioner's printed name, credential type, credential number, signature, and date.

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

Sec. 84. Minnesota Statutes 2017 Supplement, section 148.5196, subdivision 1, is amended to read:

Subdivision 1. **Membership.** The commissioner shall appoint ~~42~~ 13 persons to a Speech-Language Pathologist and Audiologist Advisory Council. The ~~42~~ 13 persons must include:

(1) three public members, as defined in section 214.02. Two of the public members shall be either persons receiving services of a speech-language pathologist or audiologist, or family members of or caregivers to such persons, and at least one of the public members shall be either a hearing instrument user or an advocate of one;

(2) three speech-language pathologists licensed under sections 148.511 to 148.5198, one of whom is currently and has been, for the five years immediately preceding the appointment, engaged in the practice of speech-language pathology in Minnesota and each of whom is employed in a different employment setting including, but not limited to, private practice, hospitals, rehabilitation settings, educational settings, and government agencies;

(3) one speech-language pathologist licensed under sections 148.511 to 148.5198, who is currently and has been, for the five years immediately preceding the appointment, employed by a Minnesota public school district or a Minnesota public school district consortium that is authorized by Minnesota Statutes and who is licensed in speech-language pathology by the Professional Educator Licensing and Standards Board;

(4) three audiologists licensed under sections 148.511 to 148.5198, two of whom are currently and have been, for the five years immediately preceding the appointment, engaged in the practice of audiology and the dispensing of hearing instruments in Minnesota and each of whom is employed in a different employment setting including, but not limited to, private practice, hospitals, rehabilitation settings, educational settings, industry, and government agencies;

(5) one nonaudiologist hearing instrument dispenser recommended by a professional association representing hearing instrument dispensers; ~~and~~

(6) one physician licensed under chapter 147 and certified by the American Board of Otolaryngology, Head and Neck Surgery; and

(7) one speech-language pathology assistant licensed under section 148.5186.

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

Sec. 85. Minnesota Statutes 2016, section 148.5196, subdivision 3, is amended to read:

Subd. 3. **Duties.** The advisory council shall:

(1) advise the commissioner regarding speech-language pathologist ~~and~~, audiologist, and speech-language pathology assistant licensure standards;

(2) advise the commissioner regarding the delegation of duties to and the training required for speech-language pathology assistants;

(3) advise the commissioner on enforcement of sections 148.511 to 148.5198;

(4) provide for distribution of information regarding speech-language pathologist ~~and~~ audiologist, and speech-language pathology assistant licensure standards;

(5) review applications and make recommendations to the commissioner on granting or denying licensure or licensure renewal;

(6) review reports of investigations relating to individuals and make recommendations to the commissioner as to whether licensure should be denied or disciplinary action taken against the individual;

(7) advise the commissioner regarding approval of continuing education activities provided by sponsors using the criteria in section 148.5193, subdivision 2; and

(8) perform other duties authorized for advisory councils under chapter 214, or as directed by the commissioner.

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

Sec. 86. Minnesota Statutes 2016, section 149A.40, subdivision 11, is amended to read:

Subd. 11. **Continuing education.** The commissioner shall require 15 continuing education hours for renewal of a license to practice mortuary science. Nine of the hours must be in the following areas: body preparation, care, ~~or~~ handling, and cremation, 3 CE hours; professional practices, 3 CE hours; and regulation and ethics, 3 CE hours. Continuing education hours shall be reported to the commissioner every other year based on the licensee's license number. Licensees whose license ends in an odd number must report CE hours at renewal time every odd year. If a licensee's license ends in an even number, the licensee must report the licensee's CE hours at renewal time every even year.

EFFECTIVE DATE. This section is effective January 1, 2019, and applies to mortuary science license renewals on or after that date.

Sec. 87. Minnesota Statutes 2016, section 149A.95, subdivision 3, is amended to read:

Subd. 3. **Unlicensed personnel.** (a) A licensed crematory may employ unlicensed personnel, provided that all applicable provisions of this chapter are followed. It is the duty of the licensed crematory to provide proper training ~~for~~ to all unlicensed personnel and ensure that unlicensed personnel performing cremations are in compliance with the requirements in paragraph (b). The licensed crematory shall be strictly accountable for compliance with this chapter and other applicable state and federal regulations regarding occupational and workplace health and safety.

(b) Unlicensed personnel performing cremations at a licensed crematory must:

(1) complete a certified crematory operator course that is approved by the commissioner and that covers at least the following subjects:

(i) cremation and incinerator terminology;

(ii) combustion principles;

- (iii) maintenance of and troubleshooting for cremation devices;
- (iv) how to operate cremation devices;
- (v) identification, the use of proper forms, and the record-keeping process for documenting chain of custody of human remains;
- (vi) guidelines for recycling, including but not limited to compliance, disclosure, recycling procedures, and compensation;
- (vii) legal and regulatory requirements regarding environmental issues, including specific environmental regulations with which compliance is required; and
- (viii) cremation ethics;
- (2) obtain a crematory operator certification;
- (3) publicly post the crematory operator certification at the licensed crematory where the unlicensed personnel performs cremations; and
- (4) maintain crematory operator certification through:
 - (i) recertification, if such recertification is required by the program through which the unlicensed personnel is certified; or
 - (ii) if recertification is not required by the program, completion of at least seven hours of continuing education credits in crematory operation every five years.

EFFECTIVE DATE. This section is effective January 1, 2019, and applies to unlicensed personnel performing cremations on or after that date.

Sec. 88. **PHASE-IN OF LICENSURE OF PRESCRIBED PEDIATRIC EXTENDED CARE CENTERS.**

Subdivision 1. 2019-2020 licensure period. The commissioner of health shall phase in the licensure of prescribed pediatric extended care centers (PPEC centers) under Minnesota Statutes, chapter 144H, by issuing licenses for no more than two PPEC centers for the licensure period January 1, 2019, through December 31, 2020. To be eligible for licensure for the licensure period January 1, 2019, through December 31, 2020, an entity must hold a current comprehensive home care license under Minnesota Statutes, sections 144A.43 to 144A.482, and must have experience providing home care services to medically complex or technologically dependent children, as defined in Minnesota Statutes, section 144H.01, subdivision 5. Beginning January 1, 2021, the commissioner shall license additional PPEC centers if the commissioner determines that the applicant and the center meet the licensing requirements of Minnesota Statutes, chapter 144H.

Subd. 2. Quality measures; development and reporting. The commissioner of health, in consultation with prescribed pediatric extended care centers licensed for the 2019-2020 licensure period, shall develop quality measures for PPEC centers, procedures for PPEC centers to report quality measures to the commissioner, and methods for the commissioner to make the results of the quality measures available to the public.

Sec. 89. **OLDER ADULT SOCIAL ISOLATION WORKING GROUP.**

Subdivision 1. Establishment; members. The commissioner of health or the commissioner's designee shall convene an older adult social isolation working group that consists of no more than 35 members including, but not limited to:

- (1) one person diagnosed with Alzheimer's or dementia;
- (2) one caregiver of a person diagnosed with Alzheimer's or dementia;
- (3) the executive director of Giving Voice;
- (4) one representative from the Mayo Clinic Alzheimer's Disease Research Center;
- (5) one representative from AARP Minnesota;
- (6) one representative from Little Brothers-Friends of the Elderly, Minneapolis/St. Paul;
- (7) one representative from the Alzheimer's Association Minnesota-North Dakota Chapter;
- (8) one representative from the American Heart Association Minnesota Chapter;
- (9) one representative from the Minnesota HomeCare Association;
- (10) two representatives from long-term care trade associations;
- (11) one representative from the Minnesota Rural Health Association;
- (12) the commissioner of health or the commissioner's designee;
- (13) one representative from the Minnesota Board on Aging;
- (14) one representative from the Commission of Deaf, Deafblind and Hard of Hearing Minnesotans;
- (15) one representative from the Minnesota Nurses Association;
- (16) one representative from the Minnesota Council of Churches;
- (17) one representative from the Minnesota Leadership Council on Aging;
- (18) one representative from the Minnesota Association of Senior Services;
- (19) one representative from Metro Meals on Wheels;
- (20) one rural Minnesota geriatrician or family physician;
- (21) at least two representatives from the University of Minnesota;
- (22) one representative from one of the Minnesota Area Agencies on Aging;
- (23) at least two members representing Minnesota rural communities;

(24) additional members representing communities of color;

(25) one representative from the National Alliance on Mental Illness; and

(26) one representative from the Citizens League.

Subd. 2. **Duties; recommendations.** The older adult social isolation working group must assess the current and future impact of social isolation on the lives of Minnesotans over age 55. The working group shall consider and make recommendations to the governor and chairs and members of the health and human services committees in the house of representatives and senate on the following issues:

(1) the public health impact of social isolation in the older adult population of Minnesota;

(2) identify existing Minnesota resources, services, and capacity to respond to the issue of social isolation in older adults;

(3) needed policies or community responses, including but not limited to expanding current services or developing future services after identifying gaps in service for rural geographical areas;

(4) needed policies or community responses, including but not limited to the expansion of culturally appropriate current services or developing future services after identifying gaps in service for persons of color; and

(5) impact of social isolation on older adults with disabilities and needed policies or community responses.

Subd. 3. **Meetings.** The working group must hold at least four public meetings beginning August 10, 2018. To the extent possible, technology must be utilized to reach the greatest number of interested persons throughout the state. The working group must complete the required meeting schedule by December 10, 2018.

Subd. 4. **Report.** The commissioner of health must submit a report and the working group's recommendations to the governor and chairs and members of the health and human services committees in the house of representatives and senate no later than January 14, 2019.

Subd. 5. **Sunset.** The working group sunsets upon delivery of the required report to the governor and legislative committees.

Sec. 90. **RULEMAKING; WELL AND BORING RECORDS.**

(a) The commissioner of health shall amend Minnesota Rules, part 4725.1851, subpart 1, to require the licensee, registrant, or property owner or lessee to submit the record of well or boring construction or sealing within 60 days after completion of the work, rather than within 30 days after completion of the work.

(b) The commissioner may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules under this section, and Minnesota Statutes, section 14.386, does not apply, except as provided under Minnesota Statutes, section 14.388.

Sec. 91. **RULEMAKING; SECURITY SCREENING SYSTEMS.**

The commissioner of health may adopt permanent rules to implement Minnesota Statutes, section 144.121, subdivision 9, by December 31, 2020. If the commissioner of health does not adopt rules by December 31, 2020, rulemaking authority under this section is repealed. Rulemaking authority under this section is not continuing authority to amend or repeal the rule. Any additional action on rules once adopted must be pursuant to specific statutory authority to take the additional action.

Sec. 92. **ADVISORY COUNCIL ON PANDAS AND PANS; INITIAL APPOINTMENTS AND FIRST MEETING.**

The appointing authorities shall appoint the first members of the advisory council on PANDAS and PANS under Minnesota Statutes, section 144.131, no later than October 1, 2018. The commissioner of health shall convene the first meeting by November 1, 2018, and the commissioner or the commissioner's designee shall act as chair until the advisory council elects a chair at its first meeting. Notwithstanding the length of terms specified in Minnesota Statutes, section 144.131, subdivision 3, at the first meeting of the advisory council, the chair elected by the members shall determine by lot one-third of the advisory council members whose terms shall expire on September 30 of the calendar year following the year of first appointment, one-third of the advisory council members whose terms shall expire on September 30 of the second calendar year following the year of first appointment, and the remaining advisory council members whose terms shall expire on September 30 of the third calendar year following the year of first appointment.

Sec. 93. **VARIANCE TO REQUIREMENT FOR SANITARY DUMPING STATION.**

Notwithstanding any law or rule to the contrary, the commissioner of health shall provide a variance to the requirement to provide a sanitary dumping station under Minnesota Rules, part 4630.0900, for a resort in Hubbard County that is located on an island and is landlocked, making it impractical to build a sanitary dumping station for use by recreational camping vehicles and recreational camping on the resort property. There must be an alternative dumping station available within a 15-mile radius of the resort or a vendor that is available to pump any self-contained liquid waste system that is located on the resort property.

Sec. 94. **TRANSITION.**

(a) Beginning January 1, 2019, the commissioner of health shall only issue new certificates of authority for health maintenance organizations that are nonprofit corporations organized under Minnesota Statutes, chapter 317A, or local governmental units. A certificate of authority for a health maintenance organization that: (1) is not a nonprofit corporation organized under Minnesota Statutes, chapter 317A, or a local governmental unit; and (2) is issued before January 1, 2019, shall expire 30 days after the last date on which health maintenance contracts issued by that health maintenance organization expire.

(b) A health maintenance organization that is not a nonprofit corporation organized under Minnesota Statutes, chapter 317A, or a local governmental unit shall not offer, sell, issue, or renew health maintenance contracts after September 30, 2018.

Sec. 95. **REVISOR'S INSTRUCTIONS.**

(a) The revisor of statutes shall change the terms "service plan or service agreement" and "service agreement or service plan" to "service agreement" in the following sections of Minnesota Statutes: sections 144A.442; 144D.045; 144G.03, subdivision 4, paragraph (c); and 144G.04.

(b) The revisor of statutes shall change the term "service plan" to "service agreement" and the term "service plans" to "service agreements" in the following sections of Minnesota Statutes: sections 144A.44; 144A.45; 144A.475; 144A.4791; 144A.4792; 144A.4793; 144A.4794; 144D.04; and 144G.03, subdivision 4, paragraph (a).

Sec. 96. **REPEALER.**

(a) Minnesota Statutes 2016, sections 144A.45, subdivision 6; and 144A.481, are repealed.

(b) Minnesota Statutes 2017 Supplement, section 146B.02, subdivision 7a, is repealed.

ARTICLE 2
HEALTH CARE

Section 1. Minnesota Statutes 2016, section 8.31, subdivision 1, is amended to read:

Subdivision 1. **Investigate offenses against provisions of certain designated sections; assist in enforcement.** The attorney general shall investigate violations of the law of this state respecting unfair, discriminatory, and other unlawful practices in business, commerce, or trade, and specifically, but not exclusively, prohibition against price gouging for essential off-patent or generic drugs (section 151.462), the Nonprofit Corporation Act (sections 317A.001 to 317A.909), the Act Against Unfair Discrimination and Competition (sections 325D.01 to 325D.07), the Unlawful Trade Practices Act (sections 325D.09 to 325D.16), the Antitrust Act (sections 325D.49 to 325D.66), section 325F.67 and other laws against false or fraudulent advertising, the antidiscrimination acts contained in section 325D.67, the act against monopolization of food products (section 325D.68), the act regulating telephone advertising services (section 325E.39), the Prevention of Consumer Fraud Act (sections 325F.68 to 325F.70), and chapter 53A regulating currency exchanges and assist in the enforcement of those laws as in this section provided.

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

Sec. 2. Minnesota Statutes 2017 Supplement, section 13.69, subdivision 1, is amended to read:

Subdivision 1. **Classifications.** (a) The following government data of the Department of Public Safety are private data:

(1) medical data on driving instructors, licensed drivers, and applicants for parking certificates and special license plates issued to physically disabled persons;

(2) other data on holders of a disability certificate under section 169.345, except that (i) data that are not medical data may be released to law enforcement agencies, and (ii) data necessary for enforcement of sections 169.345 and 169.346 may be released to parking enforcement employees or parking enforcement agents of statutory or home rule charter cities and towns;

(3) Social Security numbers in driver's license and motor vehicle registration records, except that Social Security numbers must be provided to the Department of Revenue for purposes of tax administration, the Department of Labor and Industry for purposes of workers' compensation administration and enforcement, the judicial branch for purposes of debt collection, and the Department of Natural Resources for purposes of license application administration, and except that the last four digits of the Social Security number must be provided to the Department of Human Services for purposes of recovery of Minnesota health care program benefits paid; and

(4) data on persons listed as standby or temporary custodians under section 171.07, subdivision 11, except that the data must be released to:

(i) law enforcement agencies for the purpose of verifying that an individual is a designated caregiver; or

(ii) law enforcement agencies who state that the license holder is unable to communicate at that time and that the information is necessary for notifying the designated caregiver of the need to care for a child of the license holder.

The department may release the Social Security number only as provided in clause (3) and must not sell or otherwise provide individual Social Security numbers or lists of Social Security numbers for any other purpose.

(b) The following government data of the Department of Public Safety are confidential data: data concerning an individual's driving ability when that data is received from a member of the individual's family.

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

Sec. 3. Minnesota Statutes 2016, section 62A.30, is amended by adding a subdivision to read:

Subd. 4. **Mammograms.** (a) For purposes of subdivision 2, coverage for a preventive mammogram screening shall include digital breast tomosynthesis for enrollees at risk for breast cancer, and shall be covered as a preventive item or service, as described under section 62Q.46.

(b) For purposes of this subdivision, "digital breast tomosynthesis" means a radiologic procedure that involves the acquisition of projection images over the stationary breast to produce cross-sectional digital three-dimensional images of the breast. "At risk for breast cancer" means:

(1) having a family history with one or more first or second degree relatives with breast cancer;

(2) testing positive for BRCA1 or BRCA2 mutations;

(3) having heterogeneously dense breasts or extremely dense breasts based on the Breast Imaging Reporting and Data System established by the American College of Radiology; or

(4) having a previous diagnosis of breast cancer.

(c) This subdivision does not apply to coverage provided through a public health care program under chapter 256B or 256L.

(d) Nothing in this subdivision limits the coverage of digital breast tomosynthesis in a policy, plan, certificate, or contract referred to in subdivision 1 that is in effect prior to January 1, 2019.

(e) Nothing in this subdivision prohibits a policy, plan, certificate, or contract referred to in subdivision 1 from covering digital breast tomosynthesis for an enrollee who is not at risk for breast cancer.

EFFECTIVE DATE. This section is effective January 1, 2019, and applies to health plans issued, sold, or renewed on or after that date.

Sec. 4. **[62Q.521] COVERAGE OF CONTRACEPTIVE METHODS AND SERVICES.**

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

(b) "Contraceptive method" means a drug, device, or other product approved by the Food and Drug Administration to prevent unintended pregnancy.

(c) "Contraceptive service" means consultation, examination, procedures, and medical services related to the use of a contraceptive method, including natural family planning, to prevent an unintended pregnancy.

(d) "Therapeutic equivalent version" means a drug, device, or product that can be expected to have the same clinical effect and safety profile when administered to a patient under the condition specified in the labeling and that:

(1) is approved as safe and effective;

(2) is a pharmaceutical equivalent in that the drug, device, or product contains identical amounts of the same active drug ingredient in the same dosage form and route of administration, and the drug, device, or product meets compendial or other applicable standards of strength, quality, purity, and identity;

(3) is bioequivalent in that:

(i) the drug, device, or product does not present a known or potential bioequivalence problem and meets an acceptable in vitro standard; or

(ii) if the drug, device, or product does present a known or potential bioequivalence problem, it is shown to meet an appropriate bioequivalence standard;

(4) is adequately labeled; and

(5) is manufactured in compliance with current manufacturing practice regulations.

Subd. 2. Required coverage; cost sharing prohibited. (a) A health plan must provide coverage for:

(1) all contraceptive methods, including over-the-counter contraceptives, but excluding male condoms;

(2) voluntary sterilization procedures;

(3) contraceptive services, patient education, and counseling on contraception; and

(4) follow-up services related to contraceptive methods, voluntary sterilization procedures, and contraceptive services, including but not limited to management of side effects, counseling for continued adherence, and device insertion and removal.

(b) A health plan company shall not require any cost-sharing requirements, including co-pays, deductibles, and coinsurance, for the coverage required by this section.

(c) A health plan company shall not include any referral requirements or restrictions, or require a delay for the coverage required by this section.

(d) If the Food and Drug Administration has approved more than one therapeutic equivalent version of a contraceptive method, a health plan is not required to include more than one therapeutic equivalent version in its formulary.

(e) If a provider recommends a specific contraceptive method to an enrollee, the health plan company must provide coverage for the contraceptive method.

(f) If a contraceptive method is not covered by a health plan, the health plan company must provide enrollees with an easily accessible, transparent, and expedient process, that is not unduly burdensome to the enrollee, to request coverage of the contraceptive method by the health plan.

(g) Nothing in this section allows for the exclusion of coverage for a contraceptive method prescribed by a provider, acting within the provider's scope of practice, for reasons other than contraceptive purposes, such as decreasing the risk of ovarian cancer or eliminating symptoms of menopause, or for contraception that is necessary to preserve the life or health of an enrollee.

Subd. 3. Religious employers; exempt. For purposes of this subdivision, a "religious employer" means an employer that is a nonprofit entity and meets the requirements of section 6033(a)(3)(A)(i) or (iii) of the Internal Revenue Code of 1986, as amended (2018). A religious employer is exempt from this section if the religious employer provides all employees and prospective employees with reasonable and timely notice of the exemption prior to their enrollment in the health plan. The notice must provide a list of the contraceptive methods the employer refuses to cover for religious reasons.

Subd. 4. **Accommodation for eligible organizations.** (a) An organization is an "eligible organization" if it:

(1) is a nonprofit entity that holds itself as a religious organization and opposes providing coverage for some or all contraceptive methods or services required to be covered by this section on account of religious objections; or

(2) is a closely held for-profit entity and the organization's highest governing body has adopted a resolution or similar action, under the organization's applicable rules of governance and consistent with state law, establishing that it objects to covering some or all of the contraceptive methods or services on account of the owners' sincerely held religious beliefs; and

(3) submits a notice to its health plan company stating that it qualifies as an eligible organization under this subdivision and that it has a religious objection to coverage for all, or a subset of, contraceptive methods or services.

(b) For purposes of paragraph (a), clause (2), a closely held for-profit entity is an entity that has:

(1) more than 50 percent of the value of its ownership interest owned directly or indirectly by five or fewer individuals, or has an ownership structure that is substantially similar; and

(2) no publicly traded ownership interest, meaning any class of common equity securities required to be registered under United States Code, chapter 15, section 781.

(c) For purposes of paragraph (b), ownership interests owned by:

(1) a corporation, partnership, estate, or trust are considered owned proportionately by the entity's respective shareholders, partners, or beneficiaries;

(2) an individual are considered owned, directly or indirectly, by or for the individual's family. For purposes of this clause, "family" includes brothers and sisters, including half-brothers and half-sisters, a spouse, ancestors, and lineal descendants; and

(3) the person that holds the option to purchase an ownership interest are considered to be the owner of those ownership interests.

(d) A health plan company that receives the notice described in paragraph (a) must:

(1) exclude coverage of contraceptive methods and services, as requested by the eligible organization, from the health plan; and

(2) provide enrollees with a separate payment for any contraceptive methods and services that would be covered if the organization was not an eligible organization.

(e) The requirements of subdivision 2 apply to payments made by a health plan company under this subdivision.

EFFECTIVE DATE. This section is effective January 1, 2020, and applies to coverage offered, sold, issued, or renewed on or after that date.

Sec. 5. Minnesota Statutes 2016, section 62Q.55, subdivision 5, is amended to read:

Subd. 5. **Coverage restrictions or limitations.** (a) If emergency services are provided by a nonparticipating provider, with or without prior authorization, the health plan company shall not impose coverage restrictions or limitations that are more restrictive than apply to emergency services received from a participating provider. Cost-sharing requirements that apply to emergency services received out-of-network must be the same as the cost-sharing requirements that apply to services received in-network.

(b) If emergency services are provided by a nonparticipating provider:

(1) the nonparticipating provider shall not request payment from the enrollee in addition to the applicable cost-sharing requirements authorized under paragraph (a); and

(2) the enrollee shall be held harmless and not liable for payment to the nonparticipating provider that are in addition to the applicable cost-sharing requirements under paragraph (a).

(c) A health plan company must attempt to negotiate the reimbursement, less any applicable cost sharing requirements under paragraph (a), for the emergency services from the nonparticipating provider. If a health plan company's and nonparticipating provider's attempts to negotiate reimbursement for the emergency services do not result in a resolution, the health plan company or provider may elect to refer the matter for binding arbitration. The arbitrator must be chosen from the list created under section 62Q.556, subdivision 2, paragraph (c). The arbitrator must consider the information described in section 62Q.556, subdivision 2, paragraph (d), when reaching a decision. A nondisclosure agreement must be executed by both parties prior to engaging an arbitrator in accordance with this subdivision. The cost of arbitration must be shared equally between the parties.

EFFECTIVE DATE. This section is effective January 1, 2019, and applies to emergency services provided on or after that date.

Sec. 6. **[144.6512] ENFORCEMENT OF THE HEALTH CARE BILL OF RIGHTS.**

In addition to the remedies otherwise provided by or available under law, a patient or resident may bring a civil action against a facility to recover actual, incidental, and consequential damages or \$5,000, whichever is greater; costs and disbursements, including costs of investigation; and reasonable attorney fees, and receive other equitable relief as determined by the court for a violation of section 144.651.

Sec. 7. **[144A.443] ENFORCEMENT OF THE HOME CARE BILL OF RIGHTS AND ASSISTED LIVING ADDENDUM.**

(a) In addition to the remedies otherwise provided by or available under law, a person who receives home care services, an assisted living client, or an interested person on behalf of the assisted living client or person who receives home care services, may bring a civil action against a home care provider and recover actual, incidental, and consequential damages or \$5,000, whichever is greater; costs and disbursements, including costs of investigation; and reasonable attorney fees, and receive other equitable relief as determined by the court for a violation of section 144A.44 or 144A.441.

(b) For purposes of this section, "interested person" has the meaning given in section 524.5-102, subdivision 7, except that an interested person does not include a person whose authority has been restricted by the person receiving home care services or assisted living, or by a court.

Sec. 8. Minnesota Statutes 2016, section 151.071, subdivision 1, is amended to read:

Subdivision 1. **Forms of disciplinary action.** When the board finds that a licensee, registrant, or applicant has engaged in conduct prohibited under subdivision 2, it may do one or more of the following:

- (1) deny the issuance of a license or registration;
- (2) refuse to renew a license or registration;
- (3) revoke the license or registration;

(4) suspend the license or registration;

(5) impose limitations, conditions, or both on the license or registration, including but not limited to: the limitation of practice to designated settings; the limitation of the scope of practice within designated settings; the imposition of retraining or rehabilitation requirements; the requirement of practice under supervision; the requirement of participation in a diversion program such as that established pursuant to section 214.31 or the conditioning of continued practice on demonstration of knowledge or skills by appropriate examination or other review of skill and competence;

(6) impose a civil penalty not exceeding \$10,000 for each separate violation, except that a civil penalty not exceeding \$10,000 may be imposed for each separate violation of section 151.462, the amount of the civil penalty to be fixed so as to deprive a licensee or registrant of any economic advantage gained by reason of the violation, to discourage similar violations by the licensee or registrant or any other licensee or registrant, or to reimburse the board for the cost of the investigation and proceeding, including but not limited to, fees paid for services provided by the Office of Administrative Hearings, legal and investigative services provided by the Office of the Attorney General, court reporters, witnesses, reproduction of records, board members' per diem compensation, board staff time, and travel costs and expenses incurred by board staff and board members; and

(7) reprimand the licensee or registrant.

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

Sec. 9. Minnesota Statutes 2016, section 151.071, subdivision 2, is amended to read:

Subd. 2. **Grounds for disciplinary action.** The following conduct is prohibited and is grounds for disciplinary action:

(1) failure to demonstrate the qualifications or satisfy the requirements for a license or registration contained in this chapter or the rules of the board. The burden of proof is on the applicant to demonstrate such qualifications or satisfaction of such requirements;

(2) obtaining a license by fraud or by misleading the board in any way during the application process or obtaining a license by cheating, or attempting to subvert the licensing examination process. Conduct that subverts or attempts to subvert the licensing examination process includes, but is not limited to: (i) conduct that violates the security of the examination materials, such as removing examination materials from the examination room or having unauthorized possession of any portion of a future, current, or previously administered licensing examination; (ii) conduct that violates the standard of test administration, such as communicating with another examinee during administration of the examination, copying another examinee's answers, permitting another examinee to copy one's answers, or possessing unauthorized materials; or (iii) impersonating an examinee or permitting an impersonator to take the examination on one's own behalf;

(3) for a pharmacist, pharmacy technician, pharmacist intern, applicant for a pharmacist or pharmacy license, or applicant for a pharmacy technician or pharmacist intern registration, conviction of a felony reasonably related to the practice of pharmacy. Conviction as used in this subdivision includes a conviction of an offense that if committed in this state would be deemed a felony without regard to its designation elsewhere, or a criminal proceeding where a finding or verdict of guilt is made or returned but the adjudication of guilt is either withheld or not entered thereon. The board may delay the issuance of a new license or registration if the applicant has been charged with a felony until the matter has been adjudicated;

(4) for a facility, other than a pharmacy, licensed or registered by the board, if an owner or applicant is convicted of a felony reasonably related to the operation of the facility. The board may delay the issuance of a new license or registration if the owner or applicant has been charged with a felony until the matter has been adjudicated;

(5) for a controlled substance researcher, conviction of a felony reasonably related to controlled substances or to the practice of the researcher's profession. The board may delay the issuance of a registration if the applicant has been charged with a felony until the matter has been adjudicated;

(6) disciplinary action taken by another state or by one of this state's health licensing agencies:

(i) revocation, suspension, restriction, limitation, or other disciplinary action against a license or registration in another state or jurisdiction, failure to report to the board that charges or allegations regarding the person's license or registration have been brought in another state or jurisdiction, or having been refused a license or registration by any other state or jurisdiction. The board may delay the issuance of a new license or registration if an investigation or disciplinary action is pending in another state or jurisdiction until the investigation or action has been dismissed or otherwise resolved; and

(ii) revocation, suspension, restriction, limitation, or other disciplinary action against a license or registration issued by another of this state's health licensing agencies, failure to report to the board that charges regarding the person's license or registration have been brought by another of this state's health licensing agencies, or having been refused a license or registration by another of this state's health licensing agencies. The board may delay the issuance of a new license or registration if a disciplinary action is pending before another of this state's health licensing agencies until the action has been dismissed or otherwise resolved;

(7) for a pharmacist, pharmacy, pharmacy technician, or pharmacist intern, violation of any order of the board, of any of the provisions of this chapter or any rules of the board or violation of any federal, state, or local law or rule reasonably pertaining to the practice of pharmacy;

(8) for a facility, other than a pharmacy, licensed by the board, violations of any order of the board, of any of the provisions of this chapter or the rules of the board or violation of any federal, state, or local law relating to the operation of the facility;

(9) engaging in any unethical conduct; conduct likely to deceive, defraud, or harm the public, or demonstrating a willful or careless disregard for the health, welfare, or safety of a patient; or pharmacy practice that is professionally incompetent, in that it may create unnecessary danger to any patient's life, health, or safety, in any of which cases, proof of actual injury need not be established;

(10) aiding or abetting an unlicensed person in the practice of pharmacy, except that it is not a violation of this clause for a pharmacist to supervise a properly registered pharmacy technician or pharmacist intern if that person is performing duties allowed by this chapter or the rules of the board;

(11) for an individual licensed or registered by the board, adjudication as mentally ill or developmentally disabled, or as a chemically dependent person, a person dangerous to the public, a sexually dangerous person, or a person who has a sexual psychopathic personality, by a court of competent jurisdiction, within or without this state. Such adjudication shall automatically suspend a license for the duration thereof unless the board orders otherwise;

(12) for a pharmacist or pharmacy intern, engaging in unprofessional conduct as specified in the board's rules. In the case of a pharmacy technician, engaging in conduct specified in board rules that would be unprofessional if it were engaged in by a pharmacist or pharmacist intern or performing duties specifically reserved for pharmacists under this chapter or the rules of the board;

(13) for a pharmacy, operation of the pharmacy without a pharmacist present and on duty except as allowed by a variance approved by the board;

(14) for a pharmacist, the inability to practice pharmacy with reasonable skill and safety to patients by reason of illness, drunkenness, use of drugs, narcotics, chemicals, or any other type of material or as a result of any mental or physical condition, including deterioration through the aging process or loss of motor skills. In the case of registered pharmacy technicians, pharmacist interns, or controlled substance researchers, the inability to carry out duties allowed under this chapter or the rules of the board with reasonable skill and safety to patients by reason of illness, drunkenness, use of drugs, narcotics, chemicals, or any other type of material or as a result of any mental or physical condition, including deterioration through the aging process or loss of motor skills;

(15) for a pharmacist, pharmacy, pharmacist intern, pharmacy technician, medical gas distributor, or controlled substance researcher, revealing a privileged communication from or relating to a patient except when otherwise required or permitted by law;

(16) for a pharmacist or pharmacy, improper management of patient records, including failure to maintain adequate patient records, to comply with a patient's request made pursuant to sections 144.291 to 144.298, or to furnish a patient record or report required by law;

(17) fee splitting, including without limitation:

(i) paying, offering to pay, receiving, or agreeing to receive, a commission, rebate, kickback, or other form of remuneration, directly or indirectly, for the referral of patients; and

(ii) referring a patient to any health care provider as defined in sections 144.291 to 144.298 in which the licensee or registrant has a financial or economic interest as defined in section 144.6521, subdivision 3, unless the licensee or registrant has disclosed the licensee's or registrant's financial or economic interest in accordance with section 144.6521;

(18) engaging in abusive or fraudulent billing practices, including violations of the federal Medicare and Medicaid laws or state medical assistance laws or rules;

(19) engaging in conduct with a patient that is sexual or may reasonably be interpreted by the patient as sexual, or in any verbal behavior that is seductive or sexually demeaning to a patient;

(20) failure to make reports as required by section 151.072 or to cooperate with an investigation of the board as required by section 151.074;

(21) knowingly providing false or misleading information that is directly related to the care of a patient unless done for an accepted therapeutic purpose such as the dispensing and administration of a placebo;

(22) aiding suicide or aiding attempted suicide in violation of section 609.215 as established by any of the following:

(i) a copy of the record of criminal conviction or plea of guilty for a felony in violation of section 609.215, subdivision 1 or 2;

(ii) a copy of the record of a judgment of contempt of court for violating an injunction issued under section 609.215, subdivision 4;

(iii) a copy of the record of a judgment assessing damages under section 609.215, subdivision 5; or

(iv) a finding by the board that the person violated section 609.215, subdivision 1 or 2. The board shall investigate any complaint of a violation of section 609.215, subdivision 1 or 2;

(23) for a pharmacist, practice of pharmacy under a lapsed or nonrenewed license. For a pharmacist intern, pharmacy technician, or controlled substance researcher, performing duties permitted to such individuals by this chapter or the rules of the board under a lapsed or nonrenewed registration. For a facility required to be licensed under this chapter, operation of the facility under a lapsed or nonrenewed license or registration; ~~and~~

(24) for a pharmacist, pharmacist intern, or pharmacy technician, termination or discharge from the health professionals services program for reasons other than the satisfactory completion of the program; and

(25) for a manufacturer or wholesale drug distributor, a violation of section 151.462.

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

Sec. 10. [151.462] PROHIBITION AGAINST PRICE GOUGING FOR ESSENTIAL OFF-PATENT OR GENERIC DRUGS.

Subdivision 1. Definitions. (a) For purposes of this section, the following definitions apply.

(b) "Essential off-patent or generic drug" means any prescription drug:

(1) for which all exclusive marketing rights, if any, granted under the federal Food, Drug, and Cosmetic Act, United States Code, title 21, chapter 9; section 351 of the federal Public Health Service Act, United States Code, title 42, section 262; and federal patent law have expired;

(2) that has been designated by the board or commissioner of human services as an essential medicine due to its efficacy in treating a life-threatening health condition or a chronic health condition that substantially impairs an individual's ability to engage in activities of daily living;

(3) that is actively manufactured and marketed for sale in the United States by three or fewer manufacturers; and

(4) that is made available for sale in the state of Minnesota.

Essential off-patent or generic drug includes any drug-device combination product used for the delivery of a drug for which all exclusive marketing rights, if any, granted under the federal Food, Drug, and Cosmetic Act, section 351 of the federal Public Health Service Act, and federal patent law have expired.

(c) "Health plan company" has the meaning provided in section 62Q.01, subdivision 4.

(d) "Price gouging" means an unconscionable increase in the price of a prescription drug.

(e) "Unconscionable increase" means an increase in the price of a prescription drug that:

(1) is excessive and not justified by the cost of producing the drug or the cost of appropriate expansion of access to the drug to promote public health; and

(2) results in consumers for whom the drug has been prescribed, the commissioner of human services, and health plan companies having no meaningful choice about whether to purchase the drug at an excessive price because of:

(i) the importance of the drug to the health of the consumer; and

(ii) insufficient competition in the market for the drug.

(f) "Wholesale acquisition cost" has the meaning given in United States Code, title 42, section 1395w-3a.

Subd. 2. **Prohibition.** A manufacturer or wholesale drug distributor may not engage in price gouging in the sale of an essential off-patent or generic drug. It is not a violation of this subdivision for a wholesale drug distributor to increase the price of an essential off-patent or generic drug if the price increase is directly attributable to additional costs for the drug imposed on the wholesale drug distributor by the manufacturer of the drug.

Subd. 3. **Notification of attorney general.** (a) The board, the commissioner of human services, or a health plan company may notify the attorney general of any increase in the price of an essential off-patent or generic drug when:

(1) the price increase, by itself or in combination with other price increases:

(i) would result in an increase of 50 percent or more, compared to the preceding one-year period, in the wholesale acquisition cost of the drug or other relevant measure of drug cost; or

(ii) would result in an increase of 50 percent or more in the price paid by the medical assistance or MinnesotaCare programs, or the health plan company, for the drug compared to the preceding one-year period; and

(2)(i) a 30-day supply of the maximum recommended dosage of the drug for any indication, according to the label for the drug approved under the federal Food, Drug, and Cosmetic Act, would cost more than \$80 at the drug's wholesale acquisition cost;

(ii) a full course of treatment with the drug, according to the label for the drug approved under the federal Food, Drug, and Cosmetic Act, would cost more than \$80 at the drug's wholesale acquisition cost; or

(iii) if the drug is made available to consumers only in quantities that do not correspond to a 30-day supply, a full course of treatment, or a single dose, it would cost more than \$80 at the drug's wholesale acquisition cost to obtain a 30-day supply or a full course of treatment.

The commissioner of human services and the health plan company shall notify the board of any notification to the attorney general provided under this paragraph.

(b) On request of the attorney general, the manufacturer of an essential off-patent or generic drug identified in a notice under paragraph (a) shall, within 45 days after the request, submit a statement to the attorney general:

(1) itemizing the components of the cost of producing the drug;

(2) identifying the circumstances and timing of any increase in materials or manufacturing costs that caused any increase in the price of the drug within the one-year period preceding the date of the price increase;

(3) identifying the circumstances and timing of any expenditures made by the manufacturer to expand access to the drug and explaining any improvement in public health associated with those expenditures; and

(4) providing any other information that the manufacturer believes to be relevant to a determination of whether a violation of this section has occurred.

(c) The attorney general may require a manufacturer or a wholesale drug distributor to produce any records or other documents that may be relevant to a determination of whether a violation of this section has occurred. The attorney general or a person may use the powers and procedures provided in this section or section 8.31.

(d) The attorney general may not bring an action for a remedy under paragraph (c) unless the attorney general has provided the manufacturer or wholesale drug distributor an opportunity to meet with the attorney general to offer a justification for the increase in the price of the essential off-patent or generic drug.

(e) The attorney general shall make any information provided by a health plan company, manufacturer, or wholesale drug distributor under paragraphs (a), (b), and (c) available to the board upon request. Any information provided by a health plan company, manufacturer, or wholesale drug distributor to the attorney general under paragraphs (a), (b), and (c) shall be treated as nonpublic data under section 13.02, subdivision 9, unless the nonpublic classification of the information is waived by the health plan company, manufacturer, or wholesale drug distributor.

(f) In any action brought by the attorney general under paragraph (c), a person who is alleged to have violated a requirement of this section may not assert as a defense that the person did not deal directly with a consumer residing in the state.

Subd. 4. **Private right of action.** In addition to remedies otherwise provided by law, any person injured by a violation of this section may bring a civil action and recover damages, together with costs and disbursements, including costs of investigation and reasonable attorney fees, and receive other equitable relief as determined by the court. The court may, as appropriate, enter a consent judgment or decree without the finding of illegality. Any civil action brought under this subdivision is for the benefit of the public.

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

Sec. 11. Minnesota Statutes 2016, section 256.014, subdivision 2, is amended to read:

Subd. 2. **State systems account created.** (a) A state systems account is created in the state treasury. Money collected by the commissioner of human services for the programs in subdivision 1 must be deposited in the account. Money in the state systems account and federal matching money is appropriated to the commissioner of human services for purposes of this section. Any unexpended balance in the appropriations for information systems projects for MAXIS, PRISM, MMIS, ISDS, METS, or SSIS does not cancel and is available for ongoing development and operations, subject to review by the Legislative Advisory Commission under paragraphs (b) and (c).

(b) No unexpended balance under paragraph (a) may be expended by the commissioner of human services until the commissioner of management and budget has submitted the proposed expenditure to the members of the Legislative Advisory Commission for review and recommendation. If the commission makes a positive recommendation or no recommendation, or if the commission has not reviewed the request within 20 days after the date the proposed expenditure was submitted, the commissioner of management and budget may approve the proposed expenditure. If the commission recommends further review of the proposed expenditure, the commissioner shall provide additional information to the commission. If the commission makes a negative recommendation on the proposed expenditure within ten days of receiving further information, the commissioner shall not approve the proposed expenditure. If the commission makes a positive recommendation or no recommendation within ten days of receiving further information, the commissioner may approve the proposed expenditure.

(c) A recommendation of the commission must be made at a meeting of the commission unless a written recommendation is signed by all members entitled to vote on the item as specified in section 3.30, subdivision 2. A recommendation of the commission must be made by a majority of the commission.

Sec. 12. Minnesota Statutes 2017 Supplement, section 256B.0625, subdivision 3b, is amended to read:

Subd. 3b. **Telemedicine services.** (a) Medical assistance covers medically necessary services and consultations delivered by a licensed health care provider via telemedicine in the same manner as if the service or consultation was delivered in person. Coverage is limited to three telemedicine services per enrollee per calendar week, except as provided in paragraph (f). Telemedicine services shall be paid at the full allowable rate.

(b) The commissioner shall establish criteria that a health care provider must attest to in order to demonstrate the safety or efficacy of delivering a particular service via telemedicine. The attestation may include that the health care provider:

- (1) has identified the categories or types of services the health care provider will provide via telemedicine;
- (2) has written policies and procedures specific to telemedicine services that are regularly reviewed and updated;
- (3) has policies and procedures that adequately address patient safety before, during, and after the telemedicine service is rendered;
- (4) has established protocols addressing how and when to discontinue telemedicine services; and
- (5) has an established quality assurance process related to telemedicine services.

(c) As a condition of payment, a licensed health care provider must document each occurrence of a health service provided by telemedicine to a medical assistance enrollee. Health care service records for services provided by telemedicine must meet the requirements set forth in Minnesota Rules, part 9505.2175, subparts 1 and 2, and must document:

- (1) the type of service provided by telemedicine;
- (2) the time the service began and the time the service ended, including an a.m. and p.m. designation;
- (3) the licensed health care provider's basis for determining that telemedicine is an appropriate and effective means for delivering the service to the enrollee;
- (4) the mode of transmission of the telemedicine service and records evidencing that a particular mode of transmission was utilized;
- (5) the location of the originating site and the distant site;
- (6) if the claim for payment is based on a physician's telemedicine consultation with another physician, the written opinion from the consulting physician providing the telemedicine consultation; and
- (7) compliance with the criteria attested to by the health care provider in accordance with paragraph (b).

(d) For purposes of this subdivision, unless otherwise covered under this chapter, "telemedicine" is defined as the delivery of health care services or consultations while the patient is at an originating site and the licensed health care provider is at a distant site. A communication between licensed health care providers, or a licensed health care provider and a patient that consists solely of a telephone conversation, e-mail, or facsimile transmission does not constitute telemedicine consultations or services. Telemedicine may be provided by means of real-time two-way, interactive audio and visual communications, including the application of secure video conferencing or store-and-forward technology to provide or support health care delivery, which facilitate the assessment, diagnosis, consultation, treatment, education, and care management of a patient's health care.

(e) For purposes of this section, "licensed health care provider" means a licensed health care provider under section 62A.671, subdivision 6, a community paramedic as defined under section 144E.001, subdivision 5f, and a mental health practitioner defined under section 245.462, subdivision 17, or 245.4871, subdivision 26, working under the general supervision of a mental health professional; "health care provider" is defined under section 62A.671, subdivision 3; and "originating site" is defined under section 62A.671, subdivision 7.

(f) The limit on coverage of three telemedicine services per enrollee per calendar week does not apply if:

(1) the telemedicine services provided by the licensed health care provider are for the treatment and control of tuberculosis; and

(2) the services are provided in a manner consistent with the recommendations and best practices specified by the Centers for Disease Control and Prevention and the commissioner of health.

Sec. 13. Minnesota Statutes 2016, section 256B.0625, is amended by adding a subdivision to read:

Subd. 17d. **Transportation services oversight.** The commissioner shall contract with a vendor or dedicate staff for oversight of providers of nonemergency medical transportation services pursuant to the commissioner's authority in section 256B.04 and Minnesota Rules, parts 9505.2160 to 9505.2245.

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

Sec. 14. Minnesota Statutes 2016, section 256B.0625, is amended by adding a subdivision to read:

Subd. 17e. **Transportation provider termination.** (a) A terminated nonemergency medical transportation provider, including all named individuals on the current enrollment disclosure form and known or discovered affiliates of the nonemergency medical transportation provider, is not eligible to enroll as a nonemergency medical transportation provider for five years following the termination.

(b) After the five-year period in paragraph (a), if a provider seeks to reenroll as a nonemergency medical transportation provider, the nonemergency medical transportation provider must be placed on a one-year probation period. During a provider's probation period the commissioner shall complete unannounced site visits and request documentation to review compliance with program requirements.

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

Sec. 15. Minnesota Statutes 2016, section 256B.0625, subdivision 18d, is amended to read:

Subd. 18d. **Advisory committee members.** (a) The Nonemergency Medical Transportation Advisory Committee consists of:

(1) four voting members who represent counties, utilizing the rural urban commuting area classification system. As defined in subdivision 17, these members shall be designated as follows:

- (i) two counties within the 11-county metropolitan area;
- (ii) one county representing the rural area of the state; and
- (iii) one county representing the super rural area of the state.

The Association of Minnesota Counties shall appoint one county within the 11-county metropolitan area and one county representing the super rural area of the state. The Minnesota Inter-County Association shall appoint one county within the 11-county metropolitan area and one county representing the rural area of the state;

(2) three voting members who represent medical assistance recipients, including persons with physical and developmental disabilities, persons with mental illness, seniors, children, and low-income individuals;

(3) ~~four~~ five voting members who represent providers that deliver nonemergency medical transportation services to medical assistance enrollees, one of whom is a taxicab owner or operator;

(4) two voting members of the house of representatives, one from the majority party and one from the minority party, appointed by the speaker of the house, and two voting members from the senate, one from the majority party and one from the minority party, appointed by the Subcommittee on Committees of the Committee on Rules and Administration;

(5) one voting member who represents demonstration providers as defined in section 256B.69, subdivision 2;

(6) one voting member who represents an organization that contracts with state or local governments to coordinate transportation services for medical assistance enrollees;

(7) one voting member who represents the Minnesota State Council on Disability;

(8) the commissioner of transportation or the commissioner's designee, who shall serve as a voting member;

(9) one voting member appointed by the Minnesota Ambulance Association; and

(10) one voting member appointed by the Minnesota Hospital Association.

(b) Members of the advisory committee shall not be employed by the Department of Human Services. Members of the advisory committee shall receive no compensation.

Sec. 16. Minnesota Statutes 2016, section 256B.0625, subdivision 30, is amended to read:

Subd. 30. **Other clinic services.** (a) Medical assistance covers rural health clinic services, federally qualified health center services, nonprofit community health clinic services, and public health clinic services. Rural health clinic services and federally qualified health center services mean services defined in United States Code, title 42, section 1396d(a)(2)(B) and (C). Payment for rural health clinic and federally qualified health center services shall be made according to applicable federal law and regulation.

(b) A federally qualified health center that is beginning initial operation shall submit an estimate of budgeted costs and visits for the initial reporting period in the form and detail required by the commissioner. A federally qualified health center that is already in operation shall submit an initial report using actual costs and visits for the initial reporting period. Within 90 days of the end of its reporting period, a federally qualified health center shall submit, in the form and detail required by the commissioner, a report of its operations, including allowable costs actually incurred for the period and the actual number of visits for services furnished during the period, and other information required by the commissioner. Federally qualified health centers that file Medicare cost reports shall provide the commissioner with a copy of the most recent Medicare cost report filed with the Medicare program intermediary for the reporting year which support the costs claimed on their cost report to the state.

(c) In order to continue cost-based payment under the medical assistance program according to paragraphs (a) and (b), a federally qualified health center or rural health clinic must apply for designation as an essential community provider within six months of final adoption of rules by the Department of Health according to section 62Q.19, subdivision 7. For those federally qualified health centers and rural health clinics that have applied for essential community provider status within the six-month time prescribed, medical assistance payments will continue to be made according to paragraphs (a) and (b) for the first three years after application. For federally qualified health centers and rural health clinics that either do not apply within the time specified above or who have had essential community provider status for three years, medical assistance payments for health services provided by these entities shall be according to the same rates and conditions applicable to the same service provided by health care providers that are not federally qualified health centers or rural health clinics.

(d) Effective July 1, 1999, the provisions of paragraph (c) requiring a federally qualified health center or a rural health clinic to make application for an essential community provider designation in order to have cost-based payments made according to paragraphs (a) and (b) no longer apply.

(e) Effective January 1, 2000, payments made according to paragraphs (a) and (b) shall be limited to the cost phase-out schedule of the Balanced Budget Act of 1997.

(f) Effective January 1, 2001, each federally qualified health center and rural health clinic may elect to be paid either under the prospective payment system established in United States Code, title 42, section 1396a(aa), or under an alternative payment methodology consistent with the requirements of United States Code, title 42, section 1396a(aa), and approved by the Centers for Medicare and Medicaid Services. The alternative payment methodology shall be 100 percent of cost as determined according to Medicare cost principles.

(g) For purposes of this section, "nonprofit community clinic" is a clinic that:

- (1) has nonprofit status as specified in chapter 317A;
- (2) has tax exempt status as provided in Internal Revenue Code, section 501(c)(3);
- (3) is established to provide health services to low-income population groups, uninsured, high-risk and special needs populations, underserved and other special needs populations;
- (4) employs professional staff at least one-half of which are familiar with the cultural background of their clients;
- (5) charges for services on a sliding fee scale designed to provide assistance to low-income clients based on current poverty income guidelines and family size; and
- (6) does not restrict access or services because of a client's financial limitations or public assistance status and provides no-cost care as needed.

~~(h) Effective for services provided on or after January 1, 2015, all claims for payment of clinic services provided by federally qualified health centers and rural health clinics shall be paid by the commissioner. the commissioner shall determine the most feasible method for paying claims from the following options:~~

~~(1) federally qualified health centers and rural health clinics submit claims directly to the commissioner for payment, and the commissioner provides claims information for recipients enrolled in a managed care or county based purchasing plan to the plan, on a regular basis; or~~

~~(2) federally qualified health centers and rural health clinics submit claims for recipients enrolled in a managed care or county-based purchasing plan to the plan, and those claims are submitted by the plan to the commissioner for payment to the clinic.~~

(h) Federally qualified health centers and rural health clinics shall submit claims directly to the commissioner for payment, and the commissioner shall provide claims information for recipients enrolled in a managed care plan or county-based purchasing plan to the plan on a regular basis as determined by the commissioner.

(i) For clinic services provided prior to January 1, 2015, the commissioner shall calculate and pay monthly the proposed managed care supplemental payments to clinics, and clinics shall conduct a timely review of the payment calculation data in order to finalize all supplemental payments in accordance with federal law. Any issues arising from a clinic's review must be reported to the commissioner by January 1, 2017. Upon final agreement between the commissioner and a clinic on issues identified under this subdivision, and in accordance with United States Code, title 42, section 1396a(bb), no supplemental payments for managed care plan or county-based purchasing plan claims for services provided prior to January 1, 2015, shall be made after June 30, 2017. If the commissioner and clinics are unable to resolve issues under this subdivision, the parties shall submit the dispute to the arbitration process under section 14.57.

(j) The commissioner shall seek a federal waiver, authorized under section 1115 of the Social Security Act, to obtain federal financial participation at the 100 percent federal matching percentage available to facilities of the Indian Health Service or tribal organization in accordance with section 1905(b) of the Social Security Act for expenditures made to organizations dually certified under Title V of the Indian Health Care Improvement Act, Public Law 94-437, and as a federally qualified health center under paragraph (a) that provides services to American Indian and Alaskan Native individuals eligible for services under this subdivision.

EFFECTIVE DATE. This section is effective January 1, 2019, and applies to services provided on or after that date.

Sec. 17. **[256B.0759] DIRECT CONTRACTING PILOT PROGRAM.**

Subdivision 1. **Establishment.** The commissioner shall establish a direct contracting pilot program to test alternative and innovative methods of delivering care through community-based collaborative care networks to medical assistance and MinnesotaCare enrollees. The pilot program shall be designed to coordinate care delivery to enrollees who demonstrate a combination of medical, economic, behavioral health, cultural, and geographic risk factors, including persons determined to be at risk of substance abuse and opioid addiction. The commissioner shall issue a request for proposals to select care networks to deliver care through the pilot program for a three-year period beginning January 1, 2020.

Subd. 2. **Eligible individuals.** (a) The pilot program shall serve individuals who:

(1) are eligible for medical assistance under section 256B.055 or MinnesotaCare under chapter 256L;

(2) reside in the service area of the care network;

(3) have a combination of multiple risk factors identified by the care network and approved by the commissioner;

(4) have elected to participate in the pilot project as an alternative to receiving services under fee-for-service or through a managed care or county-based purchasing plan or integrated health partnership; and

(5) agree to participate in risk mitigation strategies as provided in subdivision 4, clause (4), if the individual is determined to be at risk of opioid addiction or substance abuse.

(b) The commissioner may identify individuals who are potentially eligible to be enrolled with a care network based on zip code or other geographic designation, utilization history, or other factors indicating whether an individual resides in the service area of a care network. The commissioner shall coordinate pilot program enrollment with the enrollment and procurement process for managed care and county-based purchasing plans and integrated health partnerships.

Subd. 3. **Selection of care networks.** Participation in the pilot program is limited to no more than six care networks. The commissioner shall ensure that the care networks selected serve different geographic areas of the state. The commissioner shall consider the following criteria when selecting care networks to participate in the program:

(1) the ability of the care network to provide or arrange for the full range of health care services required to be provided under section 256B.69, including but not limited to primary care, inpatient hospital care, specialty care, behavioral health services, and chemical dependency and substance abuse treatment services;

(2) at least 25,000 individuals reside in the service area of the care network;

(3) the care network serves a high percentage of patients who are enrolled in Minnesota health care programs or are uninsured compared to the overall Minnesota population; and

(4) the care network can demonstrate the capacity to improve health outcomes and reduce total cost of care for the population in its service area through better patient engagement, coordination of care, and the provision of specialized services to address risk factors related to opioid addiction and substance abuse, and address nonclinical risk factors and barriers to access.

Subd. 4. **Requirements for participating care networks.** (a) A care network selected to participate in the pilot program must:

(1) accept a capitation rate for enrollees equal to the capitation rate that would otherwise apply to the enrollees under section 256B.69;

(2) comply with all requirements in section 256B.69 related to performance targets, capitation rate withholds, and administrative expenses;

(3) maintain adequate reserves and demonstrate the ability to bear risk, based upon criteria established by the commissioner under the request for proposals, or demonstrate to the commissioner that this requirement has been met through a contract with a health plan company, third-party administrator, stop-loss insurer, or other entity; and

(4) assess all enrollees for risk factors related to opioid addiction and substance abuse and, based upon the professional judgment of the health care provider, require enrollees determined to be at risk to enter into a patient provider agreement, submit to urine drug screening, and participate in other risk mitigation strategies; and

(5) participate in quality of care and financial reporting initiatives, in the form and manner specified by the commissioner.

(b) An existing integrated health partnership that meets the criteria in this section is eligible to participate in the pilot program while continuing as an integrated health partnership.

Subd. 5. **Requirements for the commissioner.** (a) The commissioner shall provide all participating care networks with enrollee utilization and cost information similar to that provided by the commissioner to integrated health partnerships.

(b) The commissioner, in consultation with the commissioner of health and care networks, shall design and administer the pilot program in a manner that allows the testing of new care coordination models and quality-of-care measures to determine the extent to which the care delivered by the pilot program, relative to the care delivered under fee-for-service and by managed care and county-based purchasing plans and integrated health partnerships:

(1) improves outcomes and reduces the total cost of care for the population served; and

(2) reduces administrative burdens and costs for health care providers and state agencies.

(c) The commissioner, based on the analysis under paragraph (b), shall evaluate the pilot program and present recommendations as to whether the pilot program should be continued or expanded to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance by February 15, 2022.

Sec. 18. **[256L.29] MINNESOTACARE BUY-IN OPTION.**

Subdivision 1. **Request for federal authority.** (a) The commissioner of human services shall seek all necessary federal waivers to establish the MinnesotaCare Buy-In Option under this section.

(b) The commissioner shall also seek all necessary federal waivers to:

(1) allow eligible persons to use advance premium tax credits and cost-sharing reductions to purchase the MinnesotaCare Buy-In Option;

(2) offer the MinnesotaCare Buy-In Option through the MNsure Web site as a coverage option and to be compared with qualified health plans offered through the MNsure Web site;

(3) allow the commissioner to use surplus funds in the Minnesota premium security plan account under section 62E.25 or the premium subsidy program under Laws 2017, chapter 2, to establish an account as a reserve for the payment of claims and liabilities and other financial needs for the MinnesotaCare Buy-In Option; and

(4) maintain MinnesotaCare program requirements and funding mechanisms that provide coverage to persons eligible under section 256L.04.

(c) The commissioner is exempt from the requirements in chapter 16C to contract for actuarial services that satisfy the waiver submission requirements under this subdivision. The commissioner may utilize existing contracts to satisfy the waiver submission requirements of this subdivision.

Subd. 2. **Administration.** (a) The commissioner shall:

(1) coordinate administration of the MinnesotaCare Buy-In Option with the MinnesotaCare program, as described in section 256L.04, to maximize efficiency and improve continuity of care for enrollees;

(2) implement mechanisms to ensure the long-term financial sustainability of MinnesotaCare and mitigate any adverse financial impacts to the state and MNsure. These mechanisms must minimize adverse selection, state financial risk and contribution, and negative impacts to premiums in the individual and group health insurance markets;

(3) establish a cost allocation methodology to reimburse MNsure operations in lieu of the premium withhold for qualified health plans under section 62V.05; and

(4) establish provider reimbursement rates paid at the Medicare reimbursement rate or at the MinnesotaCare payment rate, whichever is greater.

(b) A person who is determined eligible for enrollment in a qualified health plan with or without advance payments of the premium tax credit and with or without cost-sharing reductions according to Code of Federal Regulations, title 45, section 155.305, paragraphs (a), (f), and (g), is eligible to purchase and enroll in a MinnesotaCare Buy-In Option health plan instead of purchasing a qualified health plan as defined under section 62V.02.

(c) The MinnesotaCare Buy-In Option shall be considered the MinnesotaCare program for purposes of the requirements for health maintenance organizations under section 62D.04, subdivision 5, and providers under section 256B.0644.

(d) The commissioner has the authority to accept and expend all enrollee premiums and federal funds made available under this section upon federal approval.

Subd. 3. Establishment of health plans. (a) The commissioner shall establish two MinnesotaCare Buy-In Option health plans: one health plan shall provide benefits that are actuarially equivalent to 70 percent of the full actuarial value of the benefits provided under the health plan, and one health plan shall provide benefits that are actuarially equivalent to 80 percent of the full actuarial value of the benefits provided under the health plan. The benefits of the health plans shall be based on the benefits provided in section 256L.03.

(b) A person is limited to apply for the MinnesotaCare Buy-In Option during the annual open and special enrollment periods established for MNsure as defined in Code of Federal Regulations, title 45, sections 155.410 and 155.420. The MinnesotaCare Buy-In Option shall be available through the MNsure Web site as defined in section 62V.02, subdivision 13.

(c) The commissioner shall contract with vendors to provide services consistent with sections 256L.12 and 256L.121.

Subd. 4. Premium administration and payment. The commissioner shall establish an annual per-enrollee premium rate sufficient to cover state administrative costs and payments by the state to subcontractors under sections 256L.12 and 256L.121.

Subd. 5. Premium tax credits, cost-sharing reductions, and subsidies. (a) A person who is eligible under this section, and whose income is less than or equal to 400 percent of the federal poverty guidelines, may qualify for advance premium tax credits and cost-sharing reductions to purchase a health plan established under this section.

(b) There shall be no state subsidy to a person eligible for the MinnesotaCare Buy-In Option.

EFFECTIVE DATE. This section is effective January 1, 2020, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 19. ENCOUNTER REPORTING OF 340B ELIGIBLE DRUGS.

(a) The commissioner of human services, in consultation with federally qualified health centers, managed care organizations, and contract pharmacies, shall develop recommendations for a process to identify and report at point of sale the 340B drugs that are dispensed to enrollees of managed care organizations who are patients of a federally qualified health center, and to exclude these claims from the Medicaid Drug Rebate Program and ensure that

duplicate discounts for drugs do not occur. In developing this process, the commissioner shall assess the impact of allowing federally qualified health centers to utilize the 340B Drug Pricing Program drug discounts if a federally qualified health center utilizes a contract pharmacy for a patient enrolled in the prepaid medical assistance program.

(b) By March 1, 2019, the commissioner shall report the recommendations to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over medical assistance.

Sec. 20. **CONTRACT TO RECOVER THIRD-PARTY LIABILITY.**

The commissioner shall contract with a vendor to implement a third-party liability recovery program for medical assistance and MinnesotaCare. Under the terms of the contract, the vendor shall be reimbursed using a percentage of the money recovered through the third-party liability recovery program. All money recovered that remains after reimbursement of the vendor is available for operation of the medical assistance and MinnesotaCare programs. The use of this money must be authorized in law by the legislature.

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

Sec. 21. **STUDY AND REPORT ON DISPARITIES BETWEEN GEOGRAPHIC RATING AREAS IN INDIVIDUAL AND SMALL GROUP MARKET HEALTH INSURANCE RATES.**

Subdivision 1. Study and recommendations. (a) As permitted by the availability of resources, the legislative auditor is requested to study disparities between Minnesota's nine geographic rating areas in individual and small group market health insurance rates and recommend ways to reduce or eliminate rate disparities between the geographic rating areas and provide for stability of the individual and small group health insurance markets in the state. In the study, if conducted, the legislative auditor shall:

(1) identify the factors that cause higher individual and small group market health insurance rates in certain geographic rating areas, and determine the extent to which each identified factor contributes to the higher rates;

(2) identify the impact of referral centers on individual and small group market health insurance rates in southeastern Minnesota, and identify ways to reduce the rate disparity between southeastern Minnesota and the metropolitan area, taking into consideration the patterns of referral center usage by patients in those regions;

(3) determine the extent to which individuals and small employers located in a geographic rating area with higher health insurance rates than surrounding geographic rating areas have obtained health insurance in a lower-cost geographic rating area, identify the strategies that individuals and small employers use to obtain health insurance in a lower-cost geographic rating area, and measure the effects of this practice on the rates of the individuals and small employers remaining in the geographic rating area with higher health insurance rates; and

(4) develop proposals to redraw the boundaries of Minnesota's geographic rating areas, and calculate the effect each proposal would have on rates in each of the proposed rating areas. The legislative auditor shall examine at least three options for redrawing the boundaries of Minnesota's geographic rating areas, at least one of which must reduce the number of geographic rating areas. All options for redrawing Minnesota's geographic rating areas considered by the legislative auditor must be designed:

(i) with the purposes of reducing or eliminating rate disparities between geographic rating areas and providing for stability of the individual and small group health insurance markets in the state;

(ii) with consideration of the composition of existing provider networks and referral patterns in regions of the state; and

(iii) in compliance with the requirements for geographic rating areas in Code of Federal Regulations, title 45, section 147.102(b), and other applicable federal law and guidance.

(b) Health carriers that cover Minnesota residents, health systems that provide care to Minnesota residents, and the commissioner of health shall cooperate with any requests for information from the legislative auditor that the legislative auditor determines is necessary to conduct the study.

(c) The legislative auditor may recommend one or more proposals for redrawing Minnesota's geographic rating areas if the legislative auditor determines that the proposal would reduce or eliminate individual and small group market health insurance rate disparities between the geographic rating areas and provide for stability of the individual and small group health insurance markets in the state.

Subd. 2. **Contract.** The legislative auditor may contract with another entity for technical assistance in conducting the study and developing recommendations according to subdivision 1.

Subd. 3. **Report.** The legislative auditor is requested to complete the study and recommendations by January 1, 2019, and to submit a report on the study and recommendations by that date to the chairs and ranking minority members of the legislative committees with jurisdiction over health care and health insurance.

Sec. 22. TESTIMONY ON USE OF DIGITAL BREAST TOMOSYNTHESIS BY MEMBERS OF THE STATE EMPLOYEE GROUP INSURANCE PROGRAM.

The director of the state employee group insurance program must prepare and submit written testimony to the house of representatives and senate committees with jurisdiction over health and human services and state government finance regarding the impact of Minnesota Statutes, section 62A.30, subdivision 4. The director must provide data on actual utilization of the coverage under Minnesota Statutes, section 62A.30, subdivision 4 by members of the state employee group insurance program from January 1, 2019, to June 30, 2019. The director may make recommendations for legislation addressing any issues relating to the coverage required by Minnesota Statutes, section 62A.30, subdivision 4. The testimony required under this section is due by December 31, 2019.

Sec. 23. MENTAL HEALTH AND SUBSTANCE USE DISORDER PARITY WORK GROUP.

Subdivision 1. **Establishment; membership.** (a) A mental health and substance use disorder parity work group is established and shall include the following members:

(1) two members representing health plan companies that offer health plans in the individual market, appointed by the commissioner of commerce;

(2) two members representing health plan companies that offer health plans in the group markets, appointed by the commissioner of commerce;

(3) the commissioner of health or a designee;

(4) the commissioner of commerce or a designee;

(5) the commissioner of management and budget or a designee;

(6) two members representing employers, appointed by the commissioner of commerce;

(7) two members who are providers representing the mental health and substance use disorder community, appointed by the commissioner of commerce; and

(8) two members who are advocates representing the mental health and substance use disorder community, appointed by the commissioner of commerce.

(b) Members of the work group must have expertise in standards for evidence-based care, benefit design, or knowledge relating to the analysis of mental health and substance use disorder parity under federal and state law, including nonquantitative treatment limitations.

Subd. 2. **First appointments; first meeting; chair.** Appointing authorities shall appoint members to the work group by July 1, 2018. The commissioner of commerce or a designee shall convene the first meeting of the work group on or before August 1, 2018. The commissioner of commerce or the commissioner's designee shall act as chair.

Subd. 3. **Duties.** The mental health and substance use disorder parity work group shall:

(1) develop recommendations on the most effective approach to determine and demonstrate mental health and substance use disorder parity, in accordance with state and federal law for individual and group health plans offered in Minnesota; and

(2) report recommendations to the legislature.

Subd. 4. **Report.** (a) By February 15, 2019, the work group shall submit a report with recommendations to the chairs and ranking minority members of the legislative committees with jurisdiction over health care policy and finance.

(b) The report must include the following:

(1) a summary of completed state enforcement actions relating to individual and group health plans offered in Minnesota during the preceding 12-month period regarding compliance with parity in mental health and substance use disorders benefits in accordance with state and federal law and a summary of the results of completed state enforcement actions. Data that is protected under state or federal law as nonpublic, private, or confidential shall remain nonpublic, private, or confidential. This summary must include:

(i) the number of formal enforcement actions taken;

(ii) the benefit classifications examined in each enforcement action; and

(iii) the subject matter of each enforcement action, including quantitative and nonquantitative treatment limitations;

(2) detailed information about any regulatory actions the commissioner of health or commissioner of commerce has taken as a result of a completed state enforcement action pertaining to health plan compliance with Minnesota Statutes, sections 62Q.47 and 62Q.53, and United States Code, title 42, section 18031(j);

(3) a description of the work group's recommendations on educating the public about alcoholism, mental health, or chemical dependency parity protections under state and federal law; and

(4) recommendations on the most effective approach to determine and demonstrate mental health and substance use disorder parity, in accordance with state and federal law for individual and group health plans offered in Minnesota.

(c) In developing the report and recommendations, the work group may consult with the Substance Abuse and Mental Health Services Agency and the National Association of Insurance Commissioners for the latest developments on evaluation of mental health and substance use disorder parity.

(d) The report must be written in plain language and must be made available to the public by being posted on the Web sites of the Department of Health and Department of Commerce. The work group may make the report publicly available in additional ways, at its discretion.

(e) The report must include any draft legislation necessary to implement the recommendations of the work group.

Subd. 5. **Expiration.** The mental health and substance use disorder parity work group expires February 16, 2019, or the day after submitting the report required in this section, whichever is earlier.

Sec. 24. **REPEALER.**

Minnesota Statutes 2016, section 62A.65, subdivision 7a, is repealed.

ARTICLE 3
CHEMICAL AND MENTAL HEALTH

Section 1. Minnesota Statutes 2016, section 13.851, is amended by adding a subdivision to read:

Subd. 11. **Mental health screening.** The treatment of data collected by a sheriff or local corrections agency related to individuals who may have a mental illness is governed by section 641.15, subdivision 3a.

Sec. 2. Minnesota Statutes 2016, section 245A.04, subdivision 7, is amended to read:

Subd. 7. **Grant of license; license extension.** (a) If the commissioner determines that the program complies with all applicable rules and laws, the commissioner shall issue a license consistent with this section or, if applicable, a temporary change of ownership license under section 245A.043. At minimum, the license shall state:

- (1) the name of the license holder;
- (2) the address of the program;
- (3) the effective date and expiration date of the license;
- (4) the type of license;
- (5) the maximum number and ages of persons that may receive services from the program; and
- (6) any special conditions of licensure.

(b) The commissioner may issue ~~an initial~~ a license for a period not to exceed two years if:

(1) the commissioner is unable to conduct the evaluation or observation required by subdivision 4, paragraph (a), clauses (3) and (4), because the program is not yet operational;

(2) certain records and documents are not available because persons are not yet receiving services from the program; and

(3) the applicant complies with applicable laws and rules in all other respects.

(c) A decision by the commissioner to issue a license does not guarantee that any person or persons will be placed or cared for in the licensed program. ~~A license shall not be transferable to another individual, corporation, partnership, voluntary association, other organization, or controlling individual or to another location.~~

~~(d) A license holder must notify the commissioner and obtain the commissioner's approval before making any changes that would alter the license information listed under paragraph (a).~~

~~(e)~~ (d) Except as provided in paragraphs ~~(e)~~ (f) and ~~(h)~~ (g), the commissioner shall not issue or reissue a license if the applicant, license holder, or controlling individual has:

(1) been disqualified and the disqualification was not set aside and no variance has been granted;

(2) been denied a license within the past two years;

(3) had a license issued under this chapter revoked within the past five years;

(4) an outstanding debt related to a license fee, licensing fine, or settlement agreement for which payment is delinquent; or

(5) failed to submit the information required of an applicant under subdivision 1, paragraph (f) or (g), after being requested by the commissioner.

When a license issued under this chapter is revoked under clause (1) or (3), the license holder and controlling individual may not hold any license under chapter 245A or 245D for five years following the revocation, and other licenses held by the applicant, license holder, or controlling individual shall also be revoked.

~~(f)~~ (e) The commissioner shall not issue or reissue a license under this chapter if an individual living in the household where the ~~licensed~~ services will be provided as specified under section 245C.03, subdivision 1, has been disqualified and the disqualification has not been set aside and no variance has been granted.

~~(g)~~ (f) Pursuant to section 245A.07, subdivision 1, paragraph (b), when a license issued under this chapter has been suspended or revoked and the suspension or revocation is under appeal, the program may continue to operate pending a final order from the commissioner. If the license under suspension or revocation will expire before a final order is issued, a temporary provisional license may be issued provided any applicable license fee is paid before the temporary provisional license is issued.

~~(h)~~ (g) Notwithstanding paragraph ~~(g)~~ (f), when a revocation is based on the disqualification of a controlling individual or license holder, and the controlling individual or license holder is ordered under section 245C.17 to be immediately removed from direct contact with persons receiving services or is ordered to be under continuous, direct supervision when providing direct contact services, the program may continue to operate only if the program complies with the order and submits documentation demonstrating compliance with the order. If the disqualified individual fails to submit a timely request for reconsideration, or if the disqualification is not set aside and no variance is granted, the order to immediately remove the individual from direct contact or to be under continuous, direct supervision remains in effect pending the outcome of a hearing and final order from the commissioner.

~~(i)~~ (h) For purposes of reimbursement for meals only, under the Child and Adult Care Food Program, Code of Federal Regulations, title 7, subtitle B, chapter II, subchapter A, part 226, relocation within the same county by a licensed family day care provider, shall be considered an extension of the license for a period of no more than 30 calendar days or until the new license is issued, whichever occurs first, provided the county agency has determined the family day care provider meets licensure requirements at the new location.

~~(i)~~ (i) Unless otherwise specified by statute, all licenses issued under this chapter expire at 12:01 a.m. on the day after the expiration date stated on the license. A license holder must apply for and be granted a new license to operate the program or the program must not be operated after the expiration date.

~~(j)~~ (j) The commissioner shall not issue or reissue a license under this chapter if it has been determined that a tribal licensing authority has established jurisdiction to license the program or service.

Sec. 3. Minnesota Statutes 2016, section 245A.04, is amended by adding a subdivision to read:

Subd. 7a. **Notification required.** (a) A license holder must notify the commissioner and obtain the commissioner's approval before making any change that would alter the license information listed under subdivision 7, paragraph (a).

(b) At least 30 days before the effective date of a change, the license holder must notify the commissioner in writing of any change:

(1) to the license holder's controlling individual as defined in section 245A.02, subdivision 5a;

(2) to license holder information on file with the secretary of state;

(3) in the location of the program or service licensed under this chapter; and

(4) in the federal or state tax identification number associated with the license holder.

(c) When a license holder notifies the commissioner of a change to the business structure governing the licensed program or services but is not selling the business, the license holder must provide amended articles of incorporation and other documentation of the change and any other information requested by the commissioner.

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

Sec. 4. **[245A.043] LICENSE APPLICATION AFTER CHANGE OF OWNERSHIP.**

Subdivision 1. **Transfer prohibited.** A license issued under this chapter is only valid for a premises and individual, organization, or government entity identified by the commissioner on the license. A license is not transferable or assignable.

Subd. 2. **Change of ownership.** If the commissioner determines that there will be a change of ownership, the commissioner shall require submission of a new license application. A change of ownership occurs when:

(1) the license holder sells or transfers 100 percent of the property, stock, or assets;

(2) the license holder merges with another organization;

(3) the license holder consolidates with two or more organizations, resulting in the creation of a new organization;

(4) there is a change in the federal tax identification number associated with the license holder; or

(5) there is a turnover of each controlling individual associated with the license within a 12-month period. A change to the license holder's controlling individuals, including a change due to a transfer of stock, is not a change of ownership if at least one controlling individual who was listed on the license for at least 12 consecutive months continues to be a controlling individual after the reported change.

Subd. 3. **Change of ownership requirements.** (a) A license holder who intends to change the ownership of the program or service under subdivision 2 to a party that intends to assume operation without an interruption in service longer than 60 days after acquiring the program or service must provide the commissioner with written notice of the proposed sale or change, on a form provided by the commissioner, at least 60 days before the anticipated date of the change in ownership. For purposes of this subdivision and subdivision 4, "party" means the party that intends to operate the service or program.

(b) The party must submit a license application under this chapter on a form and in the manner prescribed by the commissioner at least 30 days before the change of ownership is complete and must include documentation to support the upcoming change. The form and manner of the application prescribed by the commissioner shall require only information which is specifically required by statute or rule. The party must comply with background study requirements under chapter 245C and shall pay the application fee required in section 245A.10. A party that intends to assume operation without an interruption in service longer than 60 days after acquiring the program or service is exempt from the requirements of Minnesota Rules, part 9530.6800.

(c) The commissioner may develop streamlined application procedures when the party is an existing license holder under this chapter and is acquiring a program licensed under this chapter or service in the same service class as one or more licensed programs or services the party operates and those licenses are in substantial compliance according to the licensing standards in this chapter and applicable rules. For purposes of this subdivision, "substantial compliance" means within the past 12 months the commissioner did not: (i) issue a sanction under section 245A.07 against a license held by the party or (ii) make a license held by the party conditional according to section 245A.06.

(d) Except when a temporary change of ownership license is issued pursuant to subdivision 4, the existing license holder is solely responsible for operating the program according to applicable rules and statutes until a license under this chapter is issued to the party.

(e) If a licensing inspection of the program or service was conducted within the previous 12 months and the existing license holder's license record demonstrates substantial compliance with the applicable licensing requirements, the commissioner may waive the party's inspection required by section 245A.04, subdivision 4. The party must submit to the commissioner proof that the premises was inspected by a fire marshal or that the fire marshal deemed that an inspection was not warranted and proof that the premises was inspected for compliance with the building code or that no inspection was deemed warranted.

(f) If the party is seeking a license for a program or service that has an outstanding correction order, the party must submit a letter with the license application identifying how and within what length of time the party shall resolve the outstanding correction order and come into full compliance with the licensing requirements.

(g) Any action taken under section 245A.06 or 245A.07 against the existing license holder's license at the time the party is applying for a license, including when the existing license holder is operating under a conditional license or is subject to a revocation, shall remain in effect until the commissioner determines that the grounds for the action are corrected or no longer exist.

(h) The commissioner shall evaluate the application of the party according to section 245A.04, subdivision 6. Pursuant to section 245A.04, subdivision 7, if the commissioner determines that the party complies with applicable laws and rules, the commissioner may issue a license or a temporary change of ownership license.

(i) The commissioner may deny an application as provided in section 245A.05. An applicant whose application was denied by the commissioner may appeal the denial according to section 245A.05.

(j) This subdivision does not apply to a licensed program or service located in a home where the license holder resides.

Subd. 4. **Temporary change of ownership license.** (a) After receiving the party's application and upon the written request of the existing license holder and the party, the commissioner may issue a temporary change of ownership license to the party while the commissioner evaluates the party's application. Until a decision is made to grant or deny a license under this chapter, the existing license holder and the party shall both be responsible for operating the program or service according to applicable laws and rules, and the sale or transfer of the license holder's ownership interest in the licensed program or service does not terminate the existing license.

(b) The commissioner may establish criteria to issue a temporary change of ownership license, if a license holder's death, divorce, or other event affects the ownership of the program, when an applicant seeks to assume operation of the program or service to ensure continuity of the program or service while a license application is evaluated. This subdivision applies to any program or service licensed under this chapter.

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

Sec. 5. Minnesota Statutes 2016, section 245C.22, subdivision 4, is amended to read:

Subd. 4. **Risk of harm; set aside.** (a) The commissioner may set aside the disqualification if the commissioner finds that the individual has submitted sufficient information to demonstrate that the individual does not pose a risk of harm to any person served by the applicant, license holder, or other entities as provided in this chapter.

(b) In determining whether the individual has met the burden of proof by demonstrating the individual does not pose a risk of harm, the commissioner shall consider:

- (1) the nature, severity, and consequences of the event or events that led to the disqualification;
 - (2) whether there is more than one disqualifying event;
 - (3) the age and vulnerability of the victim at the time of the event;
 - (4) the harm suffered by the victim;
 - (5) vulnerability of persons served by the program;
 - (6) the similarity between the victim and persons served by the program;
 - (7) the time elapsed without a repeat of the same or similar event;
 - (8) documentation of successful completion by the individual studied of training or rehabilitation pertinent to the event; and
 - (9) any other information relevant to reconsideration.
- (c) If the individual requested reconsideration on the basis that the information relied upon to disqualify the individual was incorrect or inaccurate and the commissioner determines that the information relied upon to disqualify the individual is correct, the commissioner must also determine if the individual poses a risk of harm to persons receiving services in accordance with paragraph (b).

(d) For an individual in the chemical dependency field, the commissioner must set aside the disqualification if the following criteria are met:

(1) the individual submits sufficient documentation to demonstrate that the individual is a nonviolent controlled substance offender under section 244.0513, subdivision 2, clauses (1), (2), and (6);

(2) the individual is disqualified exclusively for one or more offenses listed under section 152.021, subdivision 2 or 2a; 152.022, subdivision 2; 152.023, subdivision 2; 152.024; or 152.025;

(3) the individual provided documentation of successful completion of treatment, at least one year prior to the date of the request for reconsideration, at a program licensed under chapter 245G;

(4) the individual provided documentation demonstrating abstinence from controlled substances, as defined in section 152.01, subdivision 4, for the period one year prior to the date of the request for reconsideration; and

(5) the individual is seeking employment in the chemical dependency field.

Sec. 6. Minnesota Statutes 2017 Supplement, section 245C.22, subdivision 5, is amended to read:

Subd. 5. **Scope of set-aside.** (a) If the commissioner sets aside a disqualification under this section, the disqualified individual remains disqualified, but may hold a license and have direct contact with or access to persons receiving services. Except as provided in paragraph (b), the commissioner's set-aside of a disqualification is limited solely to the licensed program, applicant, or agency specified in the set aside notice under section 245C.23. For personal care provider organizations, the commissioner's set-aside may further be limited to a specific individual who is receiving services. For new background studies required under section 245C.04, subdivision 1, paragraph (h), if an individual's disqualification was previously set aside for the license holder's program and the new background study results in no new information that indicates the individual may pose a risk of harm to persons receiving services from the license holder, the previous set-aside shall remain in effect.

(b) If the commissioner has previously set aside an individual's disqualification for one or more programs or agencies, and the individual is the subject of a subsequent background study for a different program or agency, the commissioner shall determine whether the disqualification is set aside for the program or agency that initiated the subsequent background study. A notice of a set-aside under paragraph (c) shall be issued within 15 working days if all of the following criteria are met:

(1) the subsequent background study was initiated in connection with a program licensed or regulated under the same provisions of law and rule for at least one program for which the individual's disqualification was previously set aside by the commissioner;

(2) the individual is not disqualified for an offense specified in section 245C.15, subdivision 1 ~~or 2~~;

(3) the individual is not disqualified for an offense specified in section 245C.15, subdivision 2, unless the individual is employed in the chemical dependency field;

(4) the commissioner has received no new information to indicate that the individual may pose a risk of harm to any person served by the program; and

~~(4)~~ (5) the previous set-aside was not limited to a specific person receiving services.

(c) When a disqualification is set aside under paragraph (b), the notice of background study results issued under section 245C.17, in addition to the requirements under section 245C.17, shall state that the disqualification is set aside for the program or agency that initiated the subsequent background study. The notice must inform the individual that the individual may request reconsideration of the disqualification under section 245C.21 on the basis that the information used to disqualify the individual is incorrect.

Sec. 7. Minnesota Statutes 2017 Supplement, section 245G.03, subdivision 1, is amended to read:

Subdivision 1. **License requirements.** (a) An applicant for a license to provide substance use disorder treatment must comply with the general requirements in chapters 245A and 245C, sections 626.556 and 626.557, and Minnesota Rules, chapter 9544.

(b) The assessment of need process under Minnesota Rules, parts 9530.6800 and 9530.6810, is not applicable to programs licensed under this chapter. However, the commissioner may deny issuance of a license to an applicant if the commissioner determines that the services currently available in the local area are sufficient to meet local need and the addition of new services would be detrimental to individuals seeking these services.

(c) The commissioner may grant variances to the requirements in this chapter that do not affect the client's health or safety if the conditions in section 245A.04, subdivision 9, are met.

Sec. 8. Minnesota Statutes 2017 Supplement, section 254A.03, subdivision 3, is amended to read:

Subd. 3. **Rules for substance use disorder care.** (a) The commissioner of human services shall establish by rule criteria to be used in determining the appropriate level of chemical dependency care for each recipient of public assistance seeking treatment for substance misuse or substance use disorder. Upon federal approval of a comprehensive assessment as a Medicaid benefit, or on July 1, 2018, whichever is later, and notwithstanding the criteria in Minnesota Rules, parts 9530.6600 to 9530.6655, an eligible vendor of comprehensive assessments under section 254B.05 may determine and approve the appropriate level of substance use disorder treatment for a recipient of public assistance. The process for determining an individual's financial eligibility for the consolidated chemical dependency treatment fund or determining an individual's enrollment in or eligibility for a publicly subsidized health plan is not affected by the individual's choice to access a comprehensive assessment for placement.

(b) The commissioner shall develop and implement a utilization review process for publicly funded treatment placements to monitor and review the clinical appropriateness and timeliness of all publicly funded placements in treatment.

(c) A structured assessment for alcohol or substance use disorder that is provided to a recipient of public assistance by a primary care clinic, hospital, or other medical setting establishes medical necessity and approval for an initial set of substance use disorder services identified in section 254B.05, subdivision 5, when the screen result is positive for alcohol or substance misuse. The initial set of services approved for a recipient whose screen result is positive shall include four hours of individual or group substance use disorder treatment, two hours of substance use disorder care coordination, and two hours of substance use disorder peer support services. A recipient must obtain an assessment pursuant to paragraph (a) to be approved for additional treatment services.

EFFECTIVE DATE. This section is effective July 1, 2018, contingent on federal approval. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained or denied.

Sec. 9. Minnesota Statutes 2016, section 254B.02, subdivision 1, is amended to read:

Subdivision 1. **Chemical dependency treatment allocation.** The chemical dependency treatment appropriation shall be placed in a special revenue account. ~~The commissioner shall annually transfer funds from the chemical dependency fund to pay for operation of the drug and alcohol abuse normative evaluation system and to pay for all costs incurred by adding two positions for licensing of chemical dependency treatment and rehabilitation programs located in hospitals for which funds are not otherwise appropriated. The remainder of the money in the special revenue account must be used according to the requirements in this chapter.~~

Sec. 10. Minnesota Statutes 2017 Supplement, section 254B.03, subdivision 2, is amended to read:

Subd. 2. **Chemical dependency fund payment.** (a) Payment from the chemical dependency fund is limited to payments for services other than detoxification licensed under Minnesota Rules, parts 9530.6510 to 9530.6590, that, if located outside of federally recognized tribal lands, would be required to be licensed by the commissioner as a chemical dependency treatment or rehabilitation program under sections 245A.01 to 245A.16, and services other than detoxification provided in another state that would be required to be licensed as a chemical dependency program if the program were in the state. Out of state vendors must also provide the commissioner with assurances that the program complies substantially with state licensing requirements and possesses all licenses and certifications required by the host state to provide chemical dependency treatment. Vendors receiving payments from the chemical dependency fund must not require co-payment from a recipient of benefits for services provided under this subdivision. The vendor is prohibited from using the client's public benefits to offset the cost of services paid under this section. The vendor shall not require the client to use public benefits for room or board costs. This includes but is not limited to cash assistance benefits under chapters 119B, 256D, and 256J, or SNAP benefits. Retention of SNAP benefits is a right of a client receiving services through the consolidated chemical dependency treatment fund or through state contracted managed care entities. Payment from the chemical dependency fund shall be made for necessary room and board costs provided by vendors certified according to section 254B.05, or in a community hospital licensed by the commissioner of health according to sections 144.50 to 144.56 to a client who is:

(1) determined to meet the criteria for placement in a residential chemical dependency treatment program according to rules adopted under section 254A.03, subdivision 3; and

(2) concurrently receiving a chemical dependency treatment service in a program licensed by the commissioner and reimbursed by the chemical dependency fund.

(b) A county may, from its own resources, provide chemical dependency services for which state payments are not made. A county may elect to use the same invoice procedures and obtain the same state payment services as are used for chemical dependency services for which state payments are made under this section if county payments are made to the state in advance of state payments to vendors. When a county uses the state system for payment, the commissioner shall make monthly billings to the county using the most recent available information to determine the anticipated services for which payments will be made in the coming month. Adjustment of any overestimate or underestimate based on actual expenditures shall be made by the state agency by adjusting the estimate for any succeeding month.

(c) The commissioner shall coordinate chemical dependency services and determine whether there is a need for any proposed expansion of chemical dependency treatment services. ~~The commissioner shall deny vendor certification to any provider that has not received prior approval from the commissioner for the creation of new programs or the expansion of existing program capacity. The commissioner shall consider the provider's capacity to obtain clients from outside the state based on plans, agreements, and previous utilization history, when determining the need for new treatment services.~~ The commissioner may deny vendor certification to a provider if the commissioner determines that the services currently available in the local area are sufficient to meet local need and that the addition of new services would be detrimental to individuals seeking these services.

Sec. 11. Minnesota Statutes 2017 Supplement, section 256.045, subdivision 3, is amended to read:

Subd. 3. **State agency hearings.** (a) State agency hearings are available for the following:

(1) any person applying for, receiving or having received public assistance, medical care, or a program of social services granted by the state agency or a county agency or the federal Food Stamp Act whose application for assistance is denied, not acted upon with reasonable promptness, or whose assistance is suspended, reduced, terminated, or claimed to have been incorrectly paid;

- (2) any patient or relative aggrieved by an order of the commissioner under section 252.27;
- (3) a party aggrieved by a ruling of a prepaid health plan;
- (4) except as provided under chapter 245C, any individual or facility determined by a lead investigative agency to have maltreated a vulnerable adult under section 626.557 after they have exercised their right to administrative reconsideration under section 626.557;
- (5) any person whose claim for foster care payment according to a placement of the child resulting from a child protection assessment under section 626.556 is denied or not acted upon with reasonable promptness, regardless of funding source;
- (6) any person to whom a right of appeal according to this section is given by other provision of law;
- (7) an applicant aggrieved by an adverse decision to an application for a hardship waiver under section 256B.15;
- (8) an applicant aggrieved by an adverse decision to an application or redetermination for a Medicare Part D prescription drug subsidy under section 256B.04, subdivision 4a;
- (9) except as provided under chapter 245A, an individual or facility determined to have maltreated a minor under section 626.556, after the individual or facility has exercised the right to administrative reconsideration under section 626.556;
- (10) except as provided under chapter 245C, an individual disqualified under sections 245C.14 and 245C.15, following a reconsideration decision issued under section 245C.23, on the basis of serious or recurring maltreatment; a preponderance of the evidence that the individual has committed an act or acts that meet the definition of any of the crimes listed in section 245C.15, subdivisions 1 to 4; or for failing to make reports required under section 626.556, subdivision 3, or 626.557, subdivision 3. Hearings regarding a maltreatment determination under clause (4) or (9) and a disqualification under this clause in which the basis for a disqualification is serious or recurring maltreatment, shall be consolidated into a single fair hearing. In such cases, the scope of review by the human services judge shall include both the maltreatment determination and the disqualification. The failure to exercise the right to an administrative reconsideration shall not be a bar to a hearing under this section if federal law provides an individual the right to a hearing to dispute a finding of maltreatment;
- (11) any person with an outstanding debt resulting from receipt of public assistance, medical care, or the federal Food Stamp Act who is contesting a setoff claim by the Department of Human Services or a county agency. The scope of the appeal is the validity of the claimant agency's intention to request a setoff of a refund under chapter 270A against the debt;
- (12) a person issued a notice of service termination under section 245D.10, subdivision 3a, from residential supports and services as defined in section 245D.03, subdivision 1, paragraph (c), clause (3), that is not otherwise subject to appeal under subdivision 4a;
- (13) an individual disability waiver recipient based on a denial of a request for a rate exception under section 256B.4914; ~~or~~
- (14) a person issued a notice of service termination under section 245A.11, subdivision 11, that is not otherwise subject to appeal under subdivision 4a; or

(15) a county disputes cost of care under section 246.54 based on administrative or other delay of a client's discharge from a state-operated facility after notification to a county that the client no longer meets medical criteria for the state-operated facility, when the county has developed a viable discharge plan.

(b) The hearing for an individual or facility under paragraph (a), clause (4), (9), or (10), is the only administrative appeal to the final agency determination specifically, including a challenge to the accuracy and completeness of data under section 13.04. Hearings requested under paragraph (a), clause (4), apply only to incidents of maltreatment that occur on or after October 1, 1995. Hearings requested by nursing assistants in nursing homes alleged to have maltreated a resident prior to October 1, 1995, shall be held as a contested case proceeding under the provisions of chapter 14. Hearings requested under paragraph (a), clause (9), apply only to incidents of maltreatment that occur on or after July 1, 1997. A hearing for an individual or facility under paragraph (a), clauses (4), (9), and (10), is only available when there is no district court action pending. If such action is filed in district court while an administrative review is pending that arises out of some or all of the events or circumstances on which the appeal is based, the administrative review must be suspended until the judicial actions are completed. If the district court proceedings are completed, dismissed, or overturned, the matter may be considered in an administrative hearing.

(c) For purposes of this section, bargaining unit grievance procedures are not an administrative appeal.

(d) The scope of hearings involving claims to foster care payments under paragraph (a), clause (5), shall be limited to the issue of whether the county is legally responsible for a child's placement under court order or voluntary placement agreement and, if so, the correct amount of foster care payment to be made on the child's behalf and shall not include review of the propriety of the county's child protection determination or child placement decision.

(e) The scope of hearings under paragraph (a), clauses (12) and (14), shall be limited to whether the proposed termination of services is authorized under section 245D.10, subdivision 3a, paragraph (b), or 245A.11, subdivision 11, and whether the requirements of section 245D.10, subdivision 3a, paragraphs (c) to (e), or 245A.11, subdivision 2a, paragraphs (d) to (f), were met. If the appeal includes a request for a temporary stay of termination of services, the scope of the hearing shall also include whether the case management provider has finalized arrangements for a residential facility, a program, or services that will meet the assessed needs of the recipient by the effective date of the service termination.

(f) A vendor of medical care as defined in section 256B.02, subdivision 7, or a vendor under contract with a county agency to provide social services is not a party and may not request a hearing under this section, except if assisting a recipient as provided in subdivision 4.

(g) An applicant or recipient is not entitled to receive social services beyond the services prescribed under chapter 256M or other social services the person is eligible for under state law.

(h) The commissioner may summarily affirm the county or state agency's proposed action without a hearing when the sole issue is an automatic change due to a change in state or federal law.

(i) Unless federal or Minnesota law specifies a different time frame in which to file an appeal, an individual or organization specified in this section may contest the specified action, decision, or final disposition before the state agency by submitting a written request for a hearing to the state agency within 30 days after receiving written notice of the action, decision, or final disposition, or within 90 days of such written notice if the applicant, recipient, patient, or relative shows good cause, as defined in section 256.0451, subdivision 13, why the request was not submitted within the 30-day time limit. The individual filing the appeal has the burden of proving good cause by a preponderance of the evidence.

Sec. 12. Minnesota Statutes 2017 Supplement, section 256B.0625, subdivision 56a, is amended to read:

Subd. 56a. **Post-arrest Officer-involved community-based service care coordination.** (a) Medical assistance covers ~~post-arrest officer-involved~~ community-based service care coordination for an individual who:

(1) has ~~been identified as having~~ screened positive for benefiting from treatment for a mental illness or substance use disorder using a screening tool approved by the commissioner;

(2) does not require the security of a public detention facility and is not considered an inmate of a public institution as defined in Code of Federal Regulations, title 42, section 435.1010;

(3) meets the eligibility requirements in section 256B.056; and

(4) has agreed to participate in ~~post-arrest officer-involved~~ community-based service care coordination ~~through a diversion contract in lieu of incarceration.~~

(b) ~~Post-arrest Officer-involved~~ community-based service care coordination means navigating services to address a client's mental health, chemical health, social, economic, and housing needs, or any other activity targeted at reducing the incidence of jail utilization and connecting individuals with existing covered services available to them, including, but not limited to, targeted case management, waiver case management, or care coordination.

(c) ~~Post-arrest Officer-involved~~ community-based service care coordination must be provided by an individual who is an employee of ~~a county~~ or is under contract with a county, ~~or is an employee of or under contract with an Indian health service facility or facility owned and operated by a tribe or a tribal organization operating under Public Law 93-638 as a 638 facility~~ to provide ~~post-arrest officer-involved~~ community-based care coordination and is qualified under one of the following criteria:

(1) a licensed mental health professional as defined in section 245.462, subdivision 18, clauses (1) to (6);

(2) a mental health practitioner as defined in section 245.462, subdivision 17, working under the clinical supervision of a mental health professional; ~~or~~

(3) a certified peer specialist under section 256B.0615, working under the clinical supervision of a mental health professional;

(4) an individual qualified as an alcohol and drug counselor under section 254G.11, subdivision 5; or

(5) a recovery peer qualified under section 245G.11, subdivision 8, working under the supervision of an individual qualified as an alcohol and drug counselor under section 245G.11, subdivision 5.

(d) Reimbursement is allowed for up to 60 days following the initial determination of eligibility.

(e) Providers of ~~post-arrest officer-involved~~ community-based service care coordination shall annually report to the commissioner on the number of individuals served, and number of the community-based services that were accessed by recipients. The commissioner shall ensure that services and payments provided under ~~post-arrest officer-involved~~ community-based service care coordination do not duplicate services or payments provided under section 256B.0625, subdivision 20, 256B.0753, 256B.0755, or 256B.0757.

(f) Notwithstanding section 256B.19, subdivision 1, the nonfederal share of cost for post-arrest community-based service coordination services shall be provided by the county providing the services, from sources other than federal funds or funds used to match other federal funds.

EFFECTIVE DATE. Paragraphs (a) to (e) are effective retroactively from March 1, 2018.

Sec. 13. Minnesota Statutes 2016, section 641.15, subdivision 3a, is amended to read:

Subd. 3a. **Intake procedure; approved mental health screening.** As part of its intake procedure for new ~~prisoners~~ inmates, the sheriff or local corrections shall use a mental health screening tool approved by the commissioner of corrections in consultation with the commissioner of human services and local corrections staff to identify persons who may have mental illness. Names of persons who have screened positive or may have a mental illness may be shared with the local county social services agency. The jail may refer an offender to county personnel of the welfare system, as defined in section 13.46, subdivision 1, paragraph (c), in order to arrange for services upon discharge and may share private data as necessary to carry out the following:

- (1) providing assistance in filling out an application for medical assistance or MinnesotaCare;
- (2) making a referral for case management as outlined under section 245.467, subdivision 4;
- (3) providing assistance in obtaining a state photo identification;
- (4) securing a timely appointment with a psychiatrist or other appropriate community mental health provider;
- (5) providing prescriptions for a 30-day supply of all necessary medications; or
- (6) behavioral health service coordination.

Sec. 14. Laws 2017, First Special Session chapter 6, article 8, section 71, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective for services provided on July 1, 2017, through ~~April 30, 2019,~~ and ~~expires May 1, 2019~~ June 30, 2019, and expires July 1, 2019.

Sec. 15. Laws 2017, First Special Session chapter 6, article 8, section 72, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective for services provided on July 1, 2017, through ~~April 30, 2019,~~ and ~~expires May 1, 2019~~ June 30, 2019, and expires July 1, 2019.

Sec. 16. Laws 2017, First Special Session chapter 6, article 8, section 74, is amended to read:

Sec. 74. **CHILDREN'S MENTAL HEALTH REPORT AND RECOMMENDATIONS.**

The commissioner of human services shall conduct a comprehensive analysis of Minnesota's continuum of intensive mental health services and shall develop recommendations for a sustainable and community-driven continuum of care for children with serious mental health needs, including children currently being served in residential treatment. The commissioner's analysis shall include, but not be limited to:

- (1) data related to access, utilization, efficacy, and outcomes for Minnesota's current system of residential mental health treatment for a child with a severe emotional disturbance;
- (2) potential expansion of the state's psychiatric residential treatment facility (PRTF) capacity, including increasing the number of PRTF beds and conversion of existing children's mental health residential treatment programs into PRTFs;
- (3) the capacity need for PRTF and other group settings within the state if adequate community-based alternatives are accessible, equitable, and effective statewide;

(4) recommendations for expanding alternative community-based service models to meet the needs of a child with a serious mental health disorder who would otherwise require residential treatment and potential service models that could be utilized, including data related to access, utilization, efficacy, and outcomes;

(5) models of care used in other states; and

(6) analysis and specific recommendations for the design and implementation of new service models, including analysis to inform rate setting as necessary.

The analysis shall be supported and informed by extensive stakeholder engagement. Stakeholders include individuals who receive services, family members of individuals who receive services, providers, counties, health plans, advocates, and others. Stakeholder engagement shall include interviews with key stakeholders, intentional outreach to individuals who receive services and the individual's family members, and regional listening sessions.

The commissioner shall provide a report with specific recommendations and timelines for implementation to the legislative committees with jurisdiction over children's mental health policy and finance by ~~November 15, 2018~~ January 15, 2019.

Sec. 17. **INTEGRATED LOCAL RESPONSE TO THE OPIOID CRISIS GRANT PROGRAM.**

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

(a) "Commissioner" means the commissioner of human services.

(b) "Sectors" refers to the various health care providers, mental health and substance use disorder treatment providers, public health-related entities, child protection groups, law enforcement agencies, courts, community groups, schools, and others that have a role in a local response to the opioid crisis.

(c) "Integrated local response" means an activity that requires coordination between two or more sectors to serve specific groups of individuals with chronic opioid analgesia use or opioid use disorder to improve outcomes in a community.

Subd. 2. **Establishment.** (a) The commissioner shall implement a grant program to support an integrated local response to the opioid crisis.

(b) A grantee must match state funding received under this program with local in-kind or fiscal resources and must collaborate with at least one local partner from a different sector.

(c) At the outset of the program, a grantee must identify where the grantee and the grantee's local partner are on a local integration continuum as defined by the commissioner and tailor the program as needed to meet the needs of individual communities. A grantee must increase the extent of the integrated local response during the course of the grant.

Subd. 3. **Grant awards.** (a) The commissioner shall award four-year grants to eligible applicants to support integrated local responses to the opioid crisis with priority given to applicants serving communities that are suffering disparities in health outcomes related to the opioid crisis. In determining grant awards, the commissioner shall consider health disparities and inequities attributed to individuals living in the community who are served by a local partner. The commissioner may award up to 20 percent of the appropriation to fund one or more contractors to provide technical assistance and other support to grantees.

(b) Grant awards must support integration of services and supports to address the opioid crisis. Grantees may use funding to hire project staff.

Subd. 4. **Eligibility.** Grantees may be tribal and local governments, health care providers, mental health and substance use disorder treatment providers, or nonprofit social service and cultural agencies. A grantee must serve as a fiscal agent for the grantee's local partner from a different sector.

Subd. 5. **Domains.** A grantee must address one or more domains of the opioid crisis that are most relevant to the grantee's community. The domains are optimizing integrated local response:

(1) for pregnant women and newborns and support for their recovery from opioid use disorder and other substance use disorders including implementation of plans of safe care for the mother and newborn;

(2) for reducing chronic opioid analgesia for individuals at high risk of opioid dependence or who are identified as having opioid use disorder;

(3) for opioid use disorder and other substance use disorders for individuals involved with the criminal justice system before, during, and after confinement in a correctional facility, as defined in Minnesota Statutes, section 241.33, subdivision 3, including individuals convicted of drug-related offenses who are diverted to treatment and individuals previously incarcerated; or

(4) for opioid use disorder and other substance use disorders for other populations.

Subd. 6. **Reports.** The commissioner shall issue an interim report and a final report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance on the progress of this grant program. The reports must include data on grantees' progress toward optimizing integrated local response capacity and outcomes relevant to each of the domains. Outcomes must relate to the domains chosen by the grantees and may include the number or rate of out-of-home placements for newborns, changes in chronic opioid analgesia use, and treatment outcomes of opioid use disorder in previously incarcerated populations. The interim report is due September 15, 2020, and the final report is due six months following the expenditure of all appropriated funds.

Subd. 7. **Expiration.** This section expires June 30, 2022, or six months after appropriated funds are expended, whichever is later.

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

ARTICLE 4 OPIOIDS AND PRESCRIPTION DRUGS

Section 1. **[62Q.184] STEP THERAPY OVERRIDE.**

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

(b) "Clinical practice guideline" means a systematically developed statement to assist health care providers and enrollees in making decisions about appropriate health care services for specific clinical circumstances and conditions developed independently of a health plan company, pharmaceutical manufacturer, or any entity with a conflict of interest.

(c) "Clinical review criteria" means the written screening procedures, decision abstracts, clinical protocols, and clinical practice guidelines used by a health plan company to determine the medical necessity and appropriateness of health care services.

(d) "Health plan company" has the meaning given in section 62Q.01, subdivision 4, but does not include a managed care organization or county-based purchasing plan participating in a public program under chapters 256B or 256L, or an integrated health partnership under section 256B.0755.

(e) "Step therapy protocol" means a protocol or program that establishes the specific sequence in which prescription drugs for a specified medical condition, including self-administered and physician-administered drugs, are medically appropriate for a particular enrollee and are covered under a health plan.

(f) "Step therapy override" means that the step therapy protocol is overridden in favor of coverage of the selected prescription drug of the prescribing health care provider because at least one of the conditions of subdivision 3, paragraph (a), exists.

Subd. 2. **Establishment of a step therapy protocol.** A health plan company shall consider available recognized evidence-based and peer-reviewed clinical practice guidelines when establishing a step therapy protocol. Upon written request of an enrollee, a health plan company shall provide any clinical review criteria applicable to a specific prescription drug covered by the health plan.

Subd. 3. **Step therapy override process; transparency.** (a) When coverage of a prescription drug for the treatment of a medical condition is restricted for use by a health plan company through the use of a step therapy protocol, enrollees and prescribing health care providers shall have access to a clear, readily accessible, and convenient process to request a step therapy override. The process shall be made easily accessible on the health plan company's Web site. A health plan company may use its existing medical exceptions process to satisfy this requirement. A health plan company shall grant an override to the step therapy protocol if at least one of the following conditions exist:

(1) the prescription drug required under the step therapy protocol is contraindicated pursuant to the pharmaceutical manufacturer's prescribing information for the drug or, due to a documented adverse event with a previous use or a documented medical condition, including a comorbid condition, is likely to do any of the following:

(i) cause an adverse reaction to the enrollee;

(ii) decrease the ability of the enrollee to achieve or maintain reasonable functional ability in performing daily activities; or

(iii) cause physical or mental harm to the enrollee;

(2) the enrollee has had a trial of the required prescription drug covered by their current or previous health plan, or another prescription drug in the same pharmacologic class or with the same mechanism of action, and was adherent during such trial for a period of time sufficient to allow for a positive treatment outcome, and the prescription drug was discontinued by the enrollee's health care provider due to lack of effectiveness, or an adverse event. This clause does not prohibit a health plan company from requiring an enrollee to try another drug in the same pharmacologic class or with the same mechanism of action if that therapy sequence is supported by the evidence-based and peer-reviewed clinical practice guideline, Food and Drug Administration label, or pharmaceutical manufacturer's prescribing information; or

(3) the enrollee is currently receiving a positive therapeutic outcome on a prescription drug for the medical condition under consideration if, while on their current health plan or the immediately preceding health plan, the enrollee received coverage for the prescription drug and the enrollee's prescribing health care provider gives documentation to the health plan company that the change in prescription drug required by the step therapy protocol is expected to be ineffective or cause harm to the enrollee based on the known characteristics of the specific enrollee and the known characteristics of the required prescription drug.

(b) Upon granting a step therapy override, a health plan company shall authorize coverage for the prescription drug if the prescription drug is a covered prescription drug under the enrollee's health plan.

(c) The enrollee, or the prescribing health care provider if designated by the enrollee, may appeal the denial of a step therapy override by a health plan company using the complaint procedure under sections 62Q.68 to 62Q.73.

(d) In a denial of an override request and any subsequent appeal, a health plan company's decision must specifically state why the step therapy override request did not meet the condition under paragraph (a) cited by the prescribing health care provider in requesting the step therapy override and information regarding the procedure to request external review of the denial pursuant to section 62Q.73. A denial of a request for a step therapy override that is upheld on appeal is a final adverse determination for purposes of section 62Q.73 and is eligible for a request for external review by an enrollee pursuant to section 62Q.73.

(e) A health plan company shall respond to a step therapy override request or an appeal within five days of receipt of a complete request. In cases where exigent circumstances exist, a health plan company shall respond within 72 hours of receipt of a complete request. If a health plan company does not send a response to the enrollee or prescribing health care provider if designated by the enrollee within the time allotted, the override request or appeal is granted and binding on the health plan company.

(f) Step therapy override requests must be accessible to and submitted by health care providers, and accepted by group purchasers electronically through secure electronic transmission, as described under section 62J.497, subdivision 5.

(g) Nothing in this section prohibits a health plan company from:

(1) requesting relevant documentation from an enrollee's medical record in support of a step therapy override request; or

(2) requiring an enrollee to try a generic equivalent drug pursuant to section 151.21, or a biosimilar, as defined under United States Code, title 42, section 262(i)(2), prior to providing coverage for the equivalent branded prescription drug.

(h) This section shall not be construed to allow the use of a pharmaceutical sample for the primary purpose of meeting the requirements for a step therapy override.

EFFECTIVE DATE. This section is effective January 1, 2019, and applies to health plans offered, issued, or sold on or after that date.

Sec. 2. Minnesota Statutes 2016, section 151.214, subdivision 2, is amended to read:

Subd. 2. **No prohibition on disclosure.** No contracting agreement between an employer-sponsored health plan or health plan company, or its contracted pharmacy benefit manager, and a resident or nonresident pharmacy ~~registered~~ licensed under this chapter, may prohibit ~~the~~

(1) a pharmacy from disclosing to patients information a pharmacy is required or given the option to provide under subdivision 1; or

(2) a pharmacist from informing a patient when the amount the patient is required to pay under the patient's health plan for a particular drug is greater than the amount the patient would be required to pay for the same drug if purchased out-of-pocket at the pharmacy's usual and customary price.

Sec. 3. Minnesota Statutes 2016, section 151.252, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** (a) No person shall act as a drug manufacturer without first obtaining a license from the board and paying any applicable fee specified in section 151.065.

(b) Application for a drug manufacturer license under this section shall be made in a manner specified by the board.

(c) No license shall be issued or renewed for a drug manufacturer unless the applicant agrees to operate in a manner prescribed by federal and state law and according to Minnesota Rules.

(d) No license shall be issued or renewed for a drug manufacturer that is required to be registered pursuant to United States Code, title 21, section 360, unless the applicant supplies the board with proof of registration. The board may establish by rule the standards for licensure of drug manufacturers that are not required to be registered under United States Code, title 21, section 360.

(e) No license shall be issued or renewed for a drug manufacturer that is required to be licensed or registered by the state in which it is physically located unless the applicant supplies the board with proof of licensure or registration. The board may establish, by rule, standards for the licensure of a drug manufacturer that is not required to be licensed or registered by the state in which it is physically located.

(f) The board shall require a separate license for each facility located within the state at which drug manufacturing occurs and for each facility located outside of the state at which drugs that are shipped into the state are manufactured.

(g) The board shall not issue an initial or renewed license for a drug manufacturing facility unless the facility passes an inspection conducted by an authorized representative of the board. In the case of a drug manufacturing facility located outside of the state, the board may require the applicant to pay the cost of the inspection, in addition to the license fee in section 151.065, unless the applicant furnishes the board with a report, issued by the appropriate regulatory agency of the state in which the facility is located or by the United States Food and Drug Administration, of an inspection that has occurred within the 24 months immediately preceding receipt of the license application by the board. The board may deny licensure unless the applicant submits documentation satisfactory to the board that any deficiencies noted in an inspection report have been corrected.

(h) The board shall not issue a renewed license for a drug manufacturer unless the manufacturer pays any stewardship fee it is required to pay under section 151.2521.

Sec. 4. **[151.2521] OPIOID PRODUCT STEWARDSHIP FEE.**

Subdivision 1. Opioid product stewardship fee established. (a) A manufacturer licensed under section 151.252 that sells any products containing opium or opiates listed in section 152.02, subdivision 3, paragraphs (b) and (c), any products containing narcotics listed in section 152.02, subdivision 4, paragraph (e), or any products containing narcotic drugs listed in section 152.02, subdivision 5, paragraph (b) shall pay to the Board of Pharmacy a stewardship fee as specified in this section.

(b) Drugs approved by the United States Food and Drug Administration for the treatment of opioid dependence are not subject to the annual stewardship fee, but only when used for that purpose.

Subd. 2. Reporting requirements. (a) Effective March 1, 2019, a manufacturer licensed under section 151.252 shall provide the board with data about each of its prescription products that contain controlled substances listed in section 152.02, subdivisions 3 to 6, that are sold within this state. The data shall include, for each product, the trade and generic names, strength, package size, and national drug code. A manufacturer required to report this data shall also report a billing address to which the board can send invoices and inquiries related to the product stewardship fee. A manufacturer shall notify the board of any change to this data no later than 30 days after the change is made. The board may require a manufacturer to confirm the accuracy of the data on a quarterly basis. If a manufacturer fails to provide information required under this paragraph on a timely basis, the board may assess an administrative penalty of \$100 per day. This penalty shall not be considered a form of disciplinary action.

(b) Effective May 1, 2019, a manufacturer licensed under section 151.252 or a wholesaler licensed under section 151.47 shall report to the board every sale, delivery, or other distribution within or into this state of any prescription controlled substance listed in section 152.02, subdivisions 3 to 6, that is made to any practitioner, pharmacy, hospital, veterinary hospital, or other person who is permitted by section 151.37 to possess controlled substances for administration or dispensing to patients. Reporting shall be in the manner and format specified by the board, and shall occur by the 15th day of each calendar month, for sales, deliveries, and other distributions that occurred during the previous calendar month. If a manufacturer or wholesaler fails to provide information required under this paragraph on a timely basis, the board may assess an administrative penalty of \$100 per day. This penalty shall not be considered a form of disciplinary action.

(c) Effective May 1, 2019, any pharmacy licensed under section 151.19 and located outside of this state, including but not limited to community, long-term care, mail order, and compounding and central service pharmacies, must report the dispensing of controlled substances to patients located within this state. Reporting shall be in the manner and format specified by the board, and shall occur by the 15th day of each month for dispensing that occurred during the previous calendar month. If a pharmacy fails to provide information required under this paragraph on a timely basis, the board may assess an administrative penalty of \$100 per day. This penalty shall not be considered a form of disciplinary action.

(d) Effective May 1, 2019, the owners of pharmacies that are located within this state must report the intracompany delivery or distribution, into this state, of the drugs listed in subdivision 1, to the extent that those deliveries and distributions are not reported to the board by a licensed wholesaler owned by, under contract to, or otherwise operating on behalf of the owner of the pharmacies. Reporting shall be in the manner and format specified by the board, and shall occur by the 15th day of each month for deliveries and distributions that occurred during the previous calendar month. If a pharmacy fails to provide information required under this paragraph on a timely basis, the board may assess an administrative penalty of \$100 per day. This penalty shall not be considered a form of disciplinary action.

Subd. 3. Invoicing and payment. (a) The board, beginning July 1, 2019, and at least quarterly thereafter, shall use the data submitted under subdivision 2 to prepare invoices for each manufacturer that is required to pay the opioid stewardship fee required by this section. The invoices for each quarter shall be prepared and sent to manufacturers no later than 60 days after the end of each quarter. Manufacturers shall remit payment to the board by no later than 30 days after the date of the invoice. If a manufacturer fails to remit payment by that date, the board shall charge interest at the rate that manufacturers are charged interest for making late Medicaid rebate payments.

(b) A manufacturer may dispute the amount invoiced by the board no later than 30 days after the date of the invoice. However, the manufacturer must still remit payment for the amount invoiced as required by this section. The dispute shall be filed with the board in the manner and using the forms specified by the board. A manufacturer must submit, with the required forms, data satisfactory to the board that demonstrates that the original amount invoiced was incorrect. The board shall make a decision concerning a dispute no later than 60 days after receiving the required forms. If the board determines that the manufacturer has satisfactorily demonstrated that the original fee invoiced by the board was incorrect, the board shall reimburse the manufacturer for any amount that is in excess of the correct amount that should have been invoiced. The board shall make this reimbursement when it notifies the manufacturer of its decision.

Subd. 4. **Calculation of fees.** (a) The board shall calculate the fee that is to be paid by using a base rate for all drugs and multipliers of the base rate for certain drugs and dosage forms as specified in this subdivision.

(b) The base rate shall be \$0.01 per unit distributed or dispensed. A unit is each capsule, tablet, milliliter, gram, patch, or other commonly accepted unit.

(c) An active ingredient multiplier of 10 shall be applied to the base for Schedule II opium derivatives and opiates, as defined in section 152.02, subdivision 3, except as further defined below:

(1) oxycodone: 15;

(2) oxymorphone: 15;

(3) hydromorphone: 15;

(4) methadone: 20; and

(5) fentanyl: 20.

(d) In addition to the active ingredient multiplier, a dosage form multiplier shall be applied to the base as follows:

(1) liquid: 0.2; and

(2) patch: 20.

Sec. 5. [151.2522] OPIOID STEWARDSHIP FUND.

The opioid stewardship fund is established in the state treasury. The fees collected by the Board of Pharmacy under section 151.2521 shall be deposited into the opioid stewardship fund unless otherwise specifically designated by law. Any interest or profit accruing from investment of these sums is deposited in the opioid stewardship fund.

Sec. 6. [151.555] PRESCRIPTION DRUG REPOSITORY PROGRAM.

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

(b) "Central repository" means a wholesale distributor that meets the requirements under subdivision 3 and enters into a contract with the Board of Pharmacy in accordance with this section.

(c) "Distribute" means to deliver, other than by administering or dispensing.

(d) "Donor" means:

(1) a health care facility as defined in this subdivision;

(2) a skilled nursing facility licensed under chapter 144A;

(3) an assisted living facility registered under chapter 144D where there is centralized storage of drugs and 24-hour on-site licensed nursing coverage provided seven days a week;

(4) a pharmacy licensed under section 151.19, and located either in the state or outside the state;

(5) a drug wholesaler licensed under section 151.47; or

(6) a drug manufacturer licensed under section 151.252.

(e) "Drug" means any prescription drug that has been approved for medical use in the United States, is listed in the United States Pharmacopoeia or National Formulary, and meets the criteria established under this section for donation. This definition includes cancer drugs and antirejection drugs, but does not include controlled substances, as defined in section 152.01, subdivision 4, or a prescription drug that can only be dispensed to a patient registered with the drug's manufacturer in accordance with federal Food and Drug Administration requirements.

(f) "Health care facility" means:

(1) a physician's office or health care clinic where licensed practitioners provide health care to patients;

(2) a hospital licensed under section 144.50;

(3) a pharmacy licensed under section 151.19 and located in Minnesota; or

(4) a nonprofit community clinic, including a federally qualified health center; a rural health clinic; public health clinic; or other community clinic that provides health care utilizing a sliding fee scale to patients who are low-income, uninsured, or underinsured.

(g) "Local repository" means a health care facility that elects to accept donated drugs and medical supplies and meets the requirements of subdivision 4.

(h) "Medical supplies" or "supplies" means any prescription and nonprescription medical supply needed to administer a prescription drug.

(i) "Original, sealed, unopened, tamper-evident packaging" means packaging that is sealed, unopened, and tamper-evident, including a manufacturer's original unit dose or unit-of-use container, a repackager's original unit dose or unit-of-use container, or unit-dose packaging prepared by a licensed pharmacy according to the standards of Minnesota Rules, part 6800.3750.

(j) "Practitioner" has the meaning given in section 151.01, subdivision 23, except that it does not include a veterinarian.

Subd. 2. Establishment. By January 1, 2019, the Board of Pharmacy shall establish a drug repository program, through which donors may donate a drug or medical supply for use by an individual who meets the eligibility criteria specified under subdivision 5. The board shall contract with a central repository that meets the requirements of subdivision 3 to implement and administer the prescription drug repository program.

Subd. 3. Central repository requirements. (a) The board shall publish a request for proposal for participants who meet the requirements of this subdivision and are interested in acting as the central repository for the drug repository program. The board shall follow all applicable state procurement procedures in the selection process.

(b) To be eligible to act as the central repository, the participant must be a wholesale drug distributor located in Minnesota, licensed pursuant to section 151.47, and in compliance with all applicable federal and state statutes, rules, and regulations.

(c) The central repository shall be subject to inspection by the board pursuant to section 151.06, subdivision 1.

Subd. 4. Local repository requirements. (a) To be eligible for participation in the drug repository program, a health care facility must agree to comply with all applicable federal and state laws, rules, and regulations pertaining to the drug repository program, drug storage, and dispensing. The facility must also agree to maintain in good standing any required state license or registration that may apply to the facility.

(b) A local repository may elect to participate in the program by submitting the following information to the central repository on a form developed by the board and made available on the board's Web site:

(1) the name, street address, and telephone number of the health care facility and any state-issued license or registration number issued to the facility, including the issuing state agency;

(2) the name and telephone number of a responsible pharmacist or practitioner who is employed by or under contract with the health care facility; and

(3) a statement signed and dated by the responsible pharmacist or practitioner indicating that the health care facility meets the eligibility requirements under this section and agrees to comply with this section.

(c) Participation in the drug repository program is voluntary. A local repository may withdraw from participation in the drug repository program at any time by providing written notice to the central repository on a form developed by the board and made available on the board's Web site. The central repository shall provide the board with a copy of the withdrawal notice within ten business days from the date of receipt of the withdrawal notice.

Subd. 5. Individual eligibility and application requirements. (a) To be eligible for the drug repository program, an individual must submit to a local repository an intake application form that is signed by the individual and attests that the individual:

(1) is a resident of Minnesota;

(2) is uninsured, has no prescription drug coverage, or is underinsured;

(3) acknowledges that the drugs or medical supplies to be received through the program may have been donated; and

(4) consents to a waiver of the child-resistant packaging requirements of the federal Poison Prevention Packaging Act.

(b) Upon determining that an individual is eligible for the program, the local repository shall furnish the individual with an identification card. The card shall be valid for one year from the date of issuance and may be used at any local repository. A new identification card may be issued upon expiration once the individual submits a new application form.

(c) The local repository shall send a copy of the intake application form to the central repository by regular mail, facsimile, or secured e-mail within ten days from the date the application is approved by the local repository.

(d) The board shall develop and make available on the board's Web site an application form and the format for the identification card.

Subd. 6. Standards and procedures for accepting donations of drugs and supplies. (a) A donor may donate prescription drugs or medical supplies to the central repository or a local repository if the drug or supply meets the requirements of this section as determined by a pharmacist or practitioner who is employed by or under contract with the central repository or a local repository.

(b) A prescription drug is eligible for donation under the drug repository program if the following requirements are met:

(1) the donation is accompanied by a drug repository donor form described under paragraph (d) that is signed by an individual who is authorized by the donor to attest to the donor's knowledge in accordance with paragraph (d);

(2) the drug's expiration date is at least six months after the date the drug was donated. If a donated drug bears an expiration date that is less than six months from the donation date, the drug may be accepted and distributed if the drug is in high demand and can be dispensed for use by a patient before the drug's expiration date;

(3) the drug is in its original, sealed, unopened, tamper-evident packaging that includes the expiration date. Single-unit-dose drugs may be accepted if the single-unit-dose packaging is unopened;

(4) the drug or the packaging does not have any physical signs of tampering, misbranding, deterioration, compromised integrity, or adulteration;

(5) the drug does not require storage temperatures other than normal room temperature as specified by the manufacturer or United States Pharmacopoeia, unless the drug is being donated directly by its manufacturer, a wholesale drug distributor, or a pharmacy located in Minnesota; and

(6) the prescription drug is not a controlled substance.

(c) A medical supply is eligible for donation under the drug repository program if the following requirements are met:

(1) the supply has no physical signs of tampering, misbranding, or alteration and there is no reason to believe it has been adulterated, tampered with, or misbranded;

(2) the supply is in its original, unopened, sealed packaging;

(3) the donation is accompanied by a drug repository donor form described under paragraph (d) that is signed by an individual who is authorized by the donor to attest to the donor's knowledge in accordance with paragraph (d); and

(4) if the supply bears an expiration date, the date is at least six months later than the date the supply was donated. If the donated supply bears an expiration date that is less than six months from the date the supply was donated, the supply may be accepted and distributed if the supply is in high demand and can be dispensed for use by a patient before the supply's expiration date.

(d) The board shall develop the drug repository donor form and make it available on the board's Web site. The form must state that to the best of the donor's knowledge the donated drug or supply has been properly stored and that the drug or supply has never been opened, used, tampered with, adulterated, or misbranded.

(e) Donated drugs and supplies may be shipped or delivered to the premises of the central repository or a local repository, and shall be inspected by a pharmacist or an authorized practitioner who is employed by or under contract with the repository and who has been designated by the repository to accept donations. A drop box must not be used to deliver or accept donations.

(f) The central repository and local repository shall inventory all drugs and supplies donated to the repository. For each drug, the inventory must include the drug's name, strength, quantity, manufacturer, expiration date, and the date the drug was donated. For each medical supply, the inventory must include a description of the supply, its manufacturer, the date the supply was donated, and, if applicable, the supply's brand name and expiration date.

Subd. 7. Standards and procedures for inspecting and storing donated prescription drugs and supplies.

(a) A pharmacist or authorized practitioner who is employed by or under contract with the central repository or a local repository shall inspect all donated prescription drugs and supplies to determine, to the extent reasonably possible in the professional judgment of the pharmacist or practitioner, that the drug or supply is not adulterated or misbranded, has not been tampered with, is safe and suitable for dispensing, and meets the requirements for donation. The pharmacist or practitioner who inspects the drugs or supplies shall sign an inspection record stating that the requirements for donation have been met. If a local repository receives drugs and supplies from the central repository, the local repository does not need to reinspect the drugs and supplies.

(b) The central repository and local repositories shall store donated drugs and supplies in a secure storage area under environmental conditions appropriate for the drug or supply being stored. Donated drugs and supplies may not be stored with nondonated inventory. If donated drugs or supplies are not inspected immediately upon receipt, a repository must quarantine the donated drugs or supplies separately from all dispensing stock until the donated drugs or supplies have been inspected and approved for dispensing under the program.

(c) The central repository and local repositories shall dispose of all prescription drugs and medical supplies that are not suitable for donation in compliance with applicable federal and state statutes, regulations, and rules concerning hazardous waste.

(d) In the event that controlled substances or prescription drugs that can only be dispensed to a patient registered with the drug's manufacturer are shipped or delivered to a central or local repository for donation, the shipment delivery must be documented by the repository and returned immediately to the donor or the donor's representative that provided the drugs.

(e) Each repository must develop drug and medical supply recall policies and procedures. If a repository receives a recall notification, the repository shall destroy all of the drug or medical supply in its inventory that is the subject of the recall and complete a record of destruction form in accordance with paragraph (f). If a drug or medical supply that is the subject of a Class I or Class II recall has been dispensed, the repository shall immediately notify the recipient of the recalled drug or medical supply. A drug that potentially is subject to a recall need not be destroyed if its packaging bears a lot number and that lot of the drug is not subject to the recall. If no lot number is on the drug's packaging, it must be destroyed.

(f) A record of destruction of donated drugs and supplies that are not dispensed under subdivision 8, are subject to a recall under paragraph (e), or are not suitable for donation shall be maintained by the repository for at least five years. For each drug or supply destroyed, the record shall include the following information:

(1) the date of destruction;

(2) the name, strength, and quantity of the drug destroyed; and

(3) the name of the person or firm that destroyed the drug.

Subd. 8. Dispensing requirements. (a) Donated drugs and supplies may be dispensed if the drugs or supplies are prescribed by a practitioner for use by an eligible individual and are dispensed by a pharmacist or practitioner. A repository shall dispense drugs and supplies to eligible individuals in the following priority order: (1) individuals who are uninsured; (2) individuals with no prescription drug coverage; and (3) individuals who are underinsured. A repository shall dispense donated prescription drugs in compliance with applicable federal and state laws and regulations for dispensing prescription drugs, including all requirements relating to packaging, labeling, record keeping, drug utilization review, and patient counseling.

(b) Before dispensing or administering a drug or supply, the pharmacist or practitioner shall visually inspect the drug or supply for adulteration, misbranding, tampering, and date of expiration. Drugs or supplies that have expired or appear upon visual inspection to be adulterated, misbranded, or tampered with in any way must not be dispensed or administered.

(c) Before a drug or supply is dispensed or administered to an individual, the individual must sign a drug repository recipient form acknowledging that the individual understands the information stated on the form. The board shall develop the form and make it available on the board's Web site. The form must include the following information:

(1) that the drug or supply being dispensed or administered has been donated and may have been previously dispensed;

(2) that a visual inspection has been conducted by the pharmacist or practitioner to ensure that the drug or supply has not expired, has not been adulterated or misbranded, and is in its original, unopened packaging; and

(3) that the dispensing pharmacist, the dispensing or administering practitioner, the central repository or local repository, the Board of Pharmacy, and any other participant of the drug repository program cannot guarantee the safety of the drug or medical supply being dispensed or administered and that the pharmacist or practitioner has determined that the drug or supply is safe to dispense or administer based on the accuracy of the donor's form submitted with the donated drug or medical supply and the visual inspection required to be performed by the pharmacist or practitioner before dispensing or administering.

Subd. 9. **Handling fees.** (a) The central or local repository may charge the individual receiving a drug or supply a handling fee of no more than 250 percent of the medical assistance program dispensing fee for each drug or medical supply dispensed or administered by that repository.

(b) A repository that dispenses or administers a drug or medical supply through the drug repository program shall not receive reimbursement under the medical assistance program or the MinnesotaCare program for that dispensed or administered drug or supply.

Subd. 10. **Distribution of donated drugs and supplies.** (a) The central repository and local repositories may distribute drugs and supplies donated under the drug repository program to other participating repositories for use pursuant to this program.

(b) A local repository that elects not to dispense donated drugs or supplies must transfer all donated drugs and supplies to the central repository. A copy of the donor form that was completed by the original donor under subdivision 6 must be provided to the central repository at the time of transfer.

Subd. 11. **Forms and record-keeping requirements.** (a) The following forms developed for the administration of this program shall be utilized by the participants of the program and shall be available on the board's Web site:

(1) intake application form described under subdivision 5;

(2) local repository participation form described under subdivision 4;

(3) local repository withdrawal form described under subdivision 4;

(4) drug repository donor form described under subdivision 6;

(5) record of destruction form described under subdivision 7; and

(6) drug repository recipient form described under subdivision 8.

(b) All records, including drug inventory, inspection, and disposal of donated prescription drugs and medical supplies must be maintained by a repository for a minimum of five years. Records required as part of this program must be maintained pursuant to all applicable practice acts.

(c) Data collected by the drug repository program from all local repositories shall be submitted quarterly or upon request to the central repository. Data collected may consist of the information, records, and forms required to be collected under this section.

(d) The central repository shall submit reports to the board as required by the contract or upon request of the board.

Subd. 12. **Liability.** (a) The manufacturer of a drug or supply is not subject to criminal or civil liability for injury, death, or loss to a person or to property for causes of action described in clauses (1) and (2). A manufacturer is not liable for:

(1) the intentional or unintentional alteration of the drug or supply by a party not under the control of the manufacturer; or

(2) the failure of a party not under the control of the manufacturer to transfer or communicate product or consumer information or the expiration date of the donated drug or supply.

(b) A health care facility participating in the program, a pharmacist dispensing a drug or supply pursuant to the program, a practitioner dispensing or administering a drug or supply pursuant to the program, or a donor of a drug or medical supply is immune from civil liability for an act or omission that causes injury to or the death of an individual to whom the drug or supply is dispensed and no disciplinary action by a health-related licensing board shall be taken against a pharmacist or practitioner so long as the drug or supply is donated, accepted, distributed, and dispensed according to the requirements of this section. This immunity does not apply if the act or omission involves reckless, wanton, or intentional misconduct, or malpractice unrelated to the quality of the drug or medical supply.

Sec. 7. Minnesota Statutes 2016, section 151.71, is amended by adding a subdivision to read:

Subd. 3. **Lowest cost to consumers.** (a) A health plan company or pharmacy benefits manager shall not require an individual to make a payment at the point of sale for a covered prescription medication in an amount greater than the allowable cost to consumers, as defined in paragraph (b).

(b) For purposes of paragraph (a), "allowable cost to consumers" means the lowest of: (1) the applicable co-payment for the prescription medication; or (2) the amount an individual would pay for the prescription medication if the individual purchased the prescription medication without using a health plan benefit.

Sec. 8. Minnesota Statutes 2017 Supplement, section 152.105, subdivision 2, is amended to read:

Subd. 2. Sheriff to maintain collection receptacle. The sheriff of each county shall maintain or contract for the maintenance of at least one collection receptacle for the disposal of noncontrolled substances, pharmaceutical controlled substances, and other legend drugs, as permitted by federal law. For purposes of this section, "legend drug" has the meaning given in section 151.01, subdivision 17. The collection receptacle must comply with federal law. In maintaining and operating the collection receptacle, the sheriff shall follow all applicable provisions of Code

of Federal Regulations, title 21, parts 1300, 1301, 1304, 1305, 1307, and 1317, as amended through May 1, 2017. The sheriff of each county may meet the requirements of this subdivision though the use of an alternative method for the disposal of noncontrolled substances, pharmaceutical controlled substances, and other legend drugs that has been approved by the Board of Pharmacy. This may include making available to the public, without charge, at-home prescription drug deactivation and disposal products that render drugs and medications inert and irretrievable.

Sec. 9. Minnesota Statutes 2016, section 152.11, is amended by adding a subdivision to read:

Subd. 5. Limitations on the dispensing of opioid prescription drug orders. (a) No prescription drug order for an opioid drug listed in Schedule II may be dispensed by a pharmacist or other dispenser more than 30 days after the date on which the prescription drug order was issued.

(b) No prescription drug order for an opioid drug listed in Schedules III through V may be initially dispensed by a pharmacist or other dispenser more than 30 days after the date on which the prescription drug order was issued. No prescription drug order for an opioid drug listed in Schedules III through V may be refilled by a pharmacist or other dispenser more than 45 days after the previous date on which it was dispensed.

(c) For purposes of this section, "dispenser" has the meaning given in section 152.126, subdivision 1.

Sec. 10. Minnesota Statutes 2016, section 152.126, is amended by adding a subdivision to read:

Subd. 11. Integration of access to the prescription monitoring program into electronic health records. The board may enter into a contract with a vendor who provides a product or service that allows health care providers to integrate access to the prescription monitoring program into the provider's electronic health record or pharmacy software system. The value of the contract shall be limited to funds appropriated for this purpose. Such integration shall not modify any requirements of this section regarding the information that must be reported to the database, who can access the database and for what purpose, and the data classification of information in the database.

Sec. 11. **STUDENT HEALTH INITIATIVE TO LIMIT OPIOID HARM.**

Subdivision 1. Grant awards. The commissioner of human services, in consultation with the commissioner of education, the Board of Trustees of the Minnesota State Colleges and Universities, the Board of Directors of the Minnesota Private College Council, and the regents of the University of Minnesota, shall develop and administer a program to award grants to secondary school students in grades 7 through 12 and undergraduate students attending a Minnesota postsecondary educational institution, and their community partner or partners, to conduct opioid awareness and opioid abuse prevention activities. If a grant proposal includes more than one community partner, the proposal must designate a primary community partner. Grant applications must be submitted by the primary community partner and any grant award must be managed by the primary community partner on behalf of secondary school and undergraduate student applicants and grantees. Grants shall be awarded for a fiscal year and are onetime.

Subd. 2. Grant criteria. (a) Grant dollars may be used for opioid awareness campaigns and events, education related to opioid addiction and abuse prevention, initiatives to limit inappropriate opioid prescriptions, peer education programs targeted to students at high risk of opioid addiction and abuse, and other related initiatives as approved by the commissioner. Grant projects must include one or more of the following components as they relate to opioid abuse and prevention and the role of the community partner: high-risk populations, law enforcement, education, clinical services, or social services.

(b) The commissioner of human services shall seek to provide grant funding for at least one proposal that addresses opioid abuse in the American Indian community.

Subd. 3. **Community partners.** For purposes of the grant program, community partners may include but are not limited to public health agencies; local law enforcement; community health centers; medical clinics; emergency medical service professionals; schools and postsecondary educational institutions; opioid addiction, advocacy, and recovery organizations; tribal governments; local chambers of commerce; and city councils and county boards.

Subd. 4. **Report.** The commissioner of human services shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance, K-12 education policy and finance, and higher education policy and finance by September 1, 2019, on the implementation of the grant program and the grants awarded under this section.

Subd. 5. **Federal grants.** (a) The commissioner of human services shall apply for any federal grant funding that aligns with the purposes of this section. The commissioner shall submit to the legislature any changes to the program established under this section that are necessary to comply with the terms of the federal grant.

(b) The commissioner shall notify the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance, K-12 education policy and finance, and higher education policy and finance of any grant applications submitted and any federal actions taken related to the grant applications.

Sec. 12. **OPIOID OVERDOSE REDUCTION PILOT PROGRAM.**

Subdivision 1. **Establishment.** The commissioner of health shall provide grants to ambulance services to fund activities by community paramedic teams to reduce opioid overdoses in the state. Under this pilot program, ambulance services shall develop and implement projects in which community paramedics connect with patients who are discharged from a hospital or emergency department following an opioid overdose episode, develop personalized care plans for those patients in consultation with the ambulance service medical director, and provide follow-up services to those patients.

Subd. 2. **Priority areas; services.** (a) In a project developed under this section, an ambulance service must target community paramedic team services to portions of the service area with high levels of opioid use, high death rates from opioid overdoses, and urgent needs for interventions.

(b) In a project developed under this section, a community paramedic team shall:

(1) provide services to patients released from a hospital following an opioid overdose episode and place priority on serving patients who were administered the opiate antagonist naloxone hydrochloride by emergency medical services personnel in response to a 911 call during the opioid overdose episode;

(2) provide the following evaluations during an initial home visit: a home safety assessment including whether there is a need to dispose of prescription drugs that are expired or no longer needed; medication reconciliation; an HIV risk assessment; instruction on the use of naloxone hydrochloride; and a basic needs assessment;

(3) provide patients with health assessments, medication management, chronic disease monitoring and education, and assistance in following hospital discharge orders; and

(4) work with a multidisciplinary team to address the overall physical and mental health needs of patients and health needs related to substance use disorder treatment.

Subd. 3. **Evaluation.** An ambulance service that receives a grant under this section must evaluate the extent to which the project was successful in reducing the number of opioid overdoses and opioid overdose deaths among patients who received services and in reducing the inappropriate use of opioids by patients who received services.

The commissioner of health shall develop specific evaluation measures and reporting timelines for ambulance services receiving grants. Ambulance services must submit the information required by the commissioner to the commissioner and the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services by December 1, 2019.

Sec. 13. **REPEALER.**

Minnesota Statutes 2016, section 151.55, is repealed.

ARTICLE 5
COMMUNITY SUPPORTS AND CONTINUING CARE

Section 1. Minnesota Statutes 2017 Supplement, section 245A.03, subdivision 7, is amended to read:

Subd. 7. **Licensing moratorium.** (a) The commissioner shall not issue an initial license for child foster care licensed under Minnesota Rules, parts 2960.3000 to 2960.3340, or adult foster care licensed under Minnesota Rules, parts 9555.5105 to 9555.6265, under this chapter for a physical location that will not be the primary residence of the license holder for the entire period of licensure. If a license is issued during this moratorium, and the license holder changes the license holder's primary residence away from the physical location of the foster care license, the commissioner shall revoke the license according to section 245A.07. The commissioner shall not issue an initial license for a community residential setting licensed under chapter 245D. When approving an exception under this paragraph, the commissioner shall consider the resource need determination process in paragraph (h), the availability of foster care licensed beds in the geographic area in which the licensee seeks to operate, the results of a person's choices during their annual assessment and service plan review, and the recommendation of the local county board. The determination by the commissioner is final and not subject to appeal. Exceptions to the moratorium include:

- (1) foster care settings that are required to be registered under chapter 144D;
- (2) foster care licenses replacing foster care licenses in existence on May 15, 2009, or community residential setting licenses replacing adult foster care licenses in existence on December 31, 2013, and determined to be needed by the commissioner under paragraph (b);
- (3) new foster care licenses or community residential setting licenses determined to be needed by the commissioner under paragraph (b) for the closure of a nursing facility, ICF/DD, or regional treatment center; restructuring of state-operated services that limits the capacity of state-operated facilities; or allowing movement to the community for people who no longer require the level of care provided in state-operated facilities as provided under section 256B.092, subdivision 13, or 256B.49, subdivision 24;
- (4) new foster care licenses or community residential setting licenses determined to be needed by the commissioner under paragraph (b) for persons requiring hospital level care;
- (5) new foster care licenses or community residential setting licenses determined to be needed by the commissioner for the transition of people from personal care assistance to the home and community-based services;
- (6) new foster care licenses or community residential setting licenses determined to be needed by the commissioner for the transition of people from the residential care waiver services to foster care services. This exception applies only when:
 - (i) the person's case manager provided the person with information about the choice of service, service provider, and location of service to help the person make an informed choice; and

(ii) the person's foster care services are less than or equal to the cost of the person's services delivered in the residential care waiver service setting as determined by the lead agency; ~~or~~

(7) new foster care licenses or community residential setting licenses for people receiving services under chapter 245D and residing in an unlicensed setting before May 1, 2017, and for which a license is required. This exception does not apply to people living in their own home. For purposes of this clause, there is a presumption that a foster care or community residential setting license is required for services provided to three or more people in a dwelling unit when the setting is controlled by the provider. A license holder subject to this exception may rebut the presumption that a license is required by seeking a reconsideration of the commissioner's determination. The commissioner's disposition of a request for reconsideration is final and not subject to appeal under chapter 14. The exception is available until June 30, ~~2018~~ 2019. This exception is available when:

(i) the person's case manager provided the person with information about the choice of service, service provider, and location of service, including in the person's home, to help the person make an informed choice; and

(ii) the person's services provided in the licensed foster care or community residential setting are less than or equal to the cost of the person's services delivered in the unlicensed setting as determined by the lead agency; or

(8) a vacancy in a setting granted an exception under clause (7) may receive an exception created by a person receiving services under chapter 245D and residing in the unlicensed setting between January 1, 2017, and May 1, 2017, for which a vacancy occurs between January 1, 2017, and the date of the exception request. This exception is available when the lead agency provides documentation to the commissioner on the eligibility criteria being met. This exception is available until June 30, 2019.

(b) The commissioner shall determine the need for newly licensed foster care homes or community residential settings as defined under this subdivision. As part of the determination, the commissioner shall consider the availability of foster care capacity in the area in which the licensee seeks to operate, and the recommendation of the local county board. The determination by the commissioner must be final. A determination of need is not required for a change in ownership at the same address.

(c) When an adult resident served by the program moves out of a foster home that is not the primary residence of the license holder according to section 256B.49, subdivision 15, paragraph (f), or the adult community residential setting, the county shall immediately inform the Department of Human Services Licensing Division. The department may decrease the statewide licensed capacity for adult foster care settings.

(d) Residential settings that would otherwise be subject to the decreased license capacity established in paragraph (c) shall be exempt if the license holder's beds are occupied by residents whose primary diagnosis is mental illness and the license holder is certified under the requirements in subdivision 6a or section 245D.33.

(e) A resource need determination process, managed at the state level, using the available reports required by section 144A.351, and other data and information shall be used to determine where the reduced capacity determined under section 256B.493 will be implemented. The commissioner shall consult with the stakeholders described in section 144A.351, and employ a variety of methods to improve the state's capacity to meet the informed decisions of those people who want to move out of corporate foster care or community residential settings, long-term service needs within budgetary limits, including seeking proposals from service providers or lead agencies to change service type, capacity, or location to improve services, increase the independence of residents, and better meet needs identified by the long-term services and supports reports and statewide data and information.

(f) At the time of application and reapplication for licensure, the applicant and the license holder that are subject to the moratorium or an exclusion established in paragraph (a) are required to inform the commissioner whether the physical location where the foster care will be provided is or will be the primary residence of the license holder for

the entire period of licensure. If the primary residence of the applicant or license holder changes, the applicant or license holder must notify the commissioner immediately. The commissioner shall print on the foster care license certificate whether or not the physical location is the primary residence of the license holder.

(g) License holders of foster care homes identified under paragraph (f) that are not the primary residence of the license holder and that also provide services in the foster care home that are covered by a federally approved home and community-based services waiver, as authorized under section 256B.0915, 256B.092, or 256B.49, must inform the human services licensing division that the license holder provides or intends to provide these waiver-funded services.

(h) The commissioner may adjust capacity to address needs identified in section 144A.351. Under this authority, the commissioner may approve new licensed settings or delicense existing settings. Delicensing of settings will be accomplished through a process identified in section 256B.493. Annually, by August 1, the commissioner shall provide information and data on capacity of licensed long-term services and supports, actions taken under the subdivision to manage statewide long-term services and supports resources, and any recommendations for change to the legislative committees with jurisdiction over the health and human services budget.

(i) The commissioner must notify a license holder when its corporate foster care or community residential setting licensed beds are reduced under this section. The notice of reduction of licensed beds must be in writing and delivered to the license holder by certified mail or personal service. The notice must state why the licensed beds are reduced and must inform the license holder of its right to request reconsideration by the commissioner. The license holder's request for reconsideration must be in writing. If mailed, the request for reconsideration must be postmarked and sent to the commissioner within 20 calendar days after the license holder's receipt of the notice of reduction of licensed beds. If a request for reconsideration is made by personal service, it must be received by the commissioner within 20 calendar days after the license holder's receipt of the notice of reduction of licensed beds.

(j) The commissioner shall not issue an initial license for children's residential treatment services licensed under Minnesota Rules, parts 2960.0580 to 2960.0700, under this chapter for a program that Centers for Medicare and Medicaid Services would consider an institution for mental diseases. Facilities that serve only private pay clients are exempt from the moratorium described in this paragraph. The commissioner has the authority to manage existing statewide capacity for children's residential treatment services subject to the moratorium under this paragraph and may issue an initial license for such facilities if the initial license would not increase the statewide capacity for children's residential treatment services subject to the moratorium under this paragraph.

Sec. 2. Minnesota Statutes 2017 Supplement, section 245A.11, subdivision 2a, is amended to read:

Subd. 2a. **Adult foster care and community residential setting license capacity.** (a) The commissioner shall issue adult foster care and community residential setting licenses with a maximum licensed capacity of four beds, including nonstaff roomers and boarders, except that the commissioner may issue a license with a capacity of five beds, including roomers and boarders, according to paragraphs (b) to (g).

(b) The license holder may have a maximum license capacity of five if all persons in care are age 55 or over and do not have a serious and persistent mental illness or a developmental disability.

(c) The commissioner may grant variances to paragraph (b) to allow a facility with a licensed capacity of up to five persons to admit an individual under the age of 55 if the variance complies with section 245A.04, subdivision 9, and approval of the variance is recommended by the county in which the licensed facility is located.

(d) The commissioner may grant variances to paragraph (a) to allow the use of an additional bed, up to five, for emergency crisis services for a person with serious and persistent mental illness or a developmental disability, regardless of age, if the variance complies with section 245A.04, subdivision 9, and approval of the variance is recommended by the county in which the licensed facility is located.

(e) The commissioner may grant a variance to paragraph (b) to allow for the use of an additional bed, up to five, for respite services, as defined in section 245A.02, for persons with disabilities, regardless of age, if the variance complies with sections 245A.03, subdivision 7, and 245A.04, subdivision 9, and approval of the variance is recommended by the county in which the licensed facility is located. Respite care may be provided under the following conditions:

(1) staffing ratios cannot be reduced below the approved level for the individuals being served in the home on a permanent basis;

(2) no more than two different individuals can be accepted for respite services in any calendar month and the total respite days may not exceed 120 days per program in any calendar year;

(3) the person receiving respite services must have his or her own bedroom, which could be used for alternative purposes when not used as a respite bedroom, and cannot be the room of another person who lives in the facility; and

(4) individuals living in the facility must be notified when the variance is approved. The provider must give 60 days' notice in writing to the residents and their legal representatives prior to accepting the first respite placement. Notice must be given to residents at least two days prior to service initiation, or as soon as the license holder is able if they receive notice of the need for respite less than two days prior to initiation, each time a respite client will be served, unless the requirement for this notice is waived by the resident or legal guardian.

(f) The commissioner may issue an adult foster care or community residential setting license with a capacity of five adults if the fifth bed does not increase the overall statewide capacity of licensed adult foster care or community residential setting beds in homes that are not the primary residence of the license holder, as identified in a plan submitted to the commissioner by the county, when the capacity is recommended by the county licensing agency of the county in which the facility is located and if the recommendation verifies that:

(1) the facility meets the physical environment requirements in the adult foster care licensing rule;

(2) the five-bed living arrangement is specified for each resident in the resident's:

(i) individualized plan of care;

(ii) individual service plan under section 256B.092, subdivision 1b, if required; or

(iii) individual resident placement agreement under Minnesota Rules, part 9555.5105, subpart 19, if required;

(3) the license holder obtains written and signed informed consent from each resident or resident's legal representative documenting the resident's informed choice to remain living in the home and that the resident's refusal to consent would not have resulted in service termination; and

(4) the facility was licensed for adult foster care before ~~March 1, 2011~~ June 30, 2016.

(g) The commissioner shall not issue a new adult foster care license under paragraph (f) after June 30, ~~2019~~ 2021. The commissioner shall allow a facility with an adult foster care license issued under paragraph (f) before June 30, ~~2019~~ 2021, to continue with a capacity of five adults if the license holder continues to comply with the requirements in paragraph (f).

Sec. 3. Minnesota Statutes 2017 Supplement, section 245D.03, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** (a) The commissioner shall regulate the provision of home and community-based services to persons with disabilities and persons age 65 and older pursuant to this chapter. The licensing standards in this chapter govern the provision of basic support services and intensive support services.

(b) Basic support services provide the level of assistance, supervision, and care that is necessary to ensure the health and welfare of the person and do not include services that are specifically directed toward the training, treatment, habilitation, or rehabilitation of the person. Basic support services include:

(1) in-home and out-of-home respite care services as defined in section 245A.02, subdivision 15, and under the brain injury, community alternative care, community access for disability inclusion, developmental disability, and elderly waiver plans, excluding out-of-home respite care provided to children in a family child foster care home licensed under Minnesota Rules, parts 2960.3000 to 2960.3100, when the child foster care license holder complies with the requirements under section 245D.06, subdivisions 5, 6, 7, and 8, or successor provisions; and section 245D.061 or successor provisions, which must be stipulated in the statement of intended use required under Minnesota Rules, part 2960.3000, subpart 4;

(2) adult companion services as defined under the brain injury, community access for disability inclusion, community alternative care, and elderly waiver plans, excluding adult companion services provided under the Corporation for National and Community Services Senior Companion Program established under the Domestic Volunteer Service Act of 1973, Public Law 98-288;

(3) personal support as defined under the developmental disability waiver plan;

(4) 24-hour emergency assistance, personal emergency response as defined under the community access for disability inclusion and developmental disability waiver plans;

(5) night supervision services as defined under the brain injury, community access for disability inclusion, community alternative care, and developmental disability waiver plan plans;

(6) homemaker services as defined under the community access for disability inclusion, brain injury, community alternative care, developmental disability, and elderly waiver plans, excluding providers licensed by the Department of Health under chapter 144A and those providers providing cleaning services only; and

(7) individual community living support under section 256B.0915, subdivision 3j.

(c) Intensive support services provide assistance, supervision, and care that is necessary to ensure the health and welfare of the person and services specifically directed toward the training, habilitation, or rehabilitation of the person. Intensive support services include:

(1) intervention services, including:

(i) ~~behavioral positive~~ support services as defined under the brain injury ~~and~~, community access for disability inclusion, community alternative care, and developmental disability waiver plans;

(ii) in-home or out-of-home crisis respite services as defined under the brain injury, community access for disability inclusion, community alternative care, and developmental disability waiver ~~plan~~ plans; and

(iii) specialist services as defined under the current brain injury, community access for disability inclusion, community alternative care, and developmental disability waiver ~~plan~~ plans;

(2) in-home support services, including:

(i) in-home family support and supported living services as defined under the developmental disability waiver plan;

(ii) independent living services training as defined under the brain injury and community access for disability inclusion waiver plans;

(iii) semi-independent living services; and

(iv) individualized home supports services as defined under the brain injury, community alternative care, and community access for disability inclusion waiver plans;

(3) residential supports and services, including:

(i) supported living services as defined under the developmental disability waiver plan provided in a family or corporate child foster care residence, a family adult foster care residence, a community residential setting, or a supervised living facility;

(ii) foster care services as defined in the brain injury, community alternative care, and community access for disability inclusion waiver plans provided in a family or corporate child foster care residence, a family adult foster care residence, or a community residential setting; and

(iii) residential services provided to more than four persons with developmental disabilities in a supervised living facility, including ICFs/DD;

(4) day services, including:

(i) structured day services as defined under the brain injury waiver plan;

(ii) day training and habilitation services under sections 252.41 to 252.46, and as defined under the developmental disability waiver plan; and

(iii) prevocational services as defined under the brain injury and community access for disability inclusion waiver plans; and

(5) employment exploration services as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disability waiver plans;

(6) employment development services as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disability waiver plans; and

(7) employment support services as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disability waiver plans.

Sec. 4. Minnesota Statutes 2016, section 245D.071, subdivision 5, is amended to read:

Subd. 5. **Service plan review and evaluation.** (a) The license holder must give the person or the person's legal representative and case manager an opportunity to participate in the ongoing review and development of the service plan and the methods used to support the person and accomplish outcomes identified in subdivisions 3 and 4. At least once per year, or within 30 days of a written request by the person, the person's legal representative, or the case manager, the license holder, in coordination with the person's support team or expanded support team, must meet with the person, the person's legal representative, and the case manager, and participate in service plan review meetings following stated timelines established in the person's coordinated service and support plan or coordinated service and support plan addendum ~~or within 30 days of a written request by the person, the person's legal representative, or the case manager, at a minimum of once per year.~~ The purpose of the service plan review is to determine whether changes are needed to the service plan based on the assessment information, the license holder's evaluation of progress towards accomplishing outcomes, or other information provided by the support team or expanded support team.

(b) At least once per year, the license holder, in coordination with the person's support team or expanded support team, must meet with the person, the person's legal representative, and the case manager to discuss how technology might be used to meet the person's desired outcomes. The coordinated service and support plan or support plan addendum must include a summary of this discussion. The summary must include a statement regarding any decision made related to the use of technology and a description of any further research that must be completed before a decision regarding the use of technology can be made. Nothing in this paragraph requires the coordinated service and support plan to include the use of technology for the provision of services.

~~(b)~~ (c) The license holder must summarize the person's status and progress toward achieving the identified outcomes and make recommendations and identify the rationale for changing, continuing, or discontinuing implementation of supports and methods identified in subdivision 4 in a report available at the time of the progress review meeting. The report must be sent at least five working days prior to the progress review meeting if requested by the team in the coordinated service and support plan or coordinated service and support plan addendum.

~~(c)~~ (d) The license holder must send the coordinated service and support plan addendum to the person, the person's legal representative, and the case manager by mail within ten working days of the progress review meeting. Within ten working days of the mailing of the coordinated service and support plan addendum, the license holder must obtain dated signatures from the person or the person's legal representative and the case manager to document approval of any changes to the coordinated service and support plan addendum.

~~(d)~~ (e) If, within ten working days of submitting changes to the coordinated service and support plan and coordinated service and support plan addendum, the person or the person's legal representative or case manager has not signed and returned to the license holder the coordinated service and support plan or coordinated service and support plan addendum or has not proposed written modifications to the license holder's submission, the submission is deemed approved and the coordinated service and support plan addendum becomes effective and remains in effect until the legal representative or case manager submits a written request to revise the coordinated service and support plan addendum.

Sec. 5. Minnesota Statutes 2016, section 245D.091, subdivision 2, is amended to read:

Subd. 2. **Behavior Positive support professional qualifications.** A ~~behavior~~ positive support professional providing ~~behavioral~~ positive support services as identified in section 245D.03, subdivision 1, paragraph (c), clause (1), item (i), must have competencies in the following areas as required under the brain injury ~~and~~ community access for disability inclusion, community alternative care, and developmental disability waiver plans or successor plans:

(1) ethical considerations;

- (2) functional assessment;
- (3) functional analysis;
- (4) measurement of behavior and interpretation of data;
- (5) selecting intervention outcomes and strategies;
- (6) behavior reduction and elimination strategies that promote least restrictive approved alternatives;
- (7) data collection;
- (8) staff and caregiver training;
- (9) support plan monitoring;
- (10) co-occurring mental disorders or neurocognitive disorder;
- (11) demonstrated expertise with populations being served; and
- (12) must be a:

(i) psychologist licensed under sections 148.88 to 148.98, who has stated to the Board of Psychology competencies in the above identified areas;

(ii) clinical social worker licensed as an independent clinical social worker under chapter 148D, or a person with a master's degree in social work from an accredited college or university, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services in the areas identified in clauses (1) to (11);

(iii) physician licensed under chapter 147 and certified by the American Board of Psychiatry and Neurology or eligible for board certification in psychiatry with competencies in the areas identified in clauses (1) to (11);

(iv) licensed professional clinical counselor licensed under sections 148B.29 to 148B.39 with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services who has demonstrated competencies in the areas identified in clauses (1) to (11);

(v) person with a master's degree from an accredited college or university in one of the behavioral sciences or related fields, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services with demonstrated competencies in the areas identified in clauses (1) to (11); ~~or~~

(vi) person with a master's degree or PhD in one of the behavioral sciences or related fields with demonstrated expertise in positive support services, as determined by the person's case manager based on the person's needs as outlined in the person's community support plan; or

(vii) registered nurse who is licensed under sections 148.171 to 148.285, and who is certified as a clinical specialist or as a nurse practitioner in adult or family psychiatric and mental health nursing by a national nurse certification organization, or who has a master's degree in nursing or one of the behavioral sciences or related fields from an accredited college or university or its equivalent, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services.

Sec. 6. Minnesota Statutes 2016, section 245D.091, subdivision 3, is amended to read:

Subd. 3. **Behavior Positive support analyst qualifications.** (a) A ~~behavior~~ positive support analyst providing ~~behavioral~~ positive support services as identified in section 245D.03, subdivision 1, paragraph (c), clause (1), item (i), must have competencies in the following areas as required under the brain injury ~~and~~ community access for disability inclusion, community alternative care, and developmental disability waiver plans or successor plans:

(1) have obtained a baccalaureate degree, master's degree, or PhD in a social services discipline; ~~or~~

(2) meet the qualifications of a mental health practitioner as defined in section 245.462, subdivision 17; ~~or~~

(3) be a board certified behavior analyst or board certified assistant behavior analyst by the Behavior Analyst Certification Board, Incorporated.

(b) In addition, a ~~behavior~~ positive support analyst must:

(1) have four years of supervised experience ~~working with individuals who exhibit challenging behaviors as well as co-occurring mental disorders or neurocognitive disorder~~ conducting functional behavior assessments and designing, implementing, and evaluating effectiveness of positive practices behavior support strategies for people who exhibit challenging behaviors as well as co-occurring mental disorders and neurocognitive disorder;

(2) have received ~~ten hours of instruction in functional assessment and functional analysis; training prior to hire or within 90 calendar days of hire that includes:~~

(i) ten hours of instruction in functional assessment and functional analysis;

(ii) 20 hours of instruction in the understanding of the function of behavior;

(iii) ten hours of instruction on design of positive practices behavior support strategies;

(iv) 20 hours of instruction preparing written intervention strategies, designing data collection protocols, training other staff to implement positive practice strategies, summarizing and reporting program evaluation data, analyzing program evaluation data to identify design flaws in behavioral interventions or failures in implementation fidelity, and recommending enhancements based on evaluation data; and

(v) eight hours of instruction on principles of person-centered thinking;

(3) ~~have received 20 hours of instruction in the understanding of the function of behavior;~~

(4) ~~have received ten hours of instruction on design of positive practices behavior support strategies;~~

(5) ~~have received 20 hours of instruction on the use of behavior reduction approved strategies used only in combination with behavior positive practices strategies;~~

(6) (3) be determined by a ~~behavior~~ positive support professional to have the training and prerequisite skills required to provide positive practice strategies as well as behavior reduction approved and permitted intervention to the person who receives ~~behavioral~~ positive support; and

(7) (4) be under the direct supervision of a ~~behavior~~ positive support professional.

(c) Meeting the qualifications for a positive support professional under subdivision 2 shall substitute for meeting the qualifications listed in paragraph (b).

Sec. 7. Minnesota Statutes 2016, section 245D.091, subdivision 4, is amended to read:

Subd. 4. **~~Behavior~~ Positive support specialist qualifications.** (a) A ~~behavior~~ positive support specialist providing ~~behavioral~~ positive support services as identified in section 245D.03, subdivision 1, paragraph (c), clause (1), item (i), must have competencies in the following areas as required under the brain injury ~~and~~, community access for disability inclusion, community alternative care, and developmental disability waiver plans or successor plans:

(1) have an associate's degree in a social services discipline; or

(2) have two years of supervised experience working with individuals who exhibit challenging behaviors as well as co-occurring mental disorders or neurocognitive disorder.

(b) In addition, a behavior specialist must:

(1) have received training prior to hire or within 90 calendar days of hire that includes:

(i) a minimum of four hours of training in functional assessment;

~~(2) have received~~ (ii) 20 hours of instruction in the understanding of the function of behavior;

~~(3) have received~~ (iii) ten hours of instruction on design of positive practices behavioral support strategies; and

(iv) eight hours of instruction on principles of person-centered thinking;

~~(4) (2)~~ be determined by a ~~behavior~~ positive support professional to have the training and prerequisite skills required to provide positive practices strategies as well as behavior reduction approved intervention to the person who receives ~~behavioral~~ positive support; and

~~(5) (3)~~ be under the direct supervision of a ~~behavior~~ positive support professional.

(c) Meeting the qualifications for a positive support professional under subdivision 2 shall substitute for meeting the qualifications listed in paragraphs (a) and (b).

Sec. 8. Minnesota Statutes 2017 Supplement, section 252.41, subdivision 3, is amended to read:

Subd. 3. **Day training and habilitation services for adults with developmental disabilities.** (a) "Day training and habilitation services for adults with developmental disabilities" means services that:

(1) include supervision, training, assistance, center-based work-related activities, or other community-integrated activities designed and implemented in accordance with the individual service and individual habilitation plans required under Minnesota Rules, parts 9525.0004 to 9525.0036, to help an adult reach and maintain the highest possible level of independence, productivity, and integration into the community; and

(2) are provided by a vendor licensed under sections 245A.01 to 245A.16 and 252.28, subdivision 2, to provide day training and habilitation services.

(b) Day training and habilitation services reimbursable under this section do not include special education and related services as defined in the Education of the Individuals with Disabilities Act, United States Code, title 20, chapter 33, section 1401, clauses (6) and (17), or vocational services funded under section 110 of the Rehabilitation Act of 1973, United States Code, title 29, section 720, as amended.

(c) Except for specified service units authorized and provided in the transition period defined in section 256B.4913, subdivision 7, paragraph (b), day training and habilitation services do not include employment exploration, employment development, or employment support services as defined in the home and community-based services waivers for people with disabilities authorized under sections 256B.092 and 256B.49.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2018.

Sec. 9. Minnesota Statutes 2016, section 256B.0625, is amended by adding a subdivision to read:

Subd. 65. **Prescribed pediatric extended care center services.** Medical assistance covers prescribed pediatric extended care center basic services as defined under section 144H.01, subdivision 2. The commissioner shall set two payment rates for basic services provided at prescribed pediatric extended care centers licensed under chapter 144H: (1) a \$250 half-day rate per child attending a prescribed pediatric extended care center for less than four hours per day; and (2) a \$500 full-day rate per child attending a prescribed pediatric extended care center for four hours or more per day. The rates established in this subdivision may be reevaluated by the commissioner two years after the effective date of this subdivision.

EFFECTIVE DATE. This section is effective January 1, 2019, or upon federal approval, whichever occurs later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 10. Minnesota Statutes 2016, section 256B.0659, subdivision 11, is amended to read:

Subd. 11. **Personal care assistant; requirements.** (a) A personal care assistant must meet the following requirements:

(1) be at least 18 years of age with the exception of persons who are 16 or 17 years of age with these additional requirements:

(i) supervision by a qualified professional every 60 days; and

(ii) employment by only one personal care assistance provider agency responsible for compliance with current labor laws;

(2) be employed by a personal care assistance provider agency;

(3) enroll with the department as a personal care assistant after clearing a background study. Except as provided in subdivision 11a, before a personal care assistant provides services, the personal care assistance provider agency must initiate a background study on the personal care assistant under chapter 245C, and the personal care assistance provider agency must have received a notice from the commissioner that the personal care assistant is:

(i) not disqualified under section 245C.14; or

(ii) is disqualified, but the personal care assistant has received a set aside of the disqualification under section 245C.22;

(4) be able to effectively communicate with the recipient and personal care assistance provider agency;

(5) be able to provide covered personal care assistance services according to the recipient's personal care assistance care plan, respond appropriately to recipient needs, and report changes in the recipient's condition to the supervising qualified professional or physician;

(6) not be a consumer of personal care assistance services;

(7) maintain daily written records including, but not limited to, time sheets under subdivision 12;

(8) effective January 1, 2010, complete standardized training as determined by the commissioner before completing enrollment. The training must be available in languages other than English and to those who need accommodations due to disabilities. Personal care assistant training must include successful completion of the following training components: basic first aid, vulnerable adult, child maltreatment, OSHA universal precautions, basic roles and responsibilities of personal care assistants including information about assistance with lifting and transfers for recipients, emergency preparedness, orientation to positive behavioral practices, fraud issues, and completion of time sheets. Upon completion of the training components, the personal care assistant must demonstrate the competency to provide assistance to recipients;

(9) complete training and orientation on the needs of the recipient; and

(10) be limited to providing and being paid for up to 275 hours per month of personal care assistance services regardless of the number of recipients being served or the number of personal care assistance provider agencies enrolled with. The number of hours worked per day shall not be disallowed by the department unless in violation of the law.

(b) A legal guardian may be a personal care assistant if the guardian is not being paid for the guardian services and meets the criteria for personal care assistants in paragraph (a).

(c) Persons who do not qualify as a personal care assistant include parents, stepparents, and legal guardians of minors; spouses; paid legal guardians of adults; family foster care providers, except as otherwise allowed in section 256B.0625, subdivision 19a; and staff of a residential setting.

(d) Personal care services qualify for the enhanced rate described in subdivision 17a if the personal care assistant providing the services:

(1) provides services, according to the care plan in subdivision 7, to a recipient who qualifies for 12 or more hours per day of PCA services; and

(2) satisfies the current requirements of Medicare for training and competency or competency evaluation of home health aides or nursing assistants, as provided in the Code of Federal Regulations, title 42, section 483.151 or 484.36, or alternative state approved training or competency requirements.

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

Sec. 11. Minnesota Statutes 2016, section 256B.0659, is amended by adding a subdivision to read:

Subd. 17a. Enhanced rate. An enhanced rate of 105 percent of the rate paid for PCA services shall be paid for services provided to persons who qualify for 12 or more hours of PCA service per day when provided by a PCA who meets the requirements of subdivision 11, paragraph (d). The enhanced rate for PCA services includes, and is not in addition to, any rate adjustments implemented by the commissioner on July 1, 2018, to comply with the terms

of a collective bargaining agreement between the state of Minnesota and an exclusive representative of individual providers under section 179A.54 that provides for wage increases for individual providers who serve participants assessed to need 12 or more hours of PCA services per day.

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

Sec. 12. Minnesota Statutes 2016, section 256B.0659, subdivision 21, is amended to read:

Subd. 21. **Requirements for provider enrollment of personal care assistance provider agencies.** (a) All personal care assistance provider agencies must provide, at the time of enrollment, reenrollment, and revalidation as a personal care assistance provider agency in a format determined by the commissioner, information and documentation that includes, but is not limited to, the following:

(1) the personal care assistance provider agency's current contact information including address, telephone number, and e-mail address;

(2) proof of surety bond coverage. Upon new enrollment, or if the provider's Medicaid revenue in the previous calendar year is up to and including \$300,000, the provider agency must purchase a surety bond of \$50,000. If the Medicaid revenue in the previous year is over \$300,000, the provider agency must purchase a surety bond of \$100,000. The surety bond must be in a form approved by the commissioner, must be renewed annually, and must allow for recovery of costs and fees in pursuing a claim on the bond;

(3) proof of fidelity bond coverage in the amount of \$20,000;

(4) proof of workers' compensation insurance coverage;

(5) proof of liability insurance;

(6) a description of the personal care assistance provider agency's organization identifying the names of all owners, managing employees, staff, board of directors, and the affiliations of the directors, owners, or staff to other service providers;

(7) a copy of the personal care assistance provider agency's written policies and procedures including: hiring of employees; training requirements; service delivery; and employee and consumer safety including process for notification and resolution of consumer grievances, identification and prevention of communicable diseases, and employee misconduct;

(8) copies of all other forms the personal care assistance provider agency uses in the course of daily business including, but not limited to:

(i) a copy of the personal care assistance provider agency's time sheet if the time sheet varies from the standard time sheet for personal care assistance services approved by the commissioner, and a letter requesting approval of the personal care assistance provider agency's nonstandard time sheet;

(ii) the personal care assistance provider agency's template for the personal care assistance care plan; and

(iii) the personal care assistance provider agency's template for the written agreement in subdivision 20 for recipients using the personal care assistance choice option, if applicable;

(9) a list of all training and classes that the personal care assistance provider agency requires of its staff providing personal care assistance services;

(10) documentation that the personal care assistance provider agency and staff have successfully completed all the training required by this section, including the requirements under subdivision 11, paragraph (d), if enhanced PCA services are provided and submitted for an enhanced rate under subdivision 17a;

(11) documentation of the agency's marketing practices;

(12) disclosure of ownership, leasing, or management of all residential properties that is used or could be used for providing home care services;

(13) documentation that the agency will use the following percentages of revenue generated from the medical assistance rate paid for personal care assistance services for employee personal care assistant wages and benefits: 72.5 percent of revenue in the personal care assistance choice option and 72.5 percent of revenue from other personal care assistance providers. The revenue generated by the qualified professional and the reasonable costs associated with the qualified professional shall not be used in making this calculation; and

(14) effective May 15, 2010, documentation that the agency does not burden recipients' free exercise of their right to choose service providers by requiring personal care assistants to sign an agreement not to work with any particular personal care assistance recipient or for another personal care assistance provider agency after leaving the agency and that the agency is not taking action on any such agreements or requirements regardless of the date signed.

(b) Personal care assistance provider agencies shall provide the information specified in paragraph (a) to the commissioner at the time the personal care assistance provider agency enrolls as a vendor or upon request from the commissioner. The commissioner shall collect the information specified in paragraph (a) from all personal care assistance providers beginning July 1, 2009.

(c) All personal care assistance provider agencies shall require all employees in management and supervisory positions and owners of the agency who are active in the day-to-day management and operations of the agency to complete mandatory training as determined by the commissioner before enrollment of the agency as a provider. Employees in management and supervisory positions and owners who are active in the day-to-day operations of an agency who have completed the required training as an employee with a personal care assistance provider agency do not need to repeat the required training if they are hired by another agency, if they have completed the training within the past three years. By September 1, 2010, the required training must be available with meaningful access according to title VI of the Civil Rights Act and federal regulations adopted under that law or any guidance from the United States Health and Human Services Department. The required training must be available online or by electronic remote connection. The required training must provide for competency testing. Personal care assistance provider agency billing staff shall complete training about personal care assistance program financial management. This training is effective July 1, 2009. Any personal care assistance provider agency enrolled before that date shall, if it has not already, complete the provider training within 18 months of July 1, 2009. Any new owners or employees in management and supervisory positions involved in the day-to-day operations are required to complete mandatory training as a requisite of working for the agency. Personal care assistance provider agencies certified for participation in Medicare as home health agencies are exempt from the training required in this subdivision. When available, Medicare-certified home health agency owners, supervisors, or managers must successfully complete the competency test.

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

Sec. 13. Minnesota Statutes 2016, section 256B.0659, subdivision 24, is amended to read:

Subd. 24. **Personal care assistance provider agency; general duties.** A personal care assistance provider agency shall:

(1) enroll as a Medicaid provider meeting all provider standards, including completion of the required provider training;

(2) comply with general medical assistance coverage requirements;

(3) demonstrate compliance with law and policies of the personal care assistance program to be determined by the commissioner;

(4) comply with background study requirements;

(5) verify and keep records of hours worked by the personal care assistant and qualified professional;

(6) not engage in any agency-initiated direct contact or marketing in person, by phone, or other electronic means to potential recipients, guardians, or family members;

(7) pay the personal care assistant and qualified professional based on actual hours of services provided;

(8) withhold and pay all applicable federal and state taxes;

(9) ~~effective January 1, 2010,~~ document that the agency uses a minimum of 72.5 percent of the revenue generated by the medical assistance rate for personal care assistance services for employee personal care assistant wages and benefits. The revenue generated by the qualified professional and the reasonable costs associated with the qualified professional shall not be used in making this calculation;

(10) make the arrangements and pay unemployment insurance, taxes, workers' compensation, liability insurance, and other benefits, if any;

(11) enter into a written agreement under subdivision 20 before services are provided;

(12) report suspected neglect and abuse to the common entry point according to section 256B.0651;

(13) provide the recipient with a copy of the home care bill of rights at start of service; ~~and~~

(14) request reassessments at least 60 days prior to the end of the current authorization for personal care assistance services, on forms provided by the commissioner; and

(15) document that the agency uses the additional revenue due to the enhanced rate under subdivision 17a for the wages and benefits of the PCAs whose services meet the requirements under subdivision 11, paragraph (d).

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

Sec. 14. Minnesota Statutes 2016, section 256B.0659, subdivision 28, is amended to read:

Subd. 28. **Personal care assistance provider agency; required documentation.** (a) Required documentation must be completed and kept in the personal care assistance provider agency file or the recipient's home residence. The required documentation consists of:

(1) employee files, including:

(i) applications for employment;

- (ii) background study requests and results;
 - (iii) orientation records about the agency policies;
 - (iv) trainings completed with demonstration of competence, including verification of the completion of training required under subdivision 11, paragraph (d), for any billing of the enhanced rate under subdivision 17a;
 - (v) supervisory visits;
 - (vi) evaluations of employment; and
 - (vii) signature on fraud statement;
 - (2) recipient files, including:
 - (i) demographics;
 - (ii) emergency contact information and emergency backup plan;
 - (iii) personal care assistance service plan;
 - (iv) personal care assistance care plan;
 - (v) month-to-month service use plan;
 - (vi) all communication records;
 - (vii) start of service information, including the written agreement with recipient; and
 - (viii) date the home care bill of rights was given to the recipient;
 - (3) agency policy manual, including:
 - (i) policies for employment and termination;
 - (ii) grievance policies with resolution of consumer grievances;
 - (iii) staff and consumer safety;
 - (iv) staff misconduct; and
 - (v) staff hiring, service delivery, staff and consumer safety, staff misconduct, and resolution of consumer grievances;
 - (4) time sheets for each personal care assistant along with completed activity sheets for each recipient served; and
 - (5) agency marketing and advertising materials and documentation of marketing activities and costs.
- (b) The commissioner may assess a fine of up to \$500 on provider agencies that do not consistently comply with the requirements of this subdivision.

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

Sec. 15. Minnesota Statutes 2016, section 256B.0659, is amended by adding a subdivision to read:

Subd. 32. Rate increase for personal care assistance services, community first services and supports, consumer-directed community supports, and consumer support grant program. The commissioner of human services shall increase reimbursement rates, individual budgets, grants, and allocations by 1.69 percent for services provided on or after July 1, 2018, in personal care assistance services under this section; community first services and supports under section 256B.85; consumer-directed community supports under sections 256B.0913, subdivision 5, 256B.0915, subdivision 1, 256B.092, subdivision 5, and 256B.49, subdivision 11; and the consumer support grant program under section 256.476.

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

Sec. 16. Minnesota Statutes 2017 Supplement, section 256B.0915, subdivision 12, is amended to read:

Subd. 12. Payment rates; phase-in. Effective January 1, 2019, all rates and rate components for services under subdivision 11 shall be the sum of ~~ten~~ 20 percent of the rates calculated under subdivisions 13 to 16 and ~~90~~ 80 percent of the rates calculated using the rate methodology in effect as of June 30, 2017.

EFFECTIVE DATE. This section is effective January 1, 2019, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 17. Minnesota Statutes 2017 Supplement, section 256B.0921, is amended to read:

256B.0921 HOME AND COMMUNITY-BASED SERVICES INCENTIVE INNOVATION POOL.

The commissioner of human services shall develop an initiative to provide incentives for innovation in: (1) achieving integrated competitive employment; (2) achieving integrated competitive employment for youth under age 25 upon their graduation from school; (3) living in the most integrated setting; and (4) other outcomes determined by the commissioner. The commissioner shall seek requests for proposals and shall contract with one or more entities to provide incentive payments for meeting identified outcomes.

Sec. 18. Minnesota Statutes 2016, section 256B.439, is amended by adding a subdivision to read:

Subd. 8. Calculation of disability waiver rates system services quality add-on. (a) For services with rates determined under the disability waiver rates system in section 256B.4914, the quality add-on required under subdivision 7 shall be applied to the rate calculations in section 256B.4914, subdivisions 6 to 9, until the first application of the inflationary adjustments required under section 256B.4914, subdivision 5, paragraphs (h) and (i).

(b) For services with rates determined under the disability waiver rates system in section 256B.4914 and subject to rate stabilization under section 256B.4913, the quality add-on required under subdivision 7 shall be applied to the historical rates calculated in section 256B.4913, subdivision 4a, paragraph (b), until the end of the rate stabilization period.

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

Sec. 19. Minnesota Statutes 2017 Supplement, section 256B.4913, subdivision 7, is amended to read:

Subd. 7. New services. (a) A service added to section 256B.4914 after January 1, 2014, is not subject to rate stabilization adjustment in this section.

(b) The commissioner shall implement the new services in section 256B.4914, subdivision 3, clauses (23), (24), and (25). Transition to the new services shall occur as service agreements renew or service plans change, except that service authorizations of daily units of day training and habilitation services and prevocational services that have rates subject to rate stabilization under this section as of July 1, 2018, shall transition service unit authorizations that fall under the new services in section 256B.4914, subdivision 3, clauses (23), (24), and (25), on June 30, 2019.

(c) Service authorizations that include the delayed transition under paragraph (b) shall not also authorize and bill for the new services in section 256B.4914, subdivision 3, clauses (23), (24), and (25), on the same day that a daily unit or partial day unit of day training and habilitation services or prevocational services is billed.

EFFECTIVE DATE. This section is effective July 1, 2018, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 20. Minnesota Statutes 2017 Supplement, section 256B.4914, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the meanings given them, unless the context clearly indicates otherwise.

(b) "Commissioner" means the commissioner of human services.

(c) "Component value" means underlying factors that are part of the cost of providing services that are built into the waiver rates methodology to calculate service rates.

(d) "Customized living tool" means a methodology for setting service rates that delineates and documents the amount of each component service included in a recipient's customized living service plan.

(e) "Direct care staff" means employees providing direct service provision to people receiving services under this section. Direct care staff does not include executive, managerial, and administrative staff.

(f) "Disability waiver rates system" means a statewide system that establishes rates that are based on uniform processes and captures the individualized nature of waiver services and recipient needs.

~~(g)~~ (g) "Individual staffing" means the time spent as a one-to-one interaction specific to an individual recipient by staff to provide direct support and assistance with activities of daily living, instrumental activities of daily living, and training to participants, and is based on the requirements in each individual's coordinated service and support plan under section 245D.02, subdivision 4b; any coordinated service and support plan addendum under section 245D.02, subdivision 4c; and an assessment tool. Provider observation of an individual's needs must also be considered.

~~(g)~~ (h) "Lead agency" means a county, partnership of counties, or tribal agency charged with administering waived services under sections 256B.092 and 256B.49.

~~(h)~~ (i) "Median" means the amount that divides distribution into two equal groups, one-half above the median and one-half below the median.

~~(i)~~ (j) "Payment or rate" means reimbursement to an eligible provider for services provided to a qualified individual based on an approved service authorization.

~~(j)~~ (k) "Rates management system" means a Web-based software application that uses a framework and component values, as determined by the commissioner, to establish service rates.

~~(k)~~ (l) "Recipient" means a person receiving home and community-based services funded under any of the disability waivers.

~~(h)~~ (m) "Shared staffing" means time spent by employees, not defined under paragraph ~~(f)~~ (g), providing or available to provide more than one individual with direct support and assistance with activities of daily living as defined under section 256B.0659, subdivision 1, paragraph (b); instrumental activities of daily living as defined under section 256B.0659, subdivision 1, paragraph (i); ancillary activities needed to support individual services; and training to participants, and is based on the requirements in each individual's coordinated service and support plan under section 245D.02, subdivision 4b; any coordinated service and support plan addendum under section 245D.02, subdivision 4c; an assessment tool; and provider observation of an individual's service need. Total shared staffing hours are divided proportionally by the number of individuals who receive the shared service provisions.

~~(m)~~ (n) "Staffing ratio" means the number of recipients a service provider employee supports during a unit of service based on a uniform assessment tool, provider observation, case history, and the recipient's services of choice, and not based on the staffing ratios under section 245D.31.

~~(n)~~ (o) "Unit of service" means the following:

(1) for residential support services under subdivision 6, a unit of service is a day. Any portion of any calendar day, within allowable Medicaid rules, where an individual spends time in a residential setting is billable as a day;

(2) for day services under subdivision 7:

(i) for day training and habilitation services, a unit of service is either:

(A) a day unit of service is defined as six or more hours of time spent providing direct services and transportation; or

(B) a partial day unit of service is defined as fewer than six hours of time spent providing direct services and transportation; and

(C) for new day service recipients after January 1, 2014, 15 minute units of service must be used for fewer than six hours of time spent providing direct services and transportation;

(ii) for adult day and structured day services, a unit of service is a day or 15 minutes. A day unit of service is six or more hours of time spent providing direct services;

(iii) for prevocational services, a unit of service is a day or an hour. A day unit of service is six or more hours of time spent providing direct service;

(3) for unit-based services with programming under subdivision 8:

(i) for supported living services, a unit of service is a day or 15 minutes. When a day rate is authorized, any portion of a calendar day where an individual receives services is billable as a day; and

(ii) for all other services, a unit of service is 15 minutes; and

(4) for unit-based services without programming under subdivision 9, a unit of service is 15 minutes.

Sec. 21. Minnesota Statutes 2017 Supplement, section 256B.4914, subdivision 3, is amended to read:

Subd. 3. **Applicable services.** Applicable services are those authorized under the state's home and community-based services waivers under sections 256B.092 and 256B.49, including the following, as defined in the federally approved home and community-based services plan:

- (1) 24-hour customized living;
- (2) adult day care;
- (3) adult day care bath;
- ~~(4) behavioral programming;~~
- ~~(5)~~ (4) companion services;
- ~~(6)~~ (5) customized living;
- ~~(7)~~ (6) day training and habilitation;
- (7) employment development services;
- (8) employment exploration services;
- (9) employment support services;
- ~~(8)~~ (10) housing access coordination;
- ~~(9)~~ (11) independent living skills;
- (12) independent living skills specialist services;
- (13) individualized home supports;
- ~~(10)~~ (14) in-home family support;
- ~~(11)~~ (15) night supervision;
- ~~(12)~~ (16) personal support;
- (17) positive support service;
- ~~(13)~~ (18) prevocational services;
- ~~(14)~~ (19) residential care services;
- ~~(15)~~ (20) residential support services;
- ~~(16)~~ (21) respite services;
- ~~(17)~~ (22) structured day services;

~~(18)~~ (23) supported employment services;

~~(19)~~ (24) supported living services;

~~(20)~~ (25) transportation services;

~~(21)~~ individualized home supports;

~~(22)~~ independent living skills specialist services;

~~(23)~~ employment exploration services;

~~(24)~~ employment development services;

~~(25)~~ employment support services; and

(26) other services as approved by the federal government in the state home and community-based services plan.

Sec. 22. Minnesota Statutes 2016, section 256B.4914, subdivision 4, is amended to read:

Subd. 4. **Data collection for rate determination.** (a) Rates for applicable home and community-based waived services, including rate exceptions under subdivision 12, are set by the rates management system.

(b) Data for services under section 256B.4913, subdivision 4a, shall be collected in a manner prescribed by the commissioner.

(c) Data and information in the rates management system may be used to calculate an individual's rate.

(d) Service providers, with information from the community support plan and oversight by lead agencies, shall provide values and information needed to calculate an individual's rate into the rates management system. The determination of service levels must be part of a discussion with members of the support team as defined in section 245D.02, subdivision 34. This discussion must occur prior to the final establishment of each individual's rate. The values and information include:

(1) shared staffing hours;

(2) individual staffing hours;

(3) direct registered nurse hours;

(4) direct licensed practical nurse hours;

(5) staffing ratios;

(6) information to document variable levels of service qualification for variable levels of reimbursement in each framework;

(7) shared or individualized arrangements for unit-based services, including the staffing ratio;

(8) number of trips and miles for transportation services; and

(9) service hours provided through monitoring technology.

(e) Updates to individual data must include:

(1) data for each individual that is updated annually when renewing service plans; and

(2) requests by individuals or lead agencies to update a rate whenever there is a change in an individual's service needs, with accompanying documentation.

(f) Lead agencies shall review and approve all services reflecting each individual's needs, and the values to calculate the final payment rate for services with variables under subdivisions 6, 7, 8, and 9 for each individual. Lead agencies must notify the individual and the service provider of the final agreed-upon values and rate, and provide information that is identical to what was entered into the rates management system. If a value used was mistakenly or erroneously entered and used to calculate a rate, a provider may petition lead agencies to correct it. Lead agencies must respond to these requests. When responding to the request, the lead agency must consider:

(1) meeting the health and welfare needs of the individual or individuals receiving services by service site, identified in their coordinated service and support plan under section 245D.02, subdivision 4b, and any addendum under section 245D.02, subdivision 4c;

(2) meeting the requirements for staffing under subdivision 2, paragraphs ~~(f)~~ (g), ~~(i)~~ (m), and ~~(m)~~ (n); and meeting or exceeding the licensing standards for staffing required under section 245D.09, subdivision 1; and

(3) meeting the staffing ratio requirements under subdivision 2, paragraph (n), and meeting or exceeding the licensing standards for staffing required under section 245D.31.

(g) To aid in the transition required in section 256B.4913, subdivision 7, paragraph (b), discussion of transition to the new services in subdivision 3, clauses (23), (24), and (25), shall be a part of the service planning process. Lead agencies authorizing daily units of day training and habilitation services and prevocational services shall enter information into the rate management system indicating the average units of employment development services, employment exploration services, and employment support services that are expected to be provided within the transition period daily rate.

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

Sec. 23. Minnesota Statutes 2017 Supplement, section 256B.4914, subdivision 5, is amended to read:

Subd. 5. **Base wage index and standard component values.** (a) The base wage index is established to determine staffing costs associated with providing services to individuals receiving home and community-based services. For purposes of developing and calculating the proposed base wage, Minnesota-specific wages taken from job descriptions and standard occupational classification (SOC) codes from the Bureau of Labor Statistics as defined in the most recent edition of the Occupational Handbook must be used. The base wage index must be calculated as follows:

(1) for residential direct care staff, the sum of:

(i) 15 percent of the subtotal of 50 percent of the median wage for personal and home health aide (SOC code 39-9021); 30 percent of the median wage for nursing assistant (SOC code 31-1014); and 20 percent of the median wage for social and human services aide (SOC code 21-1093); and

(ii) 85 percent of the subtotal of 20 percent of the median wage for home health aide (SOC code 31-1011); 20 percent of the median wage for personal and home health aide (SOC code 39-9021); 20 percent of the median wage for nursing assistant (SOC code 31-1014); 20 percent of the median wage for psychiatric technician (SOC code 29-2053); and 20 percent of the median wage for social and human services aide (SOC code 21-1093);

(2) for day services, 20 percent of the median wage for nursing assistant (SOC code 31-1014); 20 percent of the median wage for psychiatric technician (SOC code 29-2053); and 60 percent of the median wage for social and human services aide (SOC code 21-1093);

(3) for residential asleep-overnight staff, the wage is the minimum wage in Minnesota for large employers, except in a family foster care setting, the wage is 36 percent of the minimum wage in Minnesota for large employers;

(4) for behavior program analyst staff, 100 percent of the median wage for mental health counselors (SOC code 21-1014);

(5) for behavior program professional staff, 100 percent of the median wage for clinical counseling and school psychologist (SOC code 19-3031);

(6) for behavior program specialist staff, 100 percent of the median wage for psychiatric technicians (SOC code 29-2053);

(7) for supportive living services staff, 20 percent of the median wage for nursing assistant (SOC code 31-1014); 20 percent of the median wage for psychiatric technician (SOC code 29-2053); and 60 percent of the median wage for social and human services aide (SOC code 21-1093);

(8) for housing access coordination staff, 100 percent of the median wage for community and social services specialist (SOC code 21-1099);

(9) for in-home family support staff, 20 percent of the median wage for nursing aide (SOC code 31-1012); 30 percent of the median wage for community social service specialist (SOC code 21-1099); 40 percent of the median wage for social and human services aide (SOC code 21-1093); and ten percent of the median wage for psychiatric technician (SOC code 29-2053);

(10) for individualized home supports services staff, 40 percent of the median wage for community social service specialist (SOC code 21-1099); 50 percent of the median wage for social and human services aide (SOC code 21-1093); and ten percent of the median wage for psychiatric technician (SOC code 29-2053);

(11) for independent living skills staff, 40 percent of the median wage for community social service specialist (SOC code 21-1099); 50 percent of the median wage for social and human services aide (SOC code 21-1093); and ten percent of the median wage for psychiatric technician (SOC code 29-2053);

(12) for independent living skills specialist staff, 100 percent of mental health and substance abuse social worker (SOC code 21-1023);

(13) for supported employment staff, 20 percent of the median wage for nursing assistant (SOC code 31-1014); 20 percent of the median wage for psychiatric technician (SOC code 29-2053); and 60 percent of the median wage for social and human services aide (SOC code 21-1093);

(14) for employment support services staff, 50 percent of the median wage for rehabilitation counselor (SOC code 21-1015); and 50 percent of the median wage for community and social services specialist (SOC code 21-1099);

(15) for employment exploration services staff, 50 percent of the median wage for rehabilitation counselor (SOC code 21-1015); and 50 percent of the median wage for community and social services specialist (SOC code 21-1099);

(16) for employment development services staff, 50 percent of the median wage for education, guidance, school, and vocational counselors (SOC code 21-1012); and 50 percent of the median wage for community and social services specialist (SOC code 21-1099);

(17) for adult companion staff, 50 percent of the median wage for personal and home care aide (SOC code 39-9021); and 50 percent of the median wage for nursing assistant (SOC code 31-1014);

(18) for night supervision staff, 20 percent of the median wage for home health aide (SOC code 31-1011); 20 percent of the median wage for personal and home health aide (SOC code 39-9021); 20 percent of the median wage for nursing assistant (SOC code 31-1014); 20 percent of the median wage for psychiatric technician (SOC code 29-2053); and 20 percent of the median wage for social and human services aide (SOC code 21-1093);

(19) for respite staff, 50 percent of the median wage for personal and home care aide (SOC code 39-9021); and 50 percent of the median wage for nursing assistant (SOC code 31-1014);

(20) for personal support staff, 50 percent of the median wage for personal and home care aide (SOC code 39-9021); and 50 percent of the median wage for nursing assistant (SOC code 31-1014);

(21) for supervisory staff, 100 percent of the median wage for community and social services specialist (SOC code 21-1099), with the exception of the supervisor of behavior professional, behavior analyst, and behavior specialists, which is 100 percent of the median wage for clinical counseling and school psychologist (SOC code 19-3031);

(22) for registered nurse staff, 100 percent of the median wage for registered nurses (SOC code 29-1141); and

(23) for licensed practical nurse staff, 100 percent of the median wage for licensed practical nurses (SOC code 29-2061).

(b) Component values for residential support services are:

(1) supervisory span of control ratio: 11 percent;

(2) employee vacation, sick, and training allowance ratio: 8.71 percent;

(3) employee-related cost ratio: 23.6 percent;

(4) general administrative support ratio: 13.25 percent;

(5) program-related expense ratio: 1.3 percent; and

(6) absence and utilization factor ratio: 3.9 percent.

(c) Component values for family foster care are:

- (1) supervisory span of control ratio: 11 percent;
 - (2) employee vacation, sick, and training allowance ratio: 8.71 percent;
 - (3) employee-related cost ratio: 23.6 percent;
 - (4) general administrative support ratio: 3.3 percent;
 - (5) program-related expense ratio: 1.3 percent; and
 - (6) absence factor: 1.7 percent.
- (d) Component values for day services for all services are:
- (1) supervisory span of control ratio: 11 percent;
 - (2) employee vacation, sick, and training allowance ratio: 8.71 percent;
 - (3) employee-related cost ratio: 23.6 percent;
 - (4) program plan support ratio: 5.6 percent;
 - (5) client programming and support ratio: ten percent;
 - (6) general administrative support ratio: 13.25 percent;
 - (7) program-related expense ratio: 1.8 percent; and
 - (8) absence and utilization factor ratio: 9.4 percent.
- (e) Component values for unit-based services with programming are:
- (1) supervisory span of control ratio: 11 percent;
 - (2) employee vacation, sick, and training allowance ratio: 8.71 percent;
 - (3) employee-related cost ratio: 23.6 percent;
 - (4) program plan supports ratio: 15.5 percent;
 - (5) client programming and supports ratio: 4.7 percent;
 - (6) general administrative support ratio: 13.25 percent;
 - (7) program-related expense ratio: 6.1 percent; and
 - (8) absence and utilization factor ratio: 3.9 percent.
- (f) Component values for unit-based services without programming except respite are:
- (1) supervisory span of control ratio: 11 percent;

(2) employee vacation, sick, and training allowance ratio: 8.71 percent;

(3) employee-related cost ratio: 23.6 percent;

(4) program plan support ratio: 7.0 percent;

(5) client programming and support ratio: 2.3 percent;

(6) general administrative support ratio: 13.25 percent;

(7) program-related expense ratio: 2.9 percent; and

(8) absence and utilization factor ratio: 3.9 percent.

(g) Component values for unit-based services without programming for respite are:

(1) supervisory span of control ratio: 11 percent;

(2) employee vacation, sick, and training allowance ratio: 8.71 percent;

(3) employee-related cost ratio: 23.6 percent;

(4) general administrative support ratio: 13.25 percent;

(5) program-related expense ratio: 2.9 percent; and

(6) absence and utilization factor ratio: 3.9 percent.

(h) On July 1, 2017, the commissioner shall update the base wage index in paragraph (a) based on the wage data by standard occupational code (SOC) from the Bureau of Labor Statistics available on December 31, 2016. The commissioner shall publish these updated values and load them into the rate management system. On ~~July~~ January 1, 2022, and every ~~five~~ two years thereafter, the commissioner shall update the base wage index in paragraph (a) based on the ~~most recently available~~ wage data by SOC from the Bureau of Labor Statistics available on December 31 of the year two years prior to the scheduled update. The commissioner shall publish these updated values and load them into the rate management system.

(i) On July 1, 2017, the commissioner shall update the framework components in paragraph (d), clause (5); paragraph (e), clause (5); and paragraph (f), clause (5); subdivision 6, clauses (8) and (9); and subdivision 7, clauses (10), (16), and (17), for changes in the Consumer Price Index. The commissioner will adjust these values higher or lower by the percentage change in the Consumer Price Index-All Items, United States city average (CPI-U) from January 1, 2014, to January 1, 2017. The commissioner shall publish these updated values and load them into the rate management system. On ~~July~~ January 1, 2022, and every ~~five~~ two years thereafter, the commissioner shall update the framework components in paragraph (d), clause (5); paragraph (e), clause (5); and paragraph (f), clause (5); subdivision 6, clauses (8) and (9); and subdivision 7, clauses (10), (16), and (17), for changes in the Consumer Price Index. The commissioner shall adjust these values higher or lower by the percentage change in the CPI-U from the date of the previous update to the ~~date of the data most recently available~~ on December 31 of the year two years prior to the scheduled update. The commissioner shall publish these updated values and load them into the rate management system.

(j) In this subdivision, if Bureau of Labor Statistics occupational codes or Consumer Price Index items are unavailable in the future, the commissioner shall recommend to the legislature codes or items to update and replace missing component values.

(k) The commissioner shall increase the updated base wage index in paragraph (h) with a competitive workforce factor of 13.25 percent to provide increased compensation to direct care staff. Providers shall use the additional funds to provide wage increases to direct care staff defined in subdivision 2, paragraph (e); increases to the benefits provided to direct care staff defined in subdivision 2, paragraph (e); or a combination of wage and benefit increases to direct care staff defined in subdivision 2, paragraph (e).

(l) By December 31, 2019, providers paid with rates incorporating the competitive workforce factor in paragraph (k) shall prepare a distribution plan specifying how the competitive workforce funds are allocated to direct care staff. Providers shall make their distribution plan available and accessible to all direct care staff employed by their agency for a minimum of one calendar year. Providers shall make the distribution plan available to the commissioner upon request.

(m) If a provider fails to timely submit requested documentation in paragraph (l) or labor market data required to be submitted under subdivision 10a, paragraph (f), service payments may be delayed.

EFFECTIVE DATE. (a) The amendments to paragraphs (h) and (i) are effective January 1, 2022, or upon federal approval, whichever is later. The commissioner shall inform the revisor of statutes when federal approval is obtained.

(b) Paragraph (k) is effective July 1, 2018, or upon federal approval, whichever is later. The commissioner shall inform the revisor of statutes when federal approval is obtained.

Sec. 24. Minnesota Statutes 2017 Supplement, section 256B.4914, subdivision 7, is amended to read:

Subd. 7. **Payments for day programs.** Payments for services with day programs including adult day care, day treatment and habilitation, prevocational services, and structured day services must be calculated as follows:

(1) determine the number of units of service and staffing ratio to meet a recipient's needs:

(i) the staffing ratios for the units of service provided to a recipient in a typical week must be averaged to determine an individual's staffing ratio; and

(ii) the commissioner, in consultation with service providers, shall develop a uniform staffing ratio worksheet to be used to determine staffing ratios under this subdivision;

(2) personnel hourly wage rates must be based on the 2009 Bureau of Labor Statistics Minnesota-specific rates or rates derived by the commissioner as provided in subdivision 5;

(3) for a recipient requiring customization for deaf and hard-of-hearing language accessibility under subdivision 12, add the customization rate provided in subdivision 12 to the result of clause (2). This is defined as the customized direct-care rate;

(4) multiply the number of day program direct staff hours and nursing hours by the appropriate staff wage in subdivision 5, paragraph (a), or the customized direct-care rate;

(5) multiply the number of day direct staff hours by the product of the supervision span of control ratio in subdivision 5, paragraph (d), clause (1), and the appropriate supervision wage in subdivision 5, paragraph (a), clause (21);

(6) combine the results of clauses (4) and (5), and multiply the result by one plus the employee vacation, sick, and training allowance ratio in subdivision 5, paragraph (d), clause (2). This is defined as the direct staffing rate;

(7) for program plan support, multiply the result of clause (6) by one plus the program plan support ratio in subdivision 5, paragraph (d), clause (4);

(8) for employee-related expenses, multiply the result of clause (7) by one plus the employee-related cost ratio in subdivision 5, paragraph (d), clause (3);

(9) for client programming and supports, multiply the result of clause (8) by one plus the client programming and support ratio in subdivision 5, paragraph (d), clause (5);

(10) for program facility costs, add \$19.30 per week with consideration of staffing ratios to meet individual needs;

(11) for adult day bath services, add \$7.01 per 15 minute unit;

(12) this is the subtotal rate;

(13) sum the standard general and administrative rate, the program-related expense ratio, and the absence and utilization factor ratio;

(14) divide the result of clause (12) by one minus the result of clause (13). This is the total payment amount;

(15) adjust the result of clause (14) by a factor to be determined by the commissioner to adjust for regional differences in the cost of providing services;

(16) for transportation provided as part of day training and habilitation for an individual who does not require a lift, add:

(i) \$10.50 for a trip between zero and ten miles for a nonshared ride in a vehicle without a lift, \$8.83 for a shared ride in a vehicle without a lift, and \$9.25 for a shared ride in a vehicle with a lift;

(ii) \$15.75 for a trip between 11 and 20 miles for a nonshared ride in a vehicle without a lift, \$10.58 for a shared ride in a vehicle without a lift, and \$11.88 for a shared ride in a vehicle with a lift;

(iii) \$25.75 for a trip between 21 and 50 miles for a nonshared ride in a vehicle without a lift, \$13.92 for a shared ride in a vehicle without a lift, and \$16.88 for a shared ride in a vehicle with a lift; or

(iv) \$33.50 for a trip of 51 miles or more for a nonshared ride in a vehicle without a lift, \$16.50 for a shared ride in a vehicle without a lift, and \$20.75 for a shared ride in a vehicle with a lift; and

(17) for transportation provided as part of day training and habilitation for an individual who does require a lift, add:

(i) \$19.05 for a trip between zero and ten miles for a nonshared ride in a vehicle with a lift, and \$15.05 for a shared ride in a vehicle with a lift;

(ii) \$32.16 for a trip between 11 and 20 miles for a nonshared ride in a vehicle with a lift, and \$28.16 for a shared ride in a vehicle with a lift;

(iii) \$58.76 for a trip between 21 and 50 miles for a nonshared ride in a vehicle with a lift, and \$58.76 for a shared ride in a vehicle with a lift; or

(iv) \$80.93 for a trip of 51 miles or more for a nonshared ride in a vehicle with a lift, and \$80.93 for a shared ride in a vehicle with a lift.

Sec. 25. Minnesota Statutes 2017 Supplement, section 256B.4914, subdivision 10, is amended to read:

Subd. 10. **Updating payment values and additional information.** (a) From January 1, 2014, through December 31, 2017, the commissioner shall develop and implement uniform procedures to refine terms and adjust values used to calculate payment rates in this section.

(b) No later than July 1, 2014, the commissioner shall, within available resources, begin to conduct research and gather data and information from existing state systems or other outside sources on the following items:

(1) differences in the underlying cost to provide services and care across the state; and

(2) mileage, vehicle type, lift requirements, incidents of individual and shared rides, and units of transportation for all day services, which must be collected from providers using the rate management worksheet and entered into the rates management system; and

(3) the distinct underlying costs for services provided by a license holder under sections 245D.05, 245D.06, 245D.07, 245D.071, 245D.081, and 245D.09, and for services provided by a license holder certified under section 245D.33.

(c) Beginning January 1, 2014, through December 31, 2018, using a statistically valid set of rates management system data, the commissioner, in consultation with stakeholders, shall analyze for each service the average difference in the rate on December 31, 2013, and the framework rate at the individual, provider, lead agency, and state levels. The commissioner shall issue semiannual reports to the stakeholders on the difference in rates by service and by county during the banding period under section 256B.4913, subdivision 4a. The commissioner shall issue the first report by October 1, 2014, and the final report shall be issued by December 31, 2018.

(d) No later than July 1, 2014, the commissioner, in consultation with stakeholders, shall begin the review and evaluation of the following values already in subdivisions 6 to 9, or issues that impact all services, including, but not limited to:

(1) values for transportation rates;

(2) values for services where monitoring technology replaces staff time;

(3) values for indirect services;

(4) values for nursing;

(5) values for the facility use rate in day services, and the weightings used in the day service ratios and adjustments to those weightings;

(6) values for workers' compensation as part of employee-related expenses;

(7) values for unemployment insurance as part of employee-related expenses;

(8) any changes in state or federal law with a direct impact on the underlying cost of providing home and community-based services; ~~and~~

(9) direct care staff labor market measures; and

(10) outcome measures, determined by the commissioner, for home and community-based services rates determined under this section.

(e) The commissioner shall report to the chairs and the ranking minority members of the legislative committees and divisions with jurisdiction over health and human services policy and finance with the information and data gathered under paragraphs (b) to (d) on the following dates:

- (1) January 15, 2015, with preliminary results and data;
- (2) January 15, 2016, with a status implementation update, and additional data and summary information;
- (3) January 15, 2017, with the full report; and
- (4) January 15, 2020, with another full report, and a full report once every four years thereafter.

(f) The commissioner shall implement a regional adjustment factor to all rate calculations in subdivisions 6 to 9, effective no later than January 1, 2015. Beginning July 1, 2017, the commissioner shall renew analysis and implement changes to the regional adjustment factors when adjustments required under subdivision 5, paragraph (h), occur. Prior to implementation, the commissioner shall consult with stakeholders on the methodology to calculate the adjustment.

(g) The commissioner shall provide a public notice via LISTSERV in October of each year beginning October 1, 2014, containing information detailing legislatively approved changes in:

- (1) calculation values including derived wage rates and related employee and administrative factors;
- (2) service utilization;
- (3) county and tribal allocation changes; and
- (4) information on adjustments made to calculation values and the timing of those adjustments.

The information in this notice must be effective January 1 of the following year.

(h) When the available shared staffing hours in a residential setting are insufficient to meet the needs of an individual who enrolled in residential services after January 1, 2014, or insufficient to meet the needs of an individual with a service agreement adjustment described in section 256B.4913, subdivision 4a, paragraph (f), then individual staffing hours shall be used.

(i) The commissioner shall study the underlying cost of absence and utilization for day services. Based on the commissioner's evaluation of the data collected under this paragraph, the commissioner shall make recommendations to the legislature by January 15, 2018, for changes, if any, to the absence and utilization factor ratio component value for day services.

(j) Beginning July 1, 2017, the commissioner shall collect transportation and trip information for all day services through the rates management system.

Sec. 26. Minnesota Statutes 2017 Supplement, section 256B.4914, subdivision 10a, is amended to read:

Subd. 10a. **Reporting and analysis of cost data.** (a) The commissioner must ensure that wage values and component values in subdivisions 5 to 9 reflect the cost to provide the service. As determined by the commissioner, in consultation with stakeholders identified in section 256B.4913, subdivision 5, a provider enrolled to provide services with rates determined under this section must submit requested cost data to the commissioner to support research on the cost of providing services that have rates determined by the disability waiver rates system. Requested cost data may include, but is not limited to:

- (1) worker wage costs;
- (2) benefits paid;
- (3) supervisor wage costs;
- (4) executive wage costs;
- (5) vacation, sick, and training time paid;
- (6) taxes, workers' compensation, and unemployment insurance costs paid;
- (7) administrative costs paid;
- (8) program costs paid;
- (9) transportation costs paid;
- (10) vacancy rates; and
- (11) other data relating to costs required to provide services requested by the commissioner.

(b) At least once in any five-year period, a provider must submit cost data for a fiscal year that ended not more than 18 months prior to the submission date. The commissioner shall provide each provider a 90-day notice prior to its submission due date. If a provider fails to submit required reporting data, the commissioner shall provide notice to providers that have not provided required data 30 days after the required submission date, and a second notice for providers who have not provided required data 60 days after the required submission date. The commissioner shall temporarily suspend payments to the provider if cost data is not received 90 days after the required submission date. Withheld payments shall be made once data is received by the commissioner.

(c) The commissioner shall conduct a random validation of data submitted under paragraph (a) to ensure data accuracy. The commissioner shall analyze cost documentation in paragraph (a) and provide recommendations for adjustments to cost components.

(d) The commissioner shall analyze cost documentation in paragraph (a) and, in consultation with stakeholders identified in section 256B.4913, subdivision 5, may submit recommendations on component values and inflationary factor adjustments to the chairs and ranking minority members of the legislative committees with jurisdiction over human services every four years beginning January 1, 2020. The commissioner shall make recommendations in conjunction with reports submitted to the legislature according to subdivision 10, paragraph (e). The commissioner shall release cost data in an aggregate form, and cost data from individual providers shall not be released except as provided for in current law.

(e) The commissioner, in consultation with stakeholders identified in section 256B.4913, subdivision 5, shall develop and implement a process for providing training and technical assistance necessary to support provider submission of cost documentation required under paragraph (a).

(f) Beginning January 1, 2019, providers enrolled to provide services with rates determined under this section shall submit labor market data to the commissioner annually, including, but not limited to:

- (1) number of direct care staff;
- (2) wages of direct care staff;
- (3) overtime wages of direct care staff;
- (4) hours worked by direct care staff;
- (5) overtime hours worked by direct care staff;
- (6) benefits provided to direct care staff;
- (7) direct care staff job vacancies;
- (8) direct care staff shifts that are not fully staffed; and
- (9) direct care staff retention rates.

(g) Beginning January 15, 2020, the commissioner shall publish annual reports on provider and state-level labor market data, including, but not limited to:

- (1) number of direct care staff;
- (2) wages of direct care staff;
- (3) overtime wages of direct care staff;
- (4) hours worked by direct care staff;
- (5) overtime hours worked by direct care staff;
- (6) benefits provided to direct care staff;
- (7) direct care staff job vacancies;
- (8) direct care staff shifts that are not fully staffed; and
- (9) direct care staff retention rates.

Sec. 27. [256B.4916] HOME AND COMMUNITY-BASED SERVICES PROVIDER RATE AND GRANT ADJUSTMENTS.

Subdivision 1. **Rate and grant adjustments.** The commissioner of human services shall increase reimbursement rates, grants, allocations, individual limits, and rate limits, as applicable, by an amount specified in subdivision 2 beginning January 1, 2019, for services rendered on or after that date. County or tribal contracts for services specified in this section must be amended to pass through each rate increase within 60 days of the effective date of each increase.

Subd. 2. **Eligible services, grants, and programs.** (a) The commissioner shall provide a 4.9 percent rate increase for the following services:

(1) home and community-based waived services for persons with developmental disabilities under section 256B.092, including consumer-directed community supports, for services that do not have rates determined under section 256B.4914;

(2) waived services under community alternatives for disabled individuals under section 256B.49, including consumer-directed community supports, for services that do not have rates determined under section 256B.4914;

(3) community alternative care waived services under section 256B.49, including consumer-directed community supports, for services that do not have rates determined under section 256B.4914; and

(4) brain injury waived services under section 256B.49, including consumer-directed community supports, for services that do not have rates determined under section 256B.4914.

(b) The commissioner shall provide a 4.3 percent rate increase for the following services:

(1) home and community-based waived services for the elderly under section 256B.0915, for services not subject to the rate methodology under section 256B.0915, subdivisions 12 to 16;

(2) nursing services and home health services under section 256B.0625, subdivision 6a;

(3) personal care services and qualified professional supervision of personal care services under section 256B.0625, subdivisions 6a and 19a;

(4) home care nursing services under section 256B.0625, subdivision 7;

(5) community first services and supports under section 256B.85;

(6) essential community supports under section 256B.0922;

(7) day training and habilitation services for adults with developmental disabilities under sections 252.41 to 252.46, including the additional cost to counties of the rate adjustments on day training and habilitation services provided as a social service;

(8) alternative care services under section 256B.0913;

(9) living skills training programs for persons with intractable epilepsy who need assistance in the transition to independent living under Laws 1988, chapter 689;

(10) semi-independent living services (SILS) under section 252.275;

- (11) consumer support grants under section 256.476;
- (12) family support grants under section 252.32;
- (13) housing access grants under section 256B.0658;
- (14) self-advocacy grants under Laws 2009, chapter 101;
- (15) technology grants under Laws 2009, chapter 79;
- (16) aging grants under sections 256.975 to 256.977 and 256B.0917;
- (17) deaf and hard-of-hearing grants under section 256.01, subdivision 2, including community support services for deaf and hard-of-hearing adults with mental illness who use or wish to use sign language as their primary means of communication;
- (18) deaf and hard-of-hearing grants under sections 256C.233 and 256C.261;
- (19) Disability Linkage Line grants under section 256.01, subdivision 24;
- (20) home and community-based transition initiative grants under section 256.478;
- (21) employment support grants under section 256B.021, subdivision 6; and
- (22) grants provided to people who are eligible for the Housing Opportunities for Persons with AIDS program under section 256B.492.

Subd. 3. **Managed care and county-based purchasing plans.** A managed care plan or county-based purchasing plan receiving state payments for the services, grants, and programs in subdivision 2 must include the adjustments in their payments to providers. For the purposes of this section, "providers" means entities that provide care coordination. To implement the rate increase in subdivision 1, capitation rates paid by the commissioner to managed care plans and county-based purchasing plans under section 256B.69 shall reflect the increases for the services, grants, and programs specified in subdivision 2 for the periods beginning on the effective date of the rate adjustment under subdivision 1.

Subd. 4. **Consumer-directed community supports.** Counties shall increase the budget for each recipient of consumer-directed community supports by the amounts in subdivision 1 on the effective date of the rate adjustment under subdivision 1.

Subd. 5. **Workforce compensation adjustment.** A provider that receives a rate adjustment under subdivision 1 shall use the additional revenue to increase compensation-related costs for employees directly employed by the program on or after the effective date of the rate adjustment under subdivision 1, except:

- (1) persons employed in the central office of a corporation or entity that has an ownership interest in the provider or exercises control over the provider; and
- (2) persons paid by the provider under a management contract.

Subd. 6. **Compensation-related costs.** Compensation-related costs include wages and salaries.

Subd. 7. **Public employees under collective bargaining agreement.** For public employees under a collective bargaining agreement, the adjustments for wages are available and pay rates must be increased only to the extent that the adjustments comply with laws governing public employees' collective bargaining. Money received by a provider for compensation increases for public employees under subdivision 5 must be used only for compensation increases implemented between January 1, 2019, and February 1, 2019.

Subd. 8. **Employees represented by exclusive bargaining representative.** For a provider that has employees who are represented by an exclusive bargaining representative, the provider shall obtain a letter of acceptance of the distribution plan required under subdivision 11, relating to the members of the bargaining unit, signed by the exclusive bargaining agent. Upon receipt of the letter of acceptance, the provider shall be deemed to have met all the requirements of this section relating to the members of the bargaining unit. Upon request, the provider shall produce the letter of acceptance to the commissioner.

Subd. 9. **State grant contracts.** The commissioner shall amend state grant contracts that include direct personnel-related grant expenditures to include the allocation for the portion of the contract related to employee compensation. Grant contracts for compensation-related services must be amended to pass through these adjustments within 60 days of the effective date of the rate adjustment under subdivision 1 and must be retroactive to the effective date of the rate adjustment under subdivision 1.

Subd. 10. **Board on Aging; area agencies on aging.** The Board on Aging and its area agencies on aging shall amend their grants that include direct personnel-related grant expenditures to include the rate adjustments for the portion of the grant related to employee compensation. Grants for compensation-related services must be amended to apply the adjustments within 60 days of the effective date of the rate adjustment under subdivision 1 and must be retroactive to the effective date of the rate adjustment under subdivision 1.

Subd. 11. **Distribution plan.** (a) A provider that receives a rate adjustment under subdivision 1 that is subject to subdivision 5 shall prepare and, upon request, submit to the commissioner a distribution plan that specifies the amount of money the provider expects to receive that is subject to the requirements of subdivision 5, including how that money will be distributed to increase compensation for employees.

(b) Within six months of the effective date of the rate adjustment, the provider shall post the distribution plan required under paragraph (a) for a period of at least six weeks in an area of the provider's operation to which all eligible employees have access and shall provide instructions for employees who do not believe they received the wage increases specified in the distribution plan. The instructions must include a mailing address, e-mail address, and telephone number that the employee may use to contact the commissioner or the commissioner's representative.

EFFECTIVE DATE. This section is effective January 1, 2019, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 28. Minnesota Statutes 2016, section 256B.5012, is amended by adding a subdivision to read:

Subd. 18. **ICF/DD rate adjustment effective January 1, 2019.** (a) For the rate period beginning January 1, 2019, the commissioner shall increase operating payment rates for each facility reimbursed under this section by an amount sufficient to provide employees directly employed by the facility with a compensation increase equal to 4.3 percent compared to the compensation in effect on December 31, 2018.

(b) A facility that receives a rate increase under this subdivision shall use the additional revenue for compensation-related costs for employees directly employed by the facility on or after December 31, 2018, except:

(1) persons employed in the central office of a corporation or entity that has an ownership interest in the facility or exercises control over the facility; and

(2) persons paid by the facility under a management contract.

(c) Compensation-related costs include wages and salaries.

(d) For public employees under a collective bargaining agreement, the increases for wages for certain staff are available and pay rates must be increased only to the extent that the increases comply with laws governing public employees' collective bargaining. Money received by a facility under paragraph (b) for compensation increases for public employees must be used only for compensation increases implemented between January 1, 2019, and February 1, 2019.

(e) For a facility that has employees that are represented by an exclusive bargaining representative, the provider shall obtain a letter of acceptance of the distribution plan required under paragraph (f), relating to the members of the bargaining unit, signed by the exclusive bargaining agent. Upon receipt of the letter of acceptance, the facility shall be deemed to have met all the requirements of this subdivision relating to the members of the bargaining unit. Upon request, the facility shall produce the letter of acceptance to the commissioner.

(f) A facility that receives a rate adjustment under paragraph (a) that is subject to paragraphs (b) and (c) shall prepare and, upon request, submit to the commissioner a distribution plan that specifies the amount of money the facility expects to receive that is subject to the requirements of paragraphs (b) and (c), including how that money will be distributed to increase compensation for employees.

(g) Within six months of the effective date of the rate adjustment, the facility shall post the distribution plan required under paragraph (f) for at least six weeks in an area of the facility's operation to which all eligible employees have access and shall provide instructions for employees who do not believe they have received the wage increases specified in the distribution plan. The instructions must include a mailing address, e-mail address, and telephone number that an employee may use to contact the commissioner or the commissioner's representative.

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

Sec. 29. Minnesota Statutes 2016, section 256B.5012, is amended by adding a subdivision to read:

Subd. 19. ICF/DD rate increase effective July 1, 2018; Steele County. Effective July 1, 2018, the daily rate for an intermediate care facility for persons with developmental disabilities located in Steele County that is classified as a class B facility and licensed for 16 beds is \$400. The increase under this subdivision is in addition to any other increase that is effective on July 1, 2018.

Sec. 30. Minnesota Statutes 2016, section 256R.53, subdivision 2, is amended to read:

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

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

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

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

Sec. 31. Laws 2014, chapter 312, article 27, section 76, is amended to read:

Sec. 76. **DISABILITY WAIVER REIMBURSEMENT RATE ADJUSTMENTS.**

~~Subdivision 1. **Historical rate.** The commissioner of human services shall adjust the historical rates calculated in Minnesota Statutes, section 256B.4913, subdivision 4a, paragraph (b), in effect during the banding period under Minnesota Statutes, section 256B.4913, subdivision 4a, paragraph (a), for the reimbursement rate increases effective April 1, 2014, and any rate modification enacted during the 2014 legislative session.~~

~~Subd. 2. **Residential support services.** The commissioner of human services shall adjust the rates calculated in Minnesota Statutes, section 256B.4914, subdivision 6, paragraphs (b), clause (4), and (c), for the reimbursement rate increases effective April 1, 2014, and any rate modification enacted during the 2014 legislative session.~~

~~Subd. 3. **Day programs.** The commissioner of human services shall adjust the rates calculated in Minnesota Statutes, section 256B.4914, subdivision 7, paragraph (a), clauses (15) to (17), for the reimbursement rate increases effective April 1, 2014, and any rate modification enacted during the 2014 legislative session.~~

~~Subd. 4. **Unit-based services with programming.** The commissioner of human services shall adjust the rate calculated in Minnesota Statutes, section 256B.4914, subdivision 8, paragraph (a), clause (14), for the reimbursement rate increases effective April 1, 2014, and any rate modification enacted during the 2014 legislative session.~~

~~Subd. 5. **Unit-based services without programming.** The commissioner of human services shall adjust the rate calculated in Minnesota Statutes, section 256B.4914, subdivision 9, paragraph (a), clause (23), for the reimbursement rate increases effective April 1, 2014, and any rate modification enacted during the 2014 legislative session.~~

Sec. 32. Laws 2017, First Special Session chapter 6, article 3, section 49, is amended to read:

Sec. 49. **ELECTRONIC SERVICE DELIVERY DOCUMENTATION SYSTEM VISIT VERIFICATION.**

Subdivision 1. **Documentation; establishment.** The commissioner of human services shall establish implementation requirements and standards for ~~an electronic service delivery documentation system visit verification~~ to comply with the 21st Century Cures Act, Public Law 114-255. Within available appropriations, the commissioner shall take steps to comply with the electronic visit verification requirements in the 21st Century Cures Act, Public Law 114-255.

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

(b) "Electronic ~~service delivery documentation~~ visit verification" means the electronic documentation of the:

- (1) type of service performed;
- (2) individual receiving the service;
- (3) date of the service;
- (4) location of the service delivery;
- (5) individual providing the service; and
- (6) time the service begins and ends.

(c) "Electronic ~~service delivery documentation~~ visit verification system" means a system that provides electronic ~~service delivery documentation~~ verification of services that complies with the 21st Century Cures Act, Public Law 114-255, and the requirements of subdivision 3.

(d) "Service" means one of the following:

(1) personal care assistance services as defined in Minnesota Statutes, section 256B.0625, subdivision 19a, and provided according to Minnesota Statutes, section 256B.0659; ~~or~~

(2) community first services and supports under Minnesota Statutes, section 256B.85;

(3) home health services under Minnesota Statutes, section 256B.0625, subdivision 6a; or

(4) other medical supplies and equipment or home and community-based services that are required to be electronically verified by the 21st Century Cures Act, Public Law 114-255.

Subd. 3. **Requirements.** (a) In developing implementation requirements for ~~an electronic service delivery documentation system~~ visit verification, the commissioner shall ~~consider electronic visit verification systems and other electronic service delivery documentation methods. The commissioner shall convene stakeholders that will be impacted by an electronic service delivery system, including service providers and their representatives, service recipients and their representatives, and, as appropriate, those with expertise in the development and operation of an electronic service delivery documentation system, to ensure that the requirements:~~

- (1) are minimally administratively and financially burdensome to a provider;
- (2) are minimally burdensome to the service recipient and the least disruptive to the service recipient in receiving and maintaining allowed services;
- (3) consider existing best practices and use of electronic ~~service delivery documentation~~ visit verification;
- (4) are conducted according to all state and federal laws;
- (5) are effective methods for preventing fraud when balanced against the requirements of clauses (1) and (2); and

(6) are consistent with the Department of Human Services' policies related to covered services, flexibility of service use, and quality assurance.

(b) The commissioner shall make training available to providers on the electronic ~~service delivery documentation~~ visit verification system requirements.

(c) The commissioner shall establish baseline measurements related to preventing fraud and establish measures to determine the effect of electronic ~~service delivery documentation~~ visit verification requirements on program integrity.

(d) The commissioner shall make a state-selected electronic visit verification system available to providers of services.

Subd. 3a. **Provider requirements.** (a) Providers of services may select their own electronic visit verification system that meets the requirements established by the commissioner.

(b) All electronic visit verification systems used by providers to comply with the requirements established by the commissioner must provide data to the commissioner in a format and at a frequency to be established by the commissioner.

(c) Providers must implement the electronic visit verification systems required under this section by January 1, 2019, for personal care services and by January 1, 2023, for home health services in accordance with the 21st Century Cures Act, Public Law 114-255, and the Centers for Medicare and Medicaid Services guidelines. For the purposes of this paragraph, "personal care services" and "home health services" have the meanings given in United States Code, title 42, section 1396b(l)(5).

~~Subd. 4. **Legislative report.** (a) The commissioner shall submit a report by January 15, 2018, to the chairs and ranking minority members of the legislative committees with jurisdiction over human services with recommendations, based on the requirements of subdivision 3, to establish electronic service delivery documentation system requirements and standards. The report shall identify:~~

~~(1) the essential elements necessary to operationalize a base level electronic service delivery documentation system to be implemented by January 1, 2019; and~~

~~(2) enhancements to the base level electronic service delivery documentation system to be implemented by January 1, 2019, or after, with projected operational costs and the costs and benefits for system enhancements.~~

~~(b) The report must also identify current regulations on service providers that are either inefficient, minimally effective, or will be unnecessary with the implementation of an electronic service delivery documentation system.~~

Sec. 33. **COMPETITIVE WORKFORCE SUSTAINABILITY GRANTS.**

Subdivision 1. **Establishment; eligibility.** The commissioner of human services shall establish competitive workforce sustainability grants for providers reimbursed under Minnesota Statutes, section 256B.4914.

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

(b) "Provider" means a provider of services with rates determined under Minnesota Statutes, section 256B.4914, that has:

(1) a unique Minnesota provider identifier or national provider identifier; and

(2) revenues from unbanded services for the period beginning July 1, 2018, and ending on January 31, 2019, that are ten percent or more of its total revenues from all services with rates determined under Minnesota Statutes, section 256B.4914, for that same period.

(c) "Unbanded services" means services with rates determined under Minnesota Statutes, section 256B.4914, that are not banded under Minnesota Statutes, section 256B.4913.

Subd. 3. **Applications.** Eligible providers must apply to the commissioner of human services on the forms and according to the timelines established by the commissioner.

Subd. 4. **Grant awards.** The commissioner may award grants in an amount up to 7.1 percent of the total revenues generated from unbanded services delivered by a provider during the period beginning July 1, 2018, and ending January 31, 2019.

Sec. 34. DIRECTION TO COMMISSIONER; PRESCRIBED PEDIATRIC EXTENDED CARE.

No later than August 15, 2018, the commissioner of human services shall submit to the federal Centers for Medicare and Medicaid Services any medical assistance state plan amendments necessary to cover prescribed pediatric extended care center basic services according to Minnesota Statutes, section 256B.0625, subdivision 65.

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

Sec. 35. DIRECTION TO COMMISSIONER; BI AND CADI WAIVER CUSTOMIZED LIVING SERVICES PROVIDER LOCATED IN HENNEPIN COUNTY.

(a) The commissioner of human services shall allow a housing with services establishment located in Minneapolis that provides customized living and 24-hour customized living services for clients enrolled in the brain injury (BI) or community access for disability inclusion (CADI) waiver and had a capacity to serve 66 clients as of July 1, 2017, to transfer service capacity of up to 66 clients to no more than three new housing with services establishments located in Hennepin County.

(b) Notwithstanding Minnesota Statutes, section 256B.492, the commissioner shall determine the new housing with services establishments described under paragraph (a) meet the BI and CADI waiver customized living and 24-hour customized living size limitation exception for clients receiving those services at the new housing with services establishments described under paragraph (a).

Sec. 36. DIRECTION TO COMMISSIONER; HOME AND COMMUNITY-BASED SERVICES FEDERAL WAIVER SUBMISSION.

No later than July 1, 2018, the commissioner of human services shall submit to the federal Centers for Medicare and Medicaid services any home and community-based services waivers necessary to implement the changes to the disability waiver rate system under Minnesota Statutes, sections 256B.4913 and 256B.4914. The priorities for submittal to the federal Centers for Medicare and Medicaid services are as follows:

(1) first priority for submittal are the changes related to the transition to the new employment services and the establishment of the competitive workforce factor; and

(2) second priority for submittal are the changes related to the inflationary adjustments, removal of the regional variance factor, and changes to the reporting requirements.

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

Sec. 37. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall codify Laws 2017, First Special Session chapter 6, article 3, section 49, as amended in this article, in Minnesota Statutes, chapter 256B.

Sec. 38. **REPEALER.**

(a) Minnesota Statutes 2016, section 256B.0705, is repealed effective January 1, 2019.

(b) Minnesota Statutes 2016, section 256B.5012, subdivisions 4, 5, 6, 7, 8, 9, 10, 11, and 14, are repealed effective July 1, 2018.

ARTICLE 6 PROTECTIONS FOR OLDER ADULTS AND VULNERABLE ADULTS

Section 1. **CITATION.**

Sections 1 to 11 may be cited as the "Older and Vulnerable Adults Rights and Protection Act of 2018."

Sec. 2. Minnesota Statutes 2016, section 144.291, subdivision 2, is amended to read:

Subd. 2. **Definitions.** For the purposes of sections 144.291 to 144.298, the following terms have the meanings given.

(a) "Group purchaser" has the meaning given in section 62J.03, subdivision 6.

(b) "Health information exchange" means a legal arrangement between health care providers and group purchasers to enable and oversee the business and legal issues involved in the electronic exchange of health records between the entities for the delivery of patient care.

(c) "Health record" means any information, whether oral or recorded in any form or medium, that relates to the past, present, or future physical or mental health or condition of a patient; the provision of health care to a patient; or the past, present, or future payment for the provision of health care to a patient.

(d) "Identifying information" means the patient's name, address, date of birth, gender, parent's or guardian's name regardless of the age of the patient, and other nonclinical data which can be used to uniquely identify a patient.

(e) "Individually identifiable form" means a form in which the patient is or can be identified as the subject of the health records.

(f) "Medical emergency" means medically necessary care which is immediately needed to preserve life, prevent serious impairment to bodily functions, organs, or parts, or prevent placing the physical or mental health of the patient in serious jeopardy.

(g) "Patient" means:

(1) a natural person who has received health care services from a provider for treatment or examination of a medical, psychiatric, or mental condition;

(2) the surviving spouse, children, sibling, guardian, conservator, and parents of a deceased patient, ~~or unless the authority of the surviving spouse, children, sibling, guardian, conservator, or parents has been restricted by either a court or the deceased person who received health care services;~~

(3) a person the patient appoints in writing as a representative, including a health care agent acting according to chapter 145C, unless the authority of the agent has been limited by the principal in the principal's health care directive; and

(4) except for minors who have received health care services under sections 144.341 to 144.347, in the case of a minor, patient includes a parent or guardian, or a person acting as a parent or guardian in the absence of a parent or guardian.

(h) "Patient information service" means a service providing the following query options: a record locator service as defined in paragraph (j) or a master patient index or clinical data repository as defined in section 62J.498, subdivision 1.

(i) "Provider" means:

(1) any person who furnishes health care services and is regulated to furnish the services under chapter 147, 147A, 147B, 147C, 147D, 148, 148B, 148D, 148F, 150A, 151, 153, or 153A;

(2) a home care provider licensed under section 144A.471;

(3) a health care facility licensed under this chapter or chapter 144A; and

(4) a physician assistant registered under chapter 147A.

(j) "Record locator service" means an electronic index of patient identifying information that directs providers in a health information exchange to the location of patient health records held by providers and group purchasers.

(k) "Related health care entity" means an affiliate, as defined in section 144.6521, subdivision 3, paragraph (b), of the provider releasing the health records.

Sec. 3. Minnesota Statutes 2016, section 144A.44, is amended by adding a subdivision to read:

Subd. 3. Private enforcement of rights. In addition to the remedies otherwise available under law, a person who receives home care services, an assisted living client, or an interested person on behalf of the person may bring a civil action in state district court and recover damages, together with costs and disbursements, including costs of investigation, and reasonable attorney fees, and receive other equitable relief including punitive damages as determined by the court for a violation of this section and section 144A.441. For purposes of this section, an interested person has the meaning given in section 144.651, subdivision 2.

Sec. 4. Minnesota Statutes 2016, section 144A.442, is amended to read:

144A.442 ASSISTED LIVING CLIENTS; SERVICE ARRANGED HOME CARE PROVIDER RESPONSIBILITIES; TERMINATION OF SERVICES.

Subdivision 1. **Legislative intent.** It is the intent of the legislature to ensure to the greatest extent possible stability of services for persons residing in housing with services establishments.

Subd. 2. **Definitions.** For the purposes of this section, "arranged home care provider" has the meaning given in section 144D.01, subdivision 2a, and "assisted living client" has the meaning given in section 144G.01, subdivision 3.

Subd. 3. **Notice; permissible reasons to terminate services.** (a) Except as provided in paragraph (b), an arranged home care provider must provide at least 30 days' notice prior to terminating a service contract. Notwithstanding any other provision of law, an arranged home care provider may terminate services only if the assisted living client:

(1) engages in conduct that significantly alters the terms of the service plan with the arranged home care provider and does not cure the alteration within 30 days of receiving written notice of the conduct; or

(2) breaches the services agreement, which includes failure to pay for services, and has not cured the breach within 30 days of receiving written notice of the nonpayment.

(b) Notwithstanding paragraph (a), the arranged home care provider may terminate services with ten days' notice if the assisted living client:

(1) creates, and the arranged home care provider can document, an abusive or unsafe work environment for the individual providing home care services; or

(2) has service needs that exceed the current service plan and cannot be safely met by the arranged home care provider and a doctor or treating physician documents that an emergency or a significant change in the assisted living client's condition has occurred.

Subd. 4. **Contents of service termination notice.** If an arranged home care provider, ~~as defined in section 144D.01, subdivision 2a, who is not also Medicare certified~~ terminates a service agreement or service plan with an assisted living client, ~~as defined in section 144G.01, subdivision 3,~~ the arranged home care provider shall provide the assisted living client and the legal or designated representatives of the client, if any, with ~~a~~ an advance written notice of service termination as provided under subdivision 3, which ~~includes~~ must include the following information:

(1) the effective date of service termination;

(2) the reason for service termination;

(3) without extending the termination notice period, an affirmative offer to meet with the assisted living client or ~~client representatives~~ client's representative within no more than five business days of the date of the service termination notice to discuss the termination;

(4) contact information for a reasonable number of other home care providers in the geographic area of the assisted living client, as required by section 144A.4791, subdivision 10;

(5) a statement that the arranged home care provider will participate in a coordinated transfer of the care of the client to another provider or caregiver, as required by section 144A.44, subdivision 1, clause (18);

(6) a statement that the assisted living client has the right to a meeting at the client's request with a representative of the arranged home care provider to discuss and attempt to avoid the service termination;

(7) the name and contact information of a representative of the arranged home care provider with whom the assisted living client may discuss the notice of service termination;

~~(7)~~ (8) a copy of the home care bill of rights; ~~and~~

~~(8)~~ (9) a statement that the notice of service termination of home care services by the arranged home care provider does not constitute notice of termination of the ~~housing with services contract with a housing with services establishment.~~ lease; and

(10) a statement that the assisted living client has the right to appeal the service termination to the Office of Administrative Hearings and that includes the contact information for the Office of Administrative Hearings.

Subd. 5. Right to appeal service termination. (a) At any time prior to the expiration of the notice period provided under subdivision 3 and section 144A.441, an assisted living client may appeal the service termination by making a written request for a hearing to the Office of Administrative Hearings. The Office of Administrative Hearings must conduct the hearing no later than 14 days after the office receives the appeal request from the assisted living client. The hearing must be held in the housing with services establishment where the client resides, unless it is impractical or the parties agree to a different place.

(b) The arranged home care provider may not discontinue services to an assisted living client who makes a timely appeal of a notice of service termination unless the Office of Administrative Hearings has made a final determination on the appeal in favor of the arranged home care provider.

(c) Assisted living clients are not required to request a meeting as available under subdivision 4, clause (6), prior to submitting an appeal hearing request.

(d) The commissioner of health may order the arranged home care provider to rescind the service contract termination if the proposed termination is in violation of state or federal law.

(e) Nothing in this section limits the right of an assisted living client or the client's representative to request or receive assistance from the Office of Ombudsman for Long-Term Care or a protection and advocacy agency concerning the proposed service termination.

Subd. 6. Discontinuation of services. An arranged home care provider's responsibilities when voluntarily discontinuing services to all clients are governed by section 144A.4791, subdivision 10.

Sec. 5. Minnesota Statutes 2016, section 144D.09, is amended to read:

144D.09 TERMINATION OF LEASE.

Subdivision 1. Legislative intent. ~~The housing with services establishment shall include with notice of termination of lease information about how to contact the ombudsman for long term care, including the address and telephone number along with a statement of how to request problem solving assistance. It is the intent of the legislature to ensure to the greatest extent possible stability of housing for persons residing in housing with services establishments.~~

Subd. 2. Permissible reasons to terminate lease. (a) Notwithstanding chapter 504B, a housing with services establishment may terminate a resident's lease only if:

(1) the resident breaches the lease, which includes failure to pay rent as required, and has not cured the breach within 30 days of receipt of the notice required under subdivision 3. A breach of a services contract does not constitute a breach of a lease;

(2) the resident holds over beyond the date to vacate mutually agreed upon in writing by the resident and the housing with services establishment; or

(3) the resident holds over beyond the date provided by the resident in a notice of voluntary termination of the lease provided to the housing with services establishment.

(b) Notwithstanding paragraph (a), a housing with services establishment may immediately commence an eviction if the breach involves any of the acts listed in section 504B.171, subdivision 1.

Subd. 3. Notice of lease termination. A housing with services establishment must provide at least 30 days' notice prior to terminating a residential lease, unless the resident commits a breach of the lease involving any of the acts listed in section 504B.171, subdivision 1.

Subd. 4. Contents of notice. The notice of lease termination required under subdivision 3 must include:

(1) the reason for the termination;

(2) the date termination shall occur;

(3) a statement that a lease cannot be terminated without providing the resident an opportunity to cure the breach of lease, including failure to pay rent, prior to expiration of 30 days after receipt of the notice;

(4) information on how to contact the Office of Ombudsman for Long-Term Care and a protection and advocacy agency, including the address and telephone number of both offices, along with a statement of how to request problem-solving assistance;

(5) a statement that the resident has the right to a meeting at the resident's request with the owner or manager of the housing with services establishment to discuss and attempt to resolve the alleged breach to avoid termination; and

(6) a statement that the resident has the right to appeal the termination of the lease to the Office of Administrative Hearings and provide the contact information for the Office of Administrative Hearings.

Subd. 5. Right to appeal termination of lease. (a) At any time prior to the expiration of the notice period provided under subdivision 3, a resident may appeal the termination by making a written request for a hearing to the Office of Administrative Hearings. The Office of Administrative Hearings must conduct the hearing no later than 14 days after the office receives the appeal request from the resident. The hearing must be held in the establishment in which the resident resides, unless it is impractical or the parties agree to a different place.

(b) A resident who makes a timely appeal of a notice of lease termination may not be evicted by the housing with services establishment unless the Office of Administrative Hearings has made a final determination on the appeal in favor of the housing with services establishment.

(c) The commissioner of health may order the housing with services establishment to rescind the lease termination or readmit the resident if the lease termination was in violation of state or federal law.

(d) The housing with services establishment must readmit the resident if the resident is hospitalized for medical necessity before resolution of the appeal.

(e) Residents are not required to request a meeting under subdivision 4, clause (5), prior to submitting an appeal hearing request.

(f) Nothing in this section limits the right of a resident or the resident's representative to request or receive assistance from the Office of Ombudsman for Long-Term Care or the protection and advocacy agency concerning the proposed lease termination.

Subd. 6. Discharge plan and transfer of information to new residence. (a) For the purposes of this subdivision and subdivision 7, "discharge" means the involuntary relocation of a resident due to a termination of a lease.

(b) A housing with services establishment discharging a resident must prepare an adequate discharge plan that proposes a safe discharge location; is based on the resident's discharge goals; includes the resident and the resident's case manager and representative, if any, in discharge planning; and contains a plan for appropriate and sufficient postdischarge care. A housing with services establishment shall not discharge a resident if the resident will become homeless upon discharge, as that term is defined in section 116L.361, subdivision 5.

(c) A housing with services establishment that proposes to discharge a resident must assist the resident with applying for and locating a new housing with services establishment or nursing home in which to live, including coordinating with the case manager, if any.

(d) Prior to discharge, a housing with services establishment must provide to the receiving facility or establishment all information known to the housing with services establishment related to the resident that is necessary to ensure continuity of care and services, including, at a minimum:

- (1) the resident's full name, date of birth, and insurance information;
- (2) the name, telephone number, and address of the resident's representative, if any;
- (3) the resident's current documented diagnoses;
- (4) the resident's known allergies, if any;
- (5) the name and telephone number of the resident's physician and current physician orders;
- (6) medication administration records;
- (7) the most recent resident assessment; and
- (8) copies of health care directives, "do not resuscitate" orders, and guardianship orders or powers of attorney, if any.

Subd. 7. Final accounting; return of money and property. Within 30 days after the date of discharge, the housing with services establishment shall:

- (1) provide to the resident or the resident's representative a final statement of account;
- (2) provide any refunds due; and
- (3) return any money, property, or valuables held in trust or custody by the establishment.

Sec. 6. **[144D.095] TERMINATION OF SERVICES.**

A termination of services initiated by an arranged home care provider is governed by section 144A.442.

Sec. 7. **[144G.07] TERMINATION OF LEASE.**

A lease termination initiated by a registered housing with services establishment using "assisted living" is governed by section 144D.09.

Sec. 8. **[144G.08] TERMINATION OF SERVICES.**

A termination of services initiated by an arranged home care provider as defined in section 144D.01, subdivision 2a, is governed by section 144A.442.

Sec. 9. Minnesota Statutes 2016, section 609.2231, subdivision 8, is amended to read:

Subd. 8. **Vulnerable adults.** (a) As used in this subdivision, "vulnerable adult" has the meaning given in section 609.232, subdivision 11.

(b) Whoever assaults ~~and inflicts demonstrable bodily harm on~~ a vulnerable adult, knowing or having reason to know that the person is a vulnerable adult, is guilty of a gross misdemeanor.

(c) A person who uses restraints on a vulnerable adult does not violate this subdivision if the person (1) complies with the applicable requirements in state and federal law regarding the use of restraints; and (2) uses reasonable force.

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

Sec. 10. **ASSISTED LIVING LICENSURE AND DEMENTIA CARE TASK FORCE.**

Subdivision 1. **Creation.** (a) The Assisted Living Licensure and Dementia Care Task Force consists of 14 members, including the following:

(1) one senator appointed by the majority leader;

(2) one senator appointed by the minority leader;

(3) one member of the house of representatives appointed by the speaker of the house;

(4) one member of the house of representatives appointed by the minority leader;

(5) the ombudsperson for long-term care or a designee;

(6) the ombudsperson for mental health and developmental disabilities or a designee;

(7) one member appointed by ARRM;

(8) one member appointed by AARP Minnesota;

(9) one member appointed by the Alzheimer's Association Minnesota-North Dakota Chapter;

(10) one member appointed by Elder Voice Family Advocates;

(11) one member appointed by Minnesota Elder Justice Center;

(12) one member appointed by Care Providers of Minnesota;

(13) one member appointed by LeadingAge Minnesota; and

(14) one member appointed by Minnesota HomeCare Association.

(b) The appointing authorities must appoint members by July 1, 2018.

(c) The ombudsperson for long-term care or a designee shall act as chair of the task force and convene the first meeting no later than August 1, 2018.

Subd. 2. **Legislative report on assisted living licensure and dementia care.** (a) The task force shall review existing state and federal laws and existing oversight of assisted living and providers serving people with dementia, and report to the legislature about the regulatory gaps requiring improved state regulation and oversight to protect the health and safety of vulnerable adults.

(b) By January 1, 2019, the task force shall present recommendations regarding:

(1) an assisted living license as defined in section 11, subdivision 1;

(2) regulation and fee structure for licensed assisted living;

(3) dementia care core criteria and dementia care unit certification;

(4) serving residents on medical assistance elderly waiver and other waiver programs;

(5) licensing of executive directors and administrators for assisted living;

(6) all items listed in expedited rulemaking under section 11, subdivision 2; and

(7) the exclusion of providers and facilities currently licensed by the Department of Human Services from the requirements of the new assisted living license.

Subd. 3. **Administration.** (a) The task force must meet at least monthly.

(b) The commissioner of health shall provide meeting space and administrative support for the task force.

(c) The commissioner of health and the commissioner of human services shall provide technical assistance to the task force.

(d) Public members of the task force may be compensated as described in Minnesota Statutes, section 15.059, subdivision 3.

(e) A quorum is not required in order for the task force to meet or take testimony, but a quorum of 50 percent plus one member is required to make recommendations.

Subd. 4. **Expiration.** The task force expires on December 31, 2019.

Sec. 11. **ASSISTED LIVING LICENSURE AND DEMENTIA CARE CERTIFICATION.**

Subdivision 1. **Definitions.** (a) "Assisted living license" means a single license covering the provision of health and supportive services and housing provided in a multiunit residential dwelling.

(b) "Assisted living" means any multiunit residential dwelling, as defined in Minnesota Statutes, section 144D.01, subdivision 4, paragraph (a), clause (1), where health-related and supportive services in combination with housing are provided to adults.

(c) "Dementia care units" means a setting that provides services to persons with dementia in a secured unit or those settings that are required to disclose the special care status as provided in Minnesota Statutes, section 325F.72.

(d) "Multiunit residential dwelling" means a residential dwelling containing two or more units intended for use as a residence.

Subd. 2. **Rulemaking.** (a) If the assisted living licensure and dementia care certification law is not enacted within 14 days following adjournment of the 2019 regular legislative session, the commissioner of health shall adopt rules for assisted living licensure and dementia care unit certification, which conform as much as possible with the recommendations proposed by the Assisted Living Licensure and Dementia Care Task Force.

(b) The rules may include, but are not limited to, the following:

(1) building design and physical plant;

(2) environmental health and safety;

(3) staffing and other standards of care, as appropriate, based on the acuity level of residents and the needs of persons with dementia;

(4) nutrition and dietary services;

(5) support services, social work, transportation, and quality of life;

(6) staffing requirements and number of residents;

(7) training and background checks for personnel;

(8) a single contract for both housing and services that complies with Minnesota Statutes, chapter 504B;

(9) discharge criteria, including discharge planning to a safe location and appeal rights reflecting the requirements of Minnesota Statutes, sections 144D.09, 144D.095, 144G.07, and 144G.08;

(10) required notices and disclosures;

(11) establishing resident and family councils;

(12) minimum requirements for all applications;

(13) requirements that support assisted living providers to comply with home and community-based settings requirements set forth in Code of Federal Regulations, title 42, section 441.301(c);

(14) core dementia care criteria across all settings;

(15) care and health services, including coordination of care;

(16) admission criteria and assessments; and

(17) safety criteria.

(b) The rules adopted by the commissioner under this subdivision shall be effective on February 1, 2020, unless the legislature by law provides otherwise.

(c) After February 1, 2020, no one shall offer, advertise, or use the term "memory care unit" or "dementia care units" in a multiunit residential dwelling, without first obtaining the dementia care unit certification required by the rules.

(d) After February 1, 2020, no one shall provide assisted living without first obtaining the license required by this section.

(e) After February 1, 2020, a home care provider licensed under Minnesota Statutes, chapter 144A, may not provide home care services in an assisted living setting that lacks the license required by this section.

(f) Nothing in this section is intended to modify the home care licensure required by Minnesota Statutes, chapter 144A, for providers serving consumers outside of assisted living settings.

(g) Nothing in this section is intended to modify the registration requirements for housing with services establishments established under Minnesota Statutes, chapter 144D, for a housing with services establishment that is not assisted living.

Subd. 3. **Collaboration and consultation.** In developing the rules for the assisted living licensure and dementia care certification, the commissioner must:

(1) continue to engage and consult with the Assisted Living Licensure and Dementia Care Task Force;

(2) review and evaluate other states' licensing systems related to assisted living;

(3) solicit public comment on the proposed rules through a comment period of no less than 60 days; and

(4) consult with the commissioner of human services regarding:

(i) federal home and community-based service requirements necessary to preserve access to assisted living care and services for individuals who receive medical assistance-funded home and community-based services under Minnesota Statutes, sections 256B.0915 and 256B.49; and

(ii) consideration of changes by the commissioner of human services to the medical assistance elderly, community access for disability and inclusion, and brain injury waiver plans to ensure alignment with assisted living licensure standards.

Subd. 4. **Exceptions.** The commissioner's rules shall exclude providers and facilities currently licensed by the Department of Human Services from the requirements of the new assisted living license.

Subd. 5. **Fees; application; change of ownership; renewal.** (a) An initial applicant seeking an assisted living license must submit an initial fee of \$6,275 to the commissioner, along with a completed application.

(b) An assisted living provider who is filing a change of ownership must submit a fee of \$7,750 to the commissioner, along with the documentation required for the change of ownership.

(c) An assisted living provider who is seeking to renew the provider's license shall pay a fee of \$7,750 to the commissioner.

EFFECTIVE DATE. This section is effective July 1, 2018. Rulemaking authority under this section is not continuing authority to amend or repeal rules. Any additional action or changes to rules after adoption must be under specific authority to take the additional action.

Sec. 12. **REPEALER.**

(a) Minnesota Statutes 2016, sections 144D.09; and 256.021, are repealed.

(b) Minnesota Statutes 2016, sections 144G.02; 144G.03; 144G.04; 144G.05; and 144G.06, are repealed, effective February 1, 2020.

ARTICLE 7
CHILDREN AND FAMILIES

Section 1. Minnesota Statutes 2016, section 119B.011, is amended by adding a subdivision to read:

Subd. 13b. **Homeless.** "Homeless" means a self-declared housing status as defined in the McKinney-Vento Homeless Assistance Act and United States Code, title 42, section 11302, paragraph (a).

Sec. 2. Minnesota Statutes 2017 Supplement, section 119B.011, subdivision 19b, is amended to read:

Subd. 19b. **Student parent.** "Student parent" means a person who is:

- (1) under 21 years of age and has a child;
- (2) pursuing a high school diploma or commissioner of education-selected high school equivalency certification; and
- ~~(3) residing within a county that has a basic sliding fee waiting list under section 119B.03, subdivision 4; and~~
- ~~(4) (3)~~ not an MFIP participant.

Sec. 3. Minnesota Statutes 2017 Supplement, section 119B.011, subdivision 20, is amended to read:

Subd. 20. **Transition year families.** "Transition year families" means families who have received MFIP assistance, or who were eligible to receive MFIP assistance after choosing to discontinue receipt of the cash portion of MFIP assistance under section 256J.31, subdivision 12, or families who have received DWP assistance under section 256J.95 for at least ~~three~~ one of the last six months before losing eligibility for MFIP or DWP. Notwithstanding Minnesota Rules, parts 3400.0040, subpart 10, and 3400.0090, subpart 2, transition year child care may be used to support employment, approved education or training programs, or job search that meets the requirements of section 119B.10. Transition year child care is not available to families who have been disqualified from MFIP or DWP due to fraud.

Sec. 4. Minnesota Statutes 2016, section 119B.02, subdivision 1, is amended to read:

Subdivision 1. **Child care services.** The commissioner shall develop standards for county and human services boards to provide child care services to enable eligible families to participate in employment, training, or education programs. ~~Within the limits of available appropriations,~~ The commissioner shall distribute money to counties to reduce the costs of child care for eligible families. The commissioner shall adopt rules to govern the program in accordance with this section. The rules must establish a sliding schedule of fees for parents receiving child care services. The rules shall provide that funds received as a lump-sum payment of child support arrearages shall not be counted as income to a family in the month received but shall be prorated over the 12 months following receipt and added to the family income during those months. The commissioner shall maximize the use of federal money under title I and title IV of Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, and other programs that provide federal or state reimbursement for child care services for low-income families who are in education, training, job search, or other activities allowed under those programs. Money appropriated under this section must be coordinated with the programs that provide federal reimbursement for child care services to accomplish this purpose. ~~Federal reimbursement obtained must be allocated to the county that spent money for child care that is federally reimbursable under programs that provide federal reimbursement for child care services.~~ The ~~counties~~ commissioner shall use the federal money to expand child care services. The commissioner may adopt rules under chapter 14 to implement and coordinate federal program requirements.

Sec. 5. Minnesota Statutes 2016, section 119B.02, subdivision 2, is amended to read:

Subd. 2. **Contractual agreements with tribes.** The commissioner may enter into contractual agreements with a federally recognized Indian tribe with a reservation in Minnesota to carry out the responsibilities of county human service agencies to the extent necessary for the tribe to operate child care assistance programs under sections 119B.03 and 119B.05. An agreement may allow the state to make payments for child care assistance services provided under ~~section~~ sections 119B.03 and 119B.05. The commissioner shall consult with the affected county or counties in the contractual agreement negotiations, if the county or counties wish to be included, in order to avoid the duplication of county and tribal child care services. ~~Funding to support services under section 119B.03 may be transferred to the federally recognized Indian tribe with a reservation in Minnesota from allocations available to counties in which reservation boundaries lie. When funding is transferred under section 119B.03, the amount shall be commensurate to estimates of the proportion of reservation residents with characteristics identified in section 119B.03, subdivision 6, to the total population of county residents with those same characteristics.~~

Sec. 6. Minnesota Statutes 2016, section 119B.02, subdivision 7, is amended to read:

Subd. 7. **Child care market rate survey.** ~~Biennially,~~ The commissioner shall survey prices charged by child care providers in Minnesota every three years to determine the 75th percentile for like-care arrangements in county price clusters.

EFFECTIVE DATE. This section is effective retroactively from the market rate survey conducted in calendar year 2016 and applies to any market rate survey conducted after the 2016 market rate survey.

Sec. 7. Minnesota Statutes 2017 Supplement, section 119B.025, subdivision 1, is amended to read:

Subdivision 1. **Applications.** (a) Except as provided in paragraph (c), clause (4), the county shall verify the following at all initial child care applications using the universal application:

- (1) identity of adults;
- (2) presence of the minor child in the home, if questionable;

(3) relationship of minor child to the parent, stepparent, legal guardian, eligible relative caretaker, or the spouses of any of the foregoing;

(4) age;

(5) immigration status, if related to eligibility;

(6) Social Security number, if given;

(7) counted income;

(8) spousal support and child support payments made to persons outside the household;

(9) residence; and

(10) inconsistent information, if related to eligibility.

(b) The county must mail a notice of approval or denial of assistance to the applicant within 30 calendar days after receiving the application. The county may extend the response time by 15 calendar days if the applicant is informed of the extension.

(c) For an applicant who declares that the applicant is homeless and who meets the definition of homeless in section 119B.011, subdivision 13b, the county must:

(1) if information is needed to determine eligibility, send a request for information to the applicant within five working days after receiving the application;

(2) if the applicant is eligible, send a notice of approval of assistance within five working days after receiving the application;

(3) if the applicant is ineligible, send a notice of denial of assistance within 30 days after receiving the application. The county may extend the response time by 15 calendar days if the applicant is informed of the extension;

(4) not require verifications required by paragraph (a) before issuing the notice of approval or denial; and

(5) follow limits set by the commissioner for how frequently expedited application processing may be used for an applicant who declares that the applicant is homeless.

(d) An applicant who declares that the applicant is homeless must submit proof of eligibility within three months of the date the application was received. If proof of eligibility is not submitted within three months, eligibility ends. A 15-day adverse action notice is required to end eligibility.

Sec. 8. Minnesota Statutes 2016, section 119B.03, subdivision 9, is amended to read:

Subd. 9. **Portability pool.** ~~(a) The commissioner shall establish a pool of up to five percent of the annual appropriation for the basic sliding fee program to provide continuous child care assistance for eligible families who move between Minnesota counties. At the end of each allocation period, any unspent funds in the portability pool must be used for assistance under the basic sliding fee program. If expenditures from the portability pool exceed the amount of money available, the reallocation pool must be reduced to cover these shortages.~~

~~(b) To be eligible for portable basic sliding fee assistance, A family that has moved from a county in which it (a)~~
A family receiving child care assistance under the child care fund that has moved from a county in which the family
was receiving basic sliding fee child care assistance to a another county with a waiting list for the basic sliding fee
program must be admitted into the receiving county's child care assistance program if the family:

- (1) ~~meet~~ meets the income and eligibility guidelines for the basic sliding fee program; and
- (2) ~~notify~~ notifies the new county of residence within 60 days of moving and ~~submit~~ submits information to the new county of residence to verify eligibility for the basic sliding fee program.

~~(c)~~ (b) The receiving county must:

~~(1) accept administrative responsibility for applicants for portable basic sliding fee assistance at the end of the two months of assistance under the Unitary Residency Act;~~

~~(2) continue basic sliding fee assistance for the lesser of six months or until the family is able to receive assistance under the county's regular basic sliding program; and~~

~~(3) notify the commissioner through the quarterly reporting process of any family that meets the criteria of the portable basic sliding fee assistance pool.~~

Sec. 9. Minnesota Statutes 2017 Supplement, section 119B.05, subdivision 1, is amended to read:

Subdivision 1. **Eligible participants.** Families eligible for child care assistance under the MFIP child care program are:

- (1) MFIP participants who are employed or in job search and meet the requirements of section 119B.10;
- (2) persons who are members of transition year families under section 119B.011, subdivision 20, and meet the requirements of section 119B.10;
- (3) families who are participating in employment orientation or job search, or other employment or training activities that are included in an approved employability development plan under section 256J.95;
- (4) MFIP families who are participating in work job search, job support, employment, or training activities as required in their employment plan, or in appeals, hearings, assessments, or orientations according to chapter 256J;
- (5) MFIP families who are participating in social services activities under chapter 256J as required in their employment plan approved according to chapter 256J;
- (6) families who are participating in services or activities that are included in an approved family stabilization plan under section 256J.575;
- (7) families who are participating in programs as required in tribal contracts under section 119B.02, subdivision 2, or 256.01, subdivision 2;
- ~~(8) families who are participating in the transition year extension under section 119B.011, subdivision 20a;~~
- ~~(9)~~ (8) student parents as defined under section 119B.011, subdivision 19b; and

~~(40)~~ (9) student parents who turn 21 years of age and who continue to meet the other requirements under section 119B.011, subdivision 19b. A student parent continues to be eligible until the student parent is approved for basic sliding fee child care assistance or until the student parent's redetermination, whichever comes first. At the student parent's redetermination, if the student parent was not approved for basic sliding fee child care assistance, a student parent's eligibility ends following a 15-day adverse action notice.

Sec. 10. Minnesota Statutes 2016, section 119B.05, subdivision 5, is amended to read:

Subd. 5. **Federal reimbursement.** Counties ~~and the state~~ shall maximize their federal reimbursement under federal reimbursement programs for money spent for persons eligible under this chapter. The commissioner shall allocate any federal earnings to the county to be used to expand child care services under this chapter.

Sec. 11. Minnesota Statutes 2016, section 119B.08, subdivision 3, is amended to read:

Subd. 3. **Child care fund plan.** The county and designated administering agency shall submit a biennial child care fund plan to the commissioner. The commissioner shall establish the dates by which the county must submit the plans. The plan shall include:

(1) a description of strategies to coordinate and maximize public and private community resources, including school districts, health care facilities, government agencies, neighborhood organizations, and other resources knowledgeable in early childhood development, in particular to coordinate child care assistance with existing community-based programs and service providers including child care resource and referral programs, early childhood family education, school readiness, Head Start, local interagency early intervention committees, special education services, early childhood screening, and other early childhood care and education services and programs to the extent possible, to foster collaboration among agencies and other community-based programs that provide flexible, family-focused services to families with young children and to facilitate transition into kindergarten. The county must describe a method by which to share information, responsibility, and accountability among service and program providers;

(2) a description of procedures and methods to be used to make copies of the proposed state plan reasonably available to the public, including members of the public particularly interested in child care policies such as parents, child care providers, culturally specific service organizations, child care resource and referral programs, interagency early intervention committees, potential collaborative partners and agencies involved in the provision of care and education to young children, and allowing sufficient time for public review and comment; and

(3) information as requested by the department to ensure compliance with the child care fund statutes and rules promulgated by the commissioner.

The commissioner shall notify counties within 90 days of the date the plan is submitted whether the plan is approved or the corrections or information needed to approve the plan. The commissioner shall withhold ~~a county's allocation until it has an approved plan. Plans not approved by the end of the second quarter after the plan is due may result in a 25 percent reduction in allocation. Plans not approved by the end of the third quarter after the plan is due may result in a 100 percent reduction in the allocation to the county.~~ administrative payments to a county until the county has an approved plan. Counties are to maintain services despite any ~~reduction in their allocation withholding of administrative payments~~ due to plans not being approved.

Sec. 12. Minnesota Statutes 2017 Supplement, section 119B.09, subdivision 1, is amended to read:

Subdivision 1. **General eligibility requirements.** (a) Child care services must be available to families who need child care to find or keep employment or to obtain the training or education necessary to find employment and who:

(1) have household income less than or equal to 67 percent of the state median income, adjusted for family size, at application and redetermination, and meet the requirements of section 119B.05; receive MFIP assistance; and are participating in employment and training services under chapter 256J; or

(2) have household income less than or equal to ~~47~~ 60 percent of the state median income, adjusted for family size, at application and less than or equal to 67 percent of the state median income, adjusted for family size, at redetermination.

(b) Child care services must be made available as in-kind services.

(c) All applicants for child care assistance and families currently receiving child care assistance must be assisted and required to cooperate in establishment of paternity and enforcement of child support obligations for all children in the family at application and redetermination as a condition of program eligibility. For purposes of this section, a family is considered to meet the requirement for cooperation when the family complies with the requirements of section 256.741.

(d) All applicants for child care assistance and families currently receiving child care assistance must pay the co-payment fee under section 119B.12, subdivision 2, as a condition of eligibility. The co-payment fee may include additional recoupment fees due to a child care assistance program overpayment.

Sec. 13. Minnesota Statutes 2016, section 119B.09, subdivision 4a, is amended to read:

Subd. 4a. **Temporary ineligibility of military personnel.** Counties must reserve a family's position under the child care assistance fund if a family has been receiving child care assistance but is temporarily ineligible for assistance due to increased income from active military service. Activated military personnel may be temporarily ineligible until deactivation. ~~A county must reserve a military family's position on the basic sliding fee waiting list under the child care assistance fund if a family is approved to receive child care assistance and reaches the top of the waiting list but is temporarily ineligible for assistance.~~

Sec. 14. Minnesota Statutes 2017 Supplement, section 119B.095, is amended by adding a subdivision to read:

Subd. 3. **Assistance for persons who are experiencing homelessness.** An applicant who is homeless and eligible for child care assistance under this chapter is eligible for 60 hours of child care assistance per service period for three months from the date the county receives the application. Additional hours may be authorized as needed based on the applicant's participation in employment, education, or MFIP or DWP employment plan. To continue receiving child care assistance after the initial three months, the parent must verify that the parent meets eligibility and activity requirements for child care assistance under this chapter.

Sec. 15. Minnesota Statutes 2017 Supplement, section 119B.13, subdivision 1, is amended to read:

Subdivision 1. **Subsidy restrictions.** (a) ~~Beginning February 3, 2014,~~ The maximum rate paid for child care assistance in any county or county price cluster under the child care fund shall be the greater of the ~~25th~~ 75th percentile of the ~~2014 most recent~~ child care provider rate survey under section 119B.02, subdivision 7, or the ~~maximum rate effective November 28, 2014~~ rates in effect at the time of the update. The first maximum rate update must be based on the 2018 rate survey and take effect February 22, 2019. The second maximum rate update must be based on the 2020 rate survey and take effect February 23, 2021. Thereafter, maximum rate updates take effect February 22 in the year following the most recent rate survey. For a child care provider located within the boundaries of a city located in two or more of the counties of Benton, Sherburne, and Stearns, the maximum rate paid for child care assistance shall be equal to the maximum rate paid in the county with the highest maximum reimbursement rates or the provider's charge, whichever is less. The commissioner may: (1) assign a county with no reported provider prices to a similar price cluster; and (2) consider county level access when determining final price clusters.

(b) A rate which includes a special needs rate paid under subdivision 3 may be in excess of the maximum rate allowed under this subdivision.

(c) The department shall monitor the effect of this paragraph on provider rates. The county shall pay the provider's full charges for every child in care up to the maximum established. The commissioner shall determine the maximum rate for each type of care on an hourly, full-day, and weekly basis, including special needs and disability care.

(d) If a child uses one provider, the maximum payment for one day of care must not exceed the daily rate. The maximum payment for one week of care must not exceed the weekly rate.

(e) If a child uses two providers under section 119B.097, the maximum payment must not exceed:

(1) the daily rate for one day of care;

(2) the weekly rate for one week of care by the child's primary provider; and

(3) two daily rates during two weeks of care by a child's secondary provider.

(f) Child care providers receiving reimbursement under this chapter must not be paid activity fees or an additional amount above the maximum rates for care provided during nonstandard hours for families receiving assistance.

(g) If the provider charge is greater than the maximum provider rate allowed, the parent is responsible for payment of the difference in the rates in addition to any family co-payment fee.

(h) All maximum provider rates changes shall be implemented on the Monday following the effective date of the maximum provider rate.

(i) Notwithstanding Minnesota Rules, part 3400.0130, subpart 7, maximum registration fees in effect on January 1, 2013, shall remain in effect.

EFFECTIVE DATE. This section is effective February 22, 2019.

Sec. 16. Minnesota Statutes 2017 Supplement, section 245A.06, subdivision 8, is amended to read:

Subd. 8. **Requirement to post ~~correction order~~ conditional license.** ~~(a)~~ For licensed family child care providers and child care centers, upon receipt of any ~~correction order or~~ order of conditional license issued by the commissioner under this section, and notwithstanding a pending request for reconsideration of the ~~correction order or~~ order of conditional license by the license holder, the license holder shall post the ~~correction order or~~ order of conditional license in a place that is conspicuous to the people receiving services and all visitors to the facility for two years. When the ~~correction order or~~ order of conditional license is accompanied by a maltreatment investigation memorandum prepared under section 626.556 or 626.557, the investigation memoranda must be posted with the ~~correction order or~~ order of conditional license.

~~(b) If the commissioner reverses or rescinds a violation in a correction order upon reconsideration under subdivision 2, the commissioner shall issue an amended correction order and the license holder shall post the amended order according to paragraph (a).~~

~~(c) If the correction order is rescinded or reversed in full upon reconsideration under subdivision 2, the license holder shall remove the original correction order posted according to paragraph (a).~~

Sec. 17. **[245A.23] LICENSING AND REGULATORY ASSISTANCE; FAMILY CHILD CARE.**

(a) A family child care ombudsperson office is established within the Department of Human Services to provide one-stop access for persons in need of information or assistance related to family day care or group family day care licensing, investigations, and sanctions, child care regulatory requirements, or resolving disputes with state or county agencies. The family child care ombudsperson shall:

(1) serve as a neutral, independent resource for dispute and issue a resolution between the department, counties, family day care and group family day care providers, and the general public;

(2) gather information about decisions, acts, and other matters of the department that relate to family day care and group family day care;

(3) provide information to family day care and group family day care providers and to the general public;

(4) promptly respond to inquiries and complaints related to family day care and group family day care licensing and regulatory issues; and

(5) facilitate discussions or arrange mediation when appropriate.

(b) The commissioner shall appoint a person to the position of family child care ombudsperson. The family child care ombudsperson reports directly to the commissioner. The ombudsperson must be selected without regard to political affiliation and must be qualified to perform the duties specified in this section. The ombudsperson must not hold another formal position within the department and must not impose a complaint fee.

Sec. 18. Minnesota Statutes 2017 Supplement, section 245A.50, subdivision 7, is amended to read:

Subd. 7. **Training requirements for family and group family child care.** (a) For purposes of family and group family child care, the license holder and each primary caregiver must complete 16 hours of ongoing training each year. For purposes of this subdivision, a primary caregiver is an adult caregiver who provides services in the licensed setting for more than 30 days in any 12-month period. Repeat of topical training requirements in subdivisions 2 to & 9 shall count toward the annual 16-hour training requirement. Additional ongoing training subjects to meet the annual 16-hour training requirement must be selected from the following areas:

(1) child development and learning training under subdivision 2, paragraph (a);

(2) developmentally appropriate learning experiences, including training in creating positive learning experiences, promoting cognitive development, promoting social and emotional development, promoting physical development, promoting creative development; and behavior guidance;

(3) relationships with families, including training in building a positive, respectful relationship with the child's family;

(4) assessment, evaluation, and individualization, including training in observing, recording, and assessing development; assessing and using information to plan; and assessing and using information to enhance and maintain program quality;

(5) historical and contemporary development of early childhood education, including training in past and current practices in early childhood education and how current events and issues affect children, families, and programs;

(6) professionalism, including training in knowledge, skills, and abilities that promote ongoing professional development; and

(7) health, safety, and nutrition, including training in establishing healthy practices; ensuring safety; and providing healthy nutrition.

(b) A family or group family child care license holder or primary caregiver who is an approved trainer through the Minnesota Center for Professional Development and who conducts an approved training course through the Minnesota Center for Professional Development in any of the topical training in subdivisions 2 to 9 shall receive training credit for the training topic in the applicable annual period. Each hour of approved training conducted shall count toward the annual 16-hour training requirement.

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

Sec. 19. Minnesota Statutes 2016, section 256.017, subdivision 9, is amended to read:

Subd. 9. **Timing and disposition of penalty and case disallowance funds.** Quality control case penalty and administrative penalty amounts shall be disallowed or withheld from the next regular reimbursement made to the county agency for state and federal benefit reimbursements and federal administrative reimbursements for all programs covered in this section, according to procedures established in statute, but shall not be imposed sooner than 30 calendar days from the date of written notice of such penalties. Except for penalties withheld under the child care assistance program, all penalties must be deposited in the county incentive fund provided in section 256.018. Penalties withheld under the child care assistance program shall be reallocated to counties ~~using the allocation formula under section 119B.03, subdivision 5.~~ All penalties must be imposed according to this provision until a decision is made regarding the status of a written exception. Penalties must be returned to county agencies when a review of a written exception results in a decision in their favor.

Sec. 20. Minnesota Statutes 2016, section 256K.45, subdivision 2, is amended to read:

Subd. 2. **Homeless youth report.** The commissioner shall prepare a biennial report, beginning in February 2015, which provides meaningful information to the legislative committees having jurisdiction over the issue of homeless youth, that includes, but is not limited to: (1) a list of the areas of the state with the greatest need for services and housing for homeless youth, and the level and nature of the needs identified; (2) details about grants made; (3) the distribution of funds throughout the state based on population need; (4) follow-up information, if available, on the status of homeless youth and whether they have stable housing two years after services are provided; and (5) any other outcomes for populations served to determine the effectiveness of the programs and use of funding. The commissioner is exempt from preparing this report in 2019 and must instead update the 2007 report on homeless youth under section 26.

Sec. 21. **[256K.46] STABLE HOUSING AND SUPPORT SERVICES FOR VULNERABLE YOUTH.**

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

(a) "Eligible applicant" means a program licensed by the commissioner of human services to provide transitional housing and support services to youth. An eligible applicant must have staff on site 24 hours per day and must have established confidentiality protocols as required by state and federal law.

(b) "Living essentials" means clothing, toiletries, transportation, interpreters, other supplies, and services necessary for daily living.

(c) "Support services" has the meaning given in section 256E.33, subdivision 1, paragraph (b), and includes crisis intervention, conflict mediation, family reunification services, educational services, and employment resources.

(d) "Transitional housing" means secure shelter and housing that:

(1) is provided at low or no cost;

(2) is designed to assist people transitioning from homelessness, family or relationship violence, or sexual exploitation, to living independently in the community; and

(3) provides residents with regular staff interaction, supervision plans, and living skills training and assistance.

(e) "Vulnerable youth" means youth 13 years of age through 17 years of age who have reported histories of sexual exploitation or family or relationship violence. Vulnerable youth includes youth who are homeless and youth who are parents and their children.

Subd. 2. **Grants authorized.** The commissioner of human services may award grants to eligible applicants to plan, establish, or operate programs to provide transitional housing and support services to vulnerable youth. An applicant may apply for and the commissioner may award grants for two-year periods, and the commissioner shall determine the number of grants awarded. The commissioner may reallocate underspending among grantees within the same grant period.

Subd. 3. **Program variance.** For purposes of this grant program, the commissioner may grant a program variance under chapter 245A allowing a program licensed to provide transitional housing and support services to youth 16 years of age through 17 years of age to serve youth 13 years of age through 17 years of age.

Subd. 4. **Allocation of grants.** (a) An application must be on a form and contain information as specified by the commissioner but at a minimum must contain:

(1) a description of the purpose or project for which grant funds will be used;

(2) a description of the specific problem the grant funds are intended to address;

(3) a description of achievable objectives, a work plan, and a timeline for implementation and completion of processes or projects enabled by the grant;

(4) a description of the eligible applicant's existing frameworks and experience providing transitional housing and support services to vulnerable youth; and

(5) a proposed process for documenting and evaluating results of the grant.

(b) Grant funds allocated under this section may be used for purposes that include, but are not limited to, the following:

(1) transitional housing, meals, and living essentials for vulnerable youth and their children;

(2) support services;

(3) mental health and substance use disorder counseling;

(4) staff training;

(5) case management and referral services; and

(6) aftercare and follow-up services, including ongoing adult and peer support.

(c) The commissioner shall review each application to determine whether the application is complete and whether the applicant and the project are eligible for a grant. In evaluating applications, the commissioner shall establish criteria including, but not limited to:

(1) the eligibility of the applicant or project;

(2) the applicant's thoroughness and clarity in describing the problem grant funds are intended to address;

(3) a description of the population demographics and service area of the proposed project; and

(4) the proposed project's longevity and demonstrated financial sustainability after the initial grant period.

(d) In evaluating applications, the commissioner may request additional information regarding a proposed project, including information on project cost. An applicant's failure to provide the information requested disqualifies an applicant.

Subd. 5. **Awarding of grants.** The commissioner must notify grantees of awards by January 1, 2019.

Subd. 6. **Update.** The commissioner shall consult with providers serving homeless youth, sex-trafficked youth, or sexually exploited youth, including providers serving older youth under the Safe Harbor Act and Homeless Youth Act to make recommendations that resolve conflicting requirements placed on providers and foster best practices in delivering services to these populations of older youth. The recommendations may include the development of additional certifications not currently available under Minnesota Rules, chapter 2960. The commissioner shall provide an update on the stakeholder work and recommendations identified through this process to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services finance and policy by January 15, 2019.

Sec. 22. Minnesota Statutes 2016, section 256M.41, subdivision 3, is amended to read:

Subd. 3. **Payments based on performance.** (a) The commissioner shall make payments under this section to each county board on a calendar year basis in an amount determined under paragraph (b).

(b) Calendar year allocations under subdivision 1 shall be paid to counties in the following manner:

(1) 80 percent of the allocation as determined in subdivision 1 must be paid to counties on or before July 10 of each year;

(2) ten percent of the allocation shall be withheld until the commissioner determines if the county has met the performance outcome threshold of 90 percent based on face-to-face contact with alleged child victims. In order to receive the performance allocation, the county child protection workers must have a timely face-to-face contact with at least 90 percent of all alleged child victims of screened-in maltreatment reports. The standard requires that each initial face-to-face contact occur consistent with timelines defined in section 626.556, subdivision 10, paragraph (i). The commissioner shall make threshold determinations in January of each year and payments to counties meeting the performance outcome threshold shall occur in February of each year. Any withheld funds from this appropriation for counties that do not meet this requirement shall be ~~reallocated by the commissioner to those counties meeting the requirement~~ transferred to children and families operations for use under section 626.5591, subdivision 2, to support the Child Welfare Training Academy; and

(3) ten percent of the allocation shall be withheld until the commissioner determines that the county has met the performance outcome threshold of 90 percent based on face-to-face visits by the case manager. In order to receive the performance allocation, the total number of visits made by caseworkers on a monthly basis to children in foster care and children receiving child protection services while residing in their home must be at least 90 percent of the total number of such visits that would occur if every child were visited once per month. The commissioner shall make such determinations in January of each year and payments to counties meeting the performance outcome threshold shall occur in February of each year. Any withheld funds from this appropriation for counties that do not meet this requirement shall be ~~reallocated by the commissioner to those counties meeting the requirement~~ transferred to children and families operations for use under section 626.5591, subdivision 2, to support the Child Welfare Training Academy. For 2015, the commissioner shall only apply the standard for monthly foster care visits.

(c) The commissioner shall work with stakeholders and the Human Services Performance Council under section 402A.16 to develop recommendations for specific outcome measures that counties should meet in order to receive funds withheld under paragraph (b), and include in those recommendations a determination as to whether the performance measures under paragraph (b) should be modified or phased out. The commissioner shall report the recommendations to the legislative committees having jurisdiction over child protection issues by January 1, 2018.

Sec. 23. **[260C.81] MINN-LINK STUDY.**

(a) The commissioner of human services shall partner with the University of Minnesota's Minn-LInK statewide integrated administrative data project to conduct an annual study to understand characteristics, experiences, and outcomes of children and families served by the child welfare system. Minn-LInK researchers shall annually conduct research and provide research briefs, reports, and consultation to the Child Welfare Training Academy to inform the development and revision of training curriculum.

(b) The commissioner shall report a summary of the research results to the governor and to the committees in the house of representatives and senate with jurisdiction over human services annually by December 15.

Sec. 24. Minnesota Statutes 2016, section 518A.32, subdivision 3, is amended to read:

Subd. 3. **Parent not considered voluntarily unemployed, underemployed, or employed on a less than full-time basis.** A parent is not considered voluntarily unemployed, underemployed, or employed on a less than full-time basis upon a showing by the parent that:

(1) the unemployment, underemployment, or employment on a less than full-time basis is temporary and will ultimately lead to an increase in income;

(2) the unemployment, underemployment, or employment on a less than full-time basis represents a bona fide career change that outweighs the adverse effect of that parent's diminished income on the child; ~~or~~

(3) the unemployment, underemployment, or employment on a less than full-time basis is because a parent is physically or mentally incapacitated or due to incarceration, ~~except where the reason for incarceration is the parent's nonpayment of support; or~~

(4) the parent has been determined by an authorized government agency to be eligible to receive general assistance or Supplemental Security Income payments. Any income, not including public assistance payments, earned by the parent who is eligible for general assistance or Supplemental Security Income payments may be considered for the purpose of calculating child support.

Sec. 25. Minnesota Statutes 2016, section 518A.685, is amended to read:

518A.685 CONSUMER REPORTING AGENCY; REPORTING ARREARS.

(a) If a public authority determines that an obligor has not paid the current monthly support obligation plus any required arrearage payment for three months, the public authority must report this information to a consumer reporting agency.

(b) Before reporting that an obligor is in arrears for court-ordered child support, the public authority must:

(1) provide written notice to the obligor that the public authority intends to report the arrears to a consumer reporting agency; and

(2) mail the written notice to the obligor's last known mailing address at least 30 days before the public authority reports the arrears to a consumer reporting agency.

(c) The obligor may, within 21 days of receipt of the notice, do the following to prevent the public authority from reporting the arrears to a consumer reporting agency:

(1) pay the arrears in full; or

(2) request an administrative review. An administrative review is limited to issues of mistaken identity, a pending legal action involving the arrears, or an incorrect arrears balance.

~~(d) If the public authority has reported that an obligor is in arrears for court ordered child support and subsequently determines that the obligor has paid the court ordered child support arrears in full, or is paying the current monthly support obligation plus any required arrearage payment, the public authority must report to the consumer reporting agency that the obligor is currently paying child support as ordered by the court.~~

~~(d)~~ (d) A public authority that reports arrearage information under this section must make monthly reports to a consumer reporting agency. The monthly report must be consistent with credit reporting industry standards for child support.

~~(e)~~ (e) For purposes of this section, "consumer reporting agency" has the meaning given in section 13C.001, subdivision 4, and United States Code, title 15, section 1681a(f).

Sec. 26. **2018 REPORT TO LEGISLATURE ON HOMELESS YOUTH.**

Subdivision 1. Report development. In lieu of the biennial homeless youth report under Minnesota Statutes, section 256K.45, subdivision 2, the commissioner of human services shall update the information in the 2007 legislative report on runaway and homeless youth. In developing the updated report, the commissioner may use existing data, studies, and analysis provided by state, county, and other entities including, but not limited to:

(1) Minnesota Housing Finance Agency analysis on housing availability;

(2) Minnesota state plan to end homelessness;

(3) continuum of care counts of youth experiencing homelessness and assessments as provided by Department of Housing and Urban Development (HUD)-required coordinated entry systems;

(4) data collected through the Department of Human Services Homeless Youth Act grant program;

(5) Wilder Research homeless study;

(6) Voices of Youth Count sponsored by Hennepin County; and

(7) privately funded analysis, including:

(i) nine evidence-based principles to support youth in overcoming homelessness;

(ii) return on investment analysis conducted for YouthLink by Foldes Consulting; and

(iii) evaluation of Homeless Youth Act resources conducted by Rainbow Research.

Subd. 2. **Key elements; due date.** (a) The report may include three key elements where significant learning has occurred in the state since the 2007 report, including:

(1) unique causes of youth homelessness;

(2) targeted responses to youth homelessness, including significance of positive youth development as fundamental to each targeted response; and

(3) recommendations based on existing reports and analysis on what it will take to end youth homelessness.

(b) To the extent data is available, the report must include:

(1) general accounting of the federal and philanthropic funds leveraged to support homeless youth activities;

(2) general accounting of the increase in volunteer responses to support youth experiencing homelessness; and

(3) data-driven accounting of geographic areas or distinct populations that have gaps in service or are not yet served by homeless youth responses.

(c) The commissioner of human services may consult with community-based providers of homeless youth services and other expert stakeholders to complete the report. The commissioner shall submit the report to the chairs and ranking minority members of the legislative committees with jurisdiction over youth homelessness by February 15, 2019.

Sec. 27. TASK FORCE ON CHILDHOOD TRAUMA-INFORMED POLICY AND PRACTICES.

Subdivision 1. **Establishment.** The commissioner of human services must establish and appoint a task force on trauma-informed policy and practices to prevent and reduce children's exposure to adverse childhood experiences (ACEs) consisting of the following members:

(1) the commissioners of human services, public safety, health, and education or the commissioners' designees;

(2) two members representing law enforcement with expertise in juvenile justice;

(3) two members representing county social services agencies;

(4) four members, one representing each of the three ethnic councils established under Minnesota Statutes, section 15.0145, and one representing the Indian Affairs Council established under Minnesota Statutes, section 3.922;

(5) two members representing tribal social services providers;

(6) two members with expertise in prekindergarten through grade 12 education;

(7) three licensed health care professionals with expertise in the neurobiology of childhood development representing public health, mental health, and primary health;

(8) one member representing family service or children's mental health collaboratives;

(9) two parents who had ACEs;

(10) two ombudspersons from the Minnesota Office of Ombudsperson for Families; and

(11) representatives of any other group the commissioner of human services deems appropriate to complete the duties of the task force.

Subd. 2. **Staff.** The commissioner of human services must provide meeting space, support staff, and administrative services for the task force.

Subd. 3. **Duties.** The task force must perform the following duties:

(1) engage the human services, education, public health, juvenile justice, and criminal justice systems in the creation of trauma-informed policy and practices in each of these systems to prevent and reduce ACEs and to support the health and well-being of all families; and

(2) identify social determinants of the health and well-being of all families and recommend solutions to eliminate racial and ethnic disparities in the state.

Subd. 4. **Report.** The task force must submit a report on the results of its duties outlined in subdivision 3 and any policy recommendations to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services, public safety, judiciary, and education by January 15, 2019.

Subd. 5. **Expiration.** The task force expires upon submission of the report required under subdivision 4.

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

Sec. 28. **CHILD WELFARE TRAINING ACADEMY.**

Subdivision 1. **Modifications.** (a) The commissioner of human services shall modify the Child Welfare Training System developed pursuant to Minnesota Statutes, section 626.5591, subdivision 2, as provided in this section. The new training framework shall be known as the Child Welfare Training Academy.

(b) The Child Welfare Training Academy shall be administered through five regional hubs in northwest, northeast, southwest, southeast, and central Minnesota. Each hub shall deliver training targeted to the needs of its particular region, taking into account varying demographics, resources, and practice outcomes.

(c) The Child Welfare Training Academy shall use training methods best suited to the training content. National best practices in adult learning must be used to the greatest extent possible, including online learning methodologies, coaching, mentoring, and simulated skill application.

(d) Each child welfare worker and supervisor shall be required to complete a certification, including a competency-based knowledge test and a skills demonstration, at the completion of the worker's initial training and biennially thereafter. The commissioner shall develop ongoing training requirements and a method for tracking certifications.

(e) Each regional hub shall have a regional organizational effectiveness specialist trained in continuous quality improvement strategies. The specialist shall provide organizational change assistance to counties and tribes, with priority given to efforts intended to impact child safety.

(f) The Child Welfare Training Academy shall include training and resources that address worker well-being and secondary traumatic stress.

(g) The Child Welfare Training Academy shall serve the primary training audiences of (1) county and tribal child welfare workers, (2) county and tribal child welfare supervisors, and (3) staff at private agencies providing out-of-home placement services for children involved in Minnesota's county and tribal child welfare system.

Subd. 2. **Partners.** (a) The commissioner of human services shall enter into a partnership with the University of Minnesota to collaborate in the administration of workforce training.

(b) The commissioner of human services shall enter into a partnership with one or more agencies to provide consultation, subject matter expertise, and capacity building in organizational resilience and child welfare workforce well-being.

Sec. 29. **CHILD WELFARE CASELOAD STUDY.**

(a) The commissioner of human services shall conduct a child welfare caseload study to collect data on (1) the number of child welfare workers in Minnesota, and (2) the amount of time that child welfare workers spend on different components of child welfare work. The study must be completed by July 1, 2019.

(b) The commissioner shall report the results of the child welfare caseload study to the governor and to the committees in the house of representatives and senate with jurisdiction over human services by December 1, 2019.

(c) After the child welfare caseload study is complete, the commissioner shall work with counties and other stakeholders to develop a process for ongoing monitoring of child welfare workers' caseloads.

Sec. 30. **CHILD CARE REGULATION WORKING GROUP.**

Subdivision 1. **Establishment; members.** The commissioner of human services or the commissioner's designee shall convene a child care regulation working group that consists of no more than 30 members, including, but not limited to:

(1) two licensed family or group family day care providers;

(2) two licensed child care center providers;

(3) two directors or owners of child care centers;

(4) one retired family or group family day care provider, or a provider that voluntarily closed their program within the last three years;

(5) the commissioner of human services or the commissioner's designee;

(6) two county employees who perform child care licensing duties in the metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2;

(7) two county employees who perform child care licensing duties outside of the metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2;

(8) two representatives from the Minnesota Child Care Association;

(9) one representative from the Minnesota Association of Child Care Professionals;

(10) one representative from the Minnesota Child Care Provider Information Network;

(11) one representative from Family Child Care, Inc.;

(12) one representative from the National Association for Family Child Care, if possible;

(13) one representative from the Center for Rural Policy and Development;

(14) one representative from the Northwest Minnesota Foundation;

(15) one representative from First Children's Finance;

(16) one representative from WomenVenture;

(17) one representative from the Children's Defense Fund;

(18) one representative from Think Small; and

(19) at least two parents of children currently enrolled in a licensed child care program.

Subd. 2. **Compensation.** Public members of the child care regulation working group shall not receive any compensation or per diem payments for participating in the advisory group.

Subd. 3. **Meetings.** (a) The child care regulation working group shall hold at least four public meetings between August 1, 2018, and February 1, 2019. To the extent possible, technology must be utilized to reach the greatest number of interested persons throughout Minnesota.

(b) The commissioner of human services, or the commissioner's designee, shall convene the first meeting of the working group. The working group may select a chair or cochairs from among its members at the first meeting. The commissioner shall provide technical and administrative assistance to the working group upon request.

Subd. 4. **Duties; recommendations.** The child care regulation working group shall assess the current child care regulations under Minnesota Rules, parts 9502 and 9503, and Minnesota Statutes, chapter 245A, including but not limited to training requirements, licensing procedures, investigations, and sanctions. In developing recommendations, the working group shall make the terminology and structure clear and understandable for child care providers and licensing staff, avoid duplication and conflict between rules and statutes, and focus on best practices for child safety and well-being.

Subd. 5. **Report.** The child care regulation working group shall submit a report with recommendations on updating and improving child care rules and statutes to the commissioner of human services and to the chairs and ranking minority members of the legislative committees with jurisdiction over child care licensing. The commissioner of human services shall consider the working group's recommendations when adopting changes to Minnesota Rules, parts 9502 and 9503.

Subd. 6. **Sunset.** The working group sunsets upon delivery of the required report under subdivision 5.

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

Sec. 31. **DIRECTION TO COMMISSIONER OF MANAGEMENT AND BUDGET.**

The state obligation for the basic sliding fee child care assistance program under Minnesota Statutes, section 119B.03, must be included in the Minnesota Management and Budget February and November forecast of state revenues and expenditures under Minnesota Statutes, section 16A.103, beginning with the November 2018 forecast.

Sec. 32. **RULEMAKING.**

The commissioner of human services may adopt rules as necessary to establish the Child Welfare Training Academy.

Sec. 33. **REVISOR'S INSTRUCTION.**

The revisor of statutes, in consultation with the Department of Human Services, House Research Department, and Senate Counsel, Research and Fiscal Analysis shall change the terms "food support" and "food stamps" to "Supplemental Nutrition Assistance Program" or "SNAP" in Minnesota Statutes and Minnesota Rules when appropriate. The revisor may make technical and other necessary changes to sentence structure to preserve the meaning of the text.

Sec. 34. **REPEALER.**

(a) Minnesota Statutes 2016, sections 119B.03, subdivisions 1, 2, 5, 6, 6a, 6b, and 8; and 119B.09, subdivision 3, are repealed.

(b) Minnesota Statutes 2017 Supplement, sections 119B.011, subdivision 20a; and 119B.03, subdivision 4, are repealed.

(c) Minnesota Rules, parts 3400.0020, subpart 8; 3400.0030; 3400.0060, subparts 2, 4, 6, 6a, and 7; 3400.0140, subpart 10; and 3400.0183, subpart 1, are repealed.

Sec. 35. **EFFECTIVE DATE.**

(a) Sections 1, 3, 7, 8, 14, and 15 are effective as soon as practicable contingent upon:

(1) receipt of additional federal child care and development funds above the amount received in federal fiscal year 2017 appropriated in the federal Consolidated Appropriations Act of 2018, Public Law 115-141, and any subsequent federal appropriations, in an amount sufficient to cover the cost associated with the amendments to those sections through June 30, 2021; and

(2) satisfactory completion of the requirements in Minnesota Statutes, section 3.3005.

(b) If the additional federal child care and development funds are not sufficient to cover the cost of the amendments to sections 1, 3, 7, 8, 14, and 15, those sections are effective upon implementation by the commissioner of human services.

The commissioner of human services shall prioritize implementation of those sections as follows:

(1) first priority is implementation of the amendments to Minnesota Statutes, sections 119B.011, subdivision 13b; 119B.025, subdivision 1; and 119B.095, subdivision 3;

(2) second priority is implementation of the amendments to Minnesota Statutes, section 119B.011, subdivision 20;

(3) third priority is implementation of the amendments to Minnesota Statutes, section 119B.03, subdivision 9; and

(4) fourth priority is implementation of the amendments to Minnesota Statutes, section 119B.13, subdivision 1.

(c) The commissioner of human services shall determine if the additional child care and development funds are sufficient by June 30, 2018, and notify the revisor of statutes when sections 1, 3, 7, 8, 14, and 15 are effective.

ARTICLE 8 HEALTH LICENSING BOARDS

Section 1. Minnesota Statutes 2016, section 13.83, subdivision 2, is amended to read:

Subd. 2. **Public data.** Unless specifically classified otherwise by state statute or federal law, the following data created or collected by a medical examiner or coroner on a deceased individual are public: name of the deceased; date of birth; date of death; address; sex; race; citizenship; height; weight; hair color; eye color; build; complexion; age, if known, or approximate age; identifying marks, scars and amputations; a description of the decedent's clothing; marital status; location of death including name of hospital where applicable; name of spouse; whether or not the decedent ever served in the armed forces of the United States; occupation; business; father's name (also birth name, if different); mother's name (also birth name, if different); birthplace; birthplace of parents; cause of death; causes of cause of death; whether an autopsy was performed and if so, whether it was conclusive; date and place of injury, if applicable, including work place; how injury occurred; whether death was caused by accident, suicide, homicide, or was of undetermined cause; certification of attendance by physician or advanced practice registered nurse; physician's or advanced practice registered nurse's name and address; certification by coroner or medical examiner; name and signature of coroner or medical examiner; type of disposition of body; burial place name and location, if applicable; date of burial, cremation or removal; funeral home name and address; and name of local register or funeral director.

Sec. 2. Minnesota Statutes 2016, section 144.651, subdivision 21, is amended to read:

Subd. 21. **Communication privacy.** Patients and residents may associate and communicate privately with persons of their choice and enter and, except as provided by the Minnesota Commitment Act, leave the facility as they choose. Patients and residents shall have access, at their expense, to writing instruments, stationery, and postage. Personal mail shall be sent without interference and received unopened unless medically or programmatically contraindicated and documented by the physician or advanced practice registered nurse in the medical record. There shall be access to a telephone where patients and residents can make and receive calls as well as speak privately. Facilities which are unable to provide a private area shall make reasonable arrangements to accommodate the privacy of patients' or residents' calls. Upon admission to a facility where federal law prohibits unauthorized disclosure of patient or resident identifying information to callers and visitors, the patient or resident, or the legal guardian or conservator of the patient or resident, shall be given the opportunity to authorize disclosure of the patient's or resident's presence in the facility to callers and visitors who may seek to communicate with the patient or resident. To the extent possible, the legal guardian or conservator of a patient or resident shall consider the opinions of the patient or resident regarding the disclosure of the patient's or resident's presence in the facility. This right is limited where medically inadvisable, as documented by the attending physician or advanced practice registered nurse in a patient's or resident's care record. Where programmatically limited by a facility abuse prevention plan pursuant to section 626.557, subdivision 14, paragraph (b), this right shall also be limited accordingly.

Sec. 3. Minnesota Statutes 2016, section 144A.26, is amended to read:

144A.26 RECIPROCITY WITH OTHER STATES AND EQUIVALENCY OF HEALTH SERVICES EXECUTIVE.

Subdivision 1. Reciprocity. The Board of Examiners may issue a nursing home administrator's license, without examination, to any person who holds a current license as a nursing home administrator from another jurisdiction if the board finds that the standards for licensure in the other jurisdiction are at least the substantial equivalent of those prevailing in this state and that the applicant is otherwise qualified.

Subd. 2. Health services executive license. The Board of Examiners may issue a health services executive license to any person who (1) has been validated by the National Association of Long Term Care Administrator Boards as a health services executive, and (2) has met the education and practice requirements for the minimum qualifications of a nursing home administrator, assisted living administrator, and home and community-based service provider. Licensure decisions made by the board under this subdivision are final.

Sec. 4. Minnesota Statutes 2016, section 144A.4791, subdivision 13, is amended to read:

Subd. 13. Request for discontinuation of life-sustaining treatment. (a) If a client, family member, or other caregiver of the client requests that an employee or other agent of the home care provider discontinue a life-sustaining treatment, the employee or agent receiving the request:

- (1) shall take no action to discontinue the treatment; and
- (2) shall promptly inform the supervisor or other agent of the home care provider of the client's request.
- (b) Upon being informed of a request for termination of treatment, the home care provider shall promptly:
 - (1) inform the client that the request will be made known to the physician or advanced practice registered nurse who ordered the client's treatment;
 - (2) inform the physician or advanced practice registered nurse of the client's request; and
 - (3) work with the client and the client's physician or advanced practice registered nurse to comply with the provisions of the Health Care Directive Act in chapter 145C.
- (c) This section does not require the home care provider to discontinue treatment, except as may be required by law or court order.
- (d) This section does not diminish the rights of clients to control their treatments, refuse services, or terminate their relationships with the home care provider.
- (e) This section shall be construed in a manner consistent with chapter 145B or 145C, whichever applies, and declarations made by clients under those chapters.

Sec. 5. Minnesota Statutes 2016, section 148.59, is amended to read:

148.59 LICENSE RENEWAL; LICENSE AND REGISTRATION FEES.

A licensed optometrist shall pay to the state Board of Optometry a fee as set by the board in order to renew a license as provided by board rule. No fees shall be refunded. Fees may not exceed the following amounts but may be adjusted lower by board direction and are for the exclusive use of the board:

- (1) optometry licensure application, \$160;
- (2) optometry annual licensure renewal, ~~\$135~~ \$170;
- (3) optometry late penalty fee, \$75;
- (4) annual license renewal card, \$10;
- (5) continuing education provider application, \$45;
- (6) emeritus registration, \$10;
- (7) endorsement/reciprocity application, \$160;
- (8) replacement of initial license, \$12; ~~and~~
- (9) license verification, ~~\$50;~~
- (10) jurisprudence state examination, \$75;
- (11) Optometric Education Continuing Education data bank registration, \$20; and
- (12) data requests and labels, \$50.

Sec. 6. Minnesota Statutes 2016, section 148E.180, is amended to read:

148E.180 FEE AMOUNTS.

Subdivision 1. **Application fees.** Nonrefundable application fees for licensure are as follows may not exceed the following amounts but may be adjusted lower by board action:

- (1) for a licensed social worker, ~~\$45~~ \$75;
- (2) for a licensed graduate social worker, ~~\$45~~ \$75;
- (3) for a licensed independent social worker, ~~\$45~~ \$75;
- (4) for a licensed independent clinical social worker, ~~\$45~~ \$75;
- (5) for a temporary license, \$50; and
- (6) for a licensure by endorsement, ~~\$85~~ \$115.

The fee for criminal background checks is the fee charged by the Bureau of Criminal Apprehension. The criminal background check fee must be included with the application fee as required according to section 148E.055.

Subd. 2. **License fees.** Nonrefundable license fees ~~are as follows~~ may not exceed the following amounts but may be adjusted lower by board action:

- (1) for a licensed social worker, ~~\$81~~ \$115;
- (2) for a licensed graduate social worker, ~~\$144~~ \$210;
- (3) for a licensed independent social worker, ~~\$216~~ \$305;
- (4) for a licensed independent clinical social worker, ~~\$238.50~~ \$335;
- (5) for an emeritus inactive license, ~~\$43.20~~ \$65;
- (6) for an emeritus active license, one-half of the renewal fee specified in subdivision 3; and
- (7) for a temporary leave fee, the same as the renewal fee specified in subdivision 3.

If the licensee's initial license term is less or more than 24 months, the required license fees must be prorated proportionately.

Subd. 3. **Renewal fees.** Nonrefundable renewal fees for licensure ~~are as follows~~ the two-year renewal term may not exceed the following amounts but may be adjusted lower by board action:

- (1) for a licensed social worker, ~~\$81~~ \$115;
- (2) for a licensed graduate social worker, ~~\$144~~ \$210;
- (3) for a licensed independent social worker, ~~\$216~~ \$305; and
- (4) for a licensed independent clinical social worker, ~~\$238.50~~ \$335.

Subd. 4. **Continuing education provider fees.** Continuing education provider fees ~~are as follows~~ the following nonrefundable amounts:

- (1) for a provider who offers programs totaling one to eight clock hours in a one-year period according to section 148E.145, \$50;
- (2) for a provider who offers programs totaling nine to 16 clock hours in a one-year period according to section 148E.145, \$100;
- (3) for a provider who offers programs totaling 17 to 32 clock hours in a one-year period according to section 148E.145, \$200;
- (4) for a provider who offers programs totaling 33 to 48 clock hours in a one-year period according to section 148E.145, \$400; and
- (5) for a provider who offers programs totaling 49 or more clock hours in a one-year period according to section 148E.145, \$600.

Subd. 5. **Late fees.** Late fees are ~~as follows~~ the following nonrefundable amounts:

- (1) renewal late fee, one-fourth of the renewal fee specified in subdivision 3;
- (2) supervision plan late fee, \$40; and
- (3) license late fee, \$100 plus the prorated share of the license fee specified in subdivision 2 for the number of months during which the individual practiced social work without a license.

Subd. 6. **License cards and wall certificates.** (a) The fee for a license card as specified in section 148E.095 is \$10.

(b) The fee for a license wall certificate as specified in section 148E.095 is \$30.

Subd. 7. **Reactivation fees.** Reactivation fees are ~~as follows~~ the following nonrefundable amounts:

- (1) reactivation from a temporary leave or emeritus status, the prorated share of the renewal fee specified in subdivision 3; and
- (2) reactivation of an expired license, 1-1/2 times the renewal fees specified in subdivision 3.

Sec. 7. Minnesota Statutes 2016, section 150A.06, subdivision 1a, is amended to read:

Subd. 1a. **Faculty dentists.** (a) Faculty members of a school of dentistry must be licensed in order to practice dentistry as defined in section 150A.05. The board may issue to members of the faculty of a school of dentistry a license designated as either a "limited faculty license" or a "full faculty license" entitling the holder to practice dentistry within the terms described in paragraph (b) or (c). The dean of a school of dentistry and program directors of a Minnesota dental hygiene, dental therapy, or dental assisting school accredited by the Commission on Dental Accreditation shall certify to the board those members of the school's faculty who practice dentistry but are not licensed to practice dentistry in Minnesota. A faculty member who practices dentistry as defined in section 150A.05, before beginning duties in a school of dentistry ~~or a, dental therapy,~~ dental hygiene, or dental assisting ~~school,~~ shall apply to the board for a limited or full faculty license. Pursuant to Minnesota Rules, chapter 3100, and at the discretion of the board, a limited faculty license must be renewed annually and a full faculty license must be renewed biennially. The faculty applicant shall pay a nonrefundable fee set by the board for issuing and renewing the faculty license. The faculty license is valid during the time the holder remains a member of the faculty of a school of dentistry ~~or a, dental therapy,~~ dental hygiene, or dental assisting ~~school~~ and subjects the holder to this chapter.

(b) The board may issue to dentist members of the faculty of a Minnesota school of dentistry, dental therapy, dental hygiene, or dental assisting accredited by the Commission on Dental Accreditation, a license designated as a limited faculty license entitling the holder to practice dentistry within the school and its affiliated teaching facilities, but only for the purposes of teaching or conducting research. The practice of dentistry at a school facility for purposes other than teaching or research is not allowed unless the dentist was a faculty member on August 1, 1993.

(c) The board may issue to dentist members of the faculty of a Minnesota school of dentistry, dental therapy, dental hygiene, or dental assisting accredited by the Commission on Dental Accreditation a license designated as a full faculty license entitling the holder to practice dentistry within the school and its affiliated ~~teaching~~ facilities ~~and elsewhere~~ if the holder of the license is employed ~~50 percent time or more full time~~ by the school in the practice of teaching, supervising, or research, and upon successful review by the board of the applicant's qualifications as described in subdivisions 1, 1c, and 4 and board rule. The board, at its discretion, may waive specific licensing prerequisites.

Sec. 8. Minnesota Statutes 2016, section 150A.06, is amended by adding a subdivision to read:

Subd. 10. **Emeritus inactive license.** (a) A dental professional licensed under this chapter to practice dentistry, dental therapy, dental hygiene, or dental assisting who retires from active practice in the state may apply to the board for an emeritus inactive license. An applicant must apply for an emeritus inactive license on the biennial licensing form or by petitioning the board.

(b) The board shall not grant an emeritus inactive license to an applicant who is the subject of a disciplinary action resulting in the current suspension, revocation, disqualification, condition, or restriction of the applicant's license to practice dentistry, dental therapy, dental hygiene, or dental assisting.

(c) An emeritus inactive licensee is prohibited from practicing dentistry, dental therapy, dental hygiene, or dental assisting. An emeritus inactive license is a formal recognition of completion of the licensee's dental career in good standing.

(d) The board shall charge a onetime fee for issuance of an emeritus inactive license, pursuant to section 150A.091.

Sec. 9. Minnesota Statutes 2016, section 150A.06, is amended by adding a subdivision to read:

Subd. 11. **Emeritus active license.** (a) A dental professional licensed to practice dentistry, dental therapy, dental hygiene, or dental assisting, pursuant to section 150A.05 and Minnesota Rules, part 3100.8500, who declares retirement from active practice in the state may apply to the board for an emeritus active license. An applicant must apply for an emeritus active license on a form as required by the board.

(b) An emeritus active licensee may engage only in pro bono or volunteer practice, paid practice not to exceed 240 hours per calendar year for the purpose of providing license supervision to meet board requirements, and paid consulting services not to exceed 240 hours per calendar year.

(c) An emeritus active licensee is prohibited from representing that the licensee is authorized to engage in any practice except as provided in paragraph (b). The board may take disciplinary or corrective action against an emeritus active licensee as provided in section 150A.08.

(d) An emeritus active license must be renewed biennially. The renewal requirements for an emeritus active license are:

(1) completion of a renewal form as required by the board;

(2) payment of a renewal fee pursuant to section 150A.091; and

(3) reporting of 25 completed continuing education hours, which must include:

(i) courses in two required CORE areas;

(ii) one hour of credit on infection control;

(iii) for emeritus active licenses in dentistry and dental therapy, at least 15 fundamental credits and no more than ten elective credits; and

(iv) for emeritus active licenses in dental hygiene and dental assisting, at least seven fundamental credits and no more than six elective credits.

Sec. 10. Minnesota Statutes 2016, section 150A.091, is amended by adding a subdivision to read:

Subd. 19. **Emeritus inactive license.** Each applicant shall submit with an application for an emeritus inactive license a onetime, nonrefundable fee in the amount of \$50.

Sec. 11. Minnesota Statutes 2016, section 150A.091, is amended by adding a subdivision to read:

Subd. 20. **Emeritus active license.** Each applicant shall submit with an application for an emeritus inactive license, and each emeritus active licensee shall submit with a renewal application, a nonrefundable fee as follows:

- (1) for an emeritus active license in dentistry, \$212;
- (2) for an emeritus active license in dental therapy, \$100;
- (3) for an emeritus active license in dental hygiene, \$75; and
- (4) for an emeritus active license in dental assisting, \$55.

Sec. 12. Minnesota Statutes 2016, section 151.15, is amended by adding a subdivision to read:

Subd. 5. **Receipt of emergency prescription orders.** A pharmacist, when that pharmacist is not present within a licensed pharmacy, may accept a written, verbal, or electronic prescription drug order from a practitioner only if:

- (1) the prescription drug order is for an emergency situation where waiting for the licensed pharmacy from which the prescription will be dispensed to open would likely cause the patient to experience significant physical harm or discomfort;
- (2) the pharmacy from which the prescription drug order will be dispensed is closed for business;
- (3) the pharmacist has been designated to be on call for the licensed pharmacy that will fill the prescription drug order;
- (4) in the case of an electronic prescription drug order, the order must be received through secure and encrypted electronic means;
- (5) the pharmacist takes reasonable precautions to ensure that the prescription drug order will be handled in a manner consistent with federal and state statutes regarding the handling of protected health information; and
- (6) the pharmacy from which the prescription drug order will be dispensed has relevant and appropriate policies and procedures in place and makes them available to the board upon request.

Sec. 13. Minnesota Statutes 2016, section 151.15, is amended by adding a subdivision to read:

Subd. 6. **Processing of emergency prescription orders.** A pharmacist, when that pharmacist is not present within a licensed pharmacy, may access a pharmacy prescription processing system through secure and encrypted electronic means in order to process an emergency prescription accepted pursuant to subdivision 5 only if:

- (1) the pharmacy from which the prescription drug order will be dispensed is closed for business;
- (2) the pharmacist has been designated to be on call for the licensed pharmacy that will fill the prescription drug order;

(3) the prescription drug order is for a patient of a long-term care facility or a county correctional facility;

(4) the prescription drug order is processed pursuant to this chapter and rules adopted under this chapter; and

(5) the pharmacy from which the prescription drug order will be dispensed has relevant and appropriate policies and procedures in place and makes them available to the board upon request.

Sec. 14. Minnesota Statutes 2016, section 151.19, subdivision 1, is amended to read:

Subdivision 1. **Pharmacy licensure requirements.** (a) No person shall operate a pharmacy without first obtaining a license from the board and paying any applicable fee specified in section 151.065. The license shall be displayed in a conspicuous place in the pharmacy for which it is issued and expires on June 30 following the date of issue. It is unlawful for any person to operate a pharmacy unless the license has been issued to the person by the board.

(b) Application for a pharmacy license under this section shall be made in a manner specified by the board.

(c) No license shall be issued or renewed for a pharmacy located within the state unless the applicant agrees to operate the pharmacy in a manner prescribed by federal and state law and according to rules adopted by the board. No license shall be issued for a pharmacy located outside of the state unless the applicant agrees to operate the pharmacy in a manner prescribed by federal law and, when dispensing medications for residents of this state, the laws of this state, and Minnesota Rules.

(d) No license shall be issued or renewed for a pharmacy that is required to be licensed or registered by the state in which it is physically located unless the applicant supplies the board with proof of such licensure or registration.

(e) The board shall require a separate license for each pharmacy located within the state and for each pharmacy located outside of the state at which any portion of the dispensing process occurs for drugs dispensed to residents of this state.

(f) The board shall not issue an initial or renewed license for a pharmacy unless the pharmacy passes an inspection conducted by an authorized representative of the board. In the case of a pharmacy located outside of the state, the board may require the applicant to pay the cost of the inspection, in addition to the license fee in section 151.065, unless the applicant furnishes the board with a report, issued by the appropriate regulatory agency of the state in which the facility is located, of an inspection that has occurred within the 24 months immediately preceding receipt of the license application by the board. The board may deny licensure unless the applicant submits documentation satisfactory to the board that any deficiencies noted in an inspection report have been corrected.

(g) The board shall not issue an initial or renewed license for a pharmacy located outside of the state unless the applicant discloses and certifies:

(1) the location, names, and titles of all principal corporate officers and all pharmacists who are involved in dispensing drugs to residents of this state;

(2) that it maintains its records of drugs dispensed to residents of this state so that the records are readily retrievable from the records of other drugs dispensed;

(3) that it agrees to cooperate with, and provide information to, the board concerning matters related to dispensing drugs to residents of this state;

(4) that, during its regular hours of operation, but no less than six days per week, for a minimum of 40 hours per week, a toll-free telephone service is provided to facilitate communication between patients in this state and a pharmacist at the pharmacy who has access to the patients' records; the toll-free number must be disclosed on the label affixed to each container of drugs dispensed to residents of this state; and

(5) that, upon request of a resident of a long-term care facility located in this state, the resident's authorized representative, or a contract pharmacy or licensed health care facility acting on behalf of the resident, the pharmacy will dispense medications prescribed for the resident in unit-dose packaging or, alternatively, comply with section 151.415, subdivision 5.

(h) This subdivision does not apply to a manufacturer licensed under section 151.252, subdivision 1, a wholesale drug distributor licensed under section 151.47, or a third-party logistics provider, to the extent the manufacturer, wholesale drug distributor, or third-party logistics provider is engaged in the distribution of dialysate or devices necessary to perform home peritoneal dialysis on patients with end-stage renal disease, if:

(1) the manufacturer or its agent leases or owns the licensed manufacturing or wholesaling facility from which the dialysate or devices will be delivered;

(2) the dialysate is comprised of dextrose or icodextrin and has been approved by the United States Food and Drug Administration;

(3) the dialysate is stored and delivered in its original, sealed, and unopened manufacturer's packaging;

(4) the dialysate or devices are delivered only upon:

(i) receipt of a physician's order by a Minnesota licensed pharmacy; and

(ii) the review and processing of the prescription by a pharmacist licensed by the state in which the pharmacy is located, who is employed by or under contract to the pharmacy;

(5) prescriptions, policies, procedures, and records of delivery are maintained by the manufacturer for a minimum of three years and are made available to the board upon request; and

(6) the manufacturer or the manufacturer's agent delivers the dialysate or devices directly to:

(i) a patient with end-stage renal disease for whom the prescription was written or the patient's designee, for the patient's self-administration of the dialysis therapy; or

(ii) a health care provider or institution, for administration or delivery of the dialysis therapy to a patient with end-stage renal disease for whom the prescription was written.

Sec. 15. Minnesota Statutes 2016, section 151.46, is amended to read:

151.46 PROHIBITED DRUG PURCHASES OR RECEIPT.

It is unlawful for any person to knowingly purchase or receive a prescription drug from a source other than a person or entity licensed under the laws of the state, except where otherwise provided. Licensed wholesale drug distributors other than pharmacies shall not dispense or distribute prescription drugs directly to patients except for licensed facilities that dispense or distribute home peritoneal dialysis products directly to patients pursuant to section 151.19, subdivision 1, paragraph (h). A person violating the provisions of this section is guilty of a misdemeanor.

Sec. 16. Minnesota Statutes 2016, section 214.075, subdivision 1, is amended to read:

Subdivision 1. **Applications.** (a) ~~By January 1, 2018,~~ Each health-related licensing board, as defined in section 214.01, subdivision 2, shall require ~~applicants for initial licensure, licensure by endorsement, or reinstatement or other relicensure after a lapse in licensure, as defined by the individual health-related licensing boards,~~ the following individuals to submit to a criminal history records check of state data completed by the Bureau of Criminal Apprehension (BCA) and a national criminal history records check, including a search of the records of the Federal Bureau of Investigation (FBI);

(1) applicants for initial licensure or licensure by endorsement. An applicant is exempt from this paragraph if the applicant submitted to a state and national criminal history records check as described in this paragraph for a license issued by the same board;

(2) applicants seeking reinstatement or relicensure, as defined by the individual health-related licensing board, if more than one year has elapsed since the applicant's license or registration expiration date; or

(3) licensees applying for eligibility to participate in an interstate licensure compact.

(b) ~~An applicant must complete a criminal background check if more than one year has elapsed since the applicant last submitted a background check to the board. An applicant's criminal background check results are valid for one year from the date the background check results were received by the board. If more than one year has elapsed since the results were received by the board, then an applicant who has not completed the licensure, reinstatement, or relicensure process must complete a new background check.~~

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

Sec. 17. Minnesota Statutes 2016, section 214.075, subdivision 4, is amended to read:

Subd. 4. **Refusal to consent.** (a) The health-related licensing boards shall not issue a license to any applicant who refuses to consent to a criminal background check or fails to submit fingerprints ~~within 90 days~~ after submission of an application for licensure. Any fees paid by the applicant to the board shall be forfeited if the applicant refuses to consent to the criminal background check or fails to submit the required fingerprints.

(b) The failure of a licensee to submit to a criminal background check as provided in subdivision 3 is grounds for disciplinary action by the respective health-related licensing board.

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

Sec. 18. Minnesota Statutes 2016, section 214.075, subdivision 5, is amended to read:

Subd. 5. **Submission of fingerprints to the Bureau of Criminal Apprehension.** The health-related licensing board or designee shall submit applicant or licensee fingerprints to the BCA. The BCA shall perform a check for state criminal justice information and shall forward the applicant's or licensee's fingerprints to the FBI to perform a check for national criminal justice information regarding the applicant or licensee. The BCA shall report to the board the results of the state and national criminal ~~justice information~~ history records checks.

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

Sec. 19. Minnesota Statutes 2016, section 214.075, subdivision 6, is amended to read:

Subd. 6. **Alternatives to fingerprint-based criminal background checks.** The health-related licensing board may require an alternative method of criminal history checks for an applicant or licensee who has submitted at least ~~three~~ two sets of fingerprints in accordance with this section that have been unreadable by the BCA or the FBI.

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

Sec. 20. Minnesota Statutes 2016, section 214.077, is amended to read:

214.077 TEMPORARY LICENSE SUSPENSION; IMMINENT RISK OF SERIOUS HARM.

(a) Notwithstanding any provision of a health-related professional practice act, when a health-related licensing board receives a complaint regarding a regulated person and has probable cause to believe that the regulated person has violated a statute or rule that the health-related licensing board is empowered to enforce, and continued practice by the regulated person presents an imminent risk of serious harm, the health-related licensing board shall issue an order temporarily suspending the regulated person's authority to practice. The temporary suspension order shall specify the reason for the suspension, including the statute or rule alleged to have been violated. The temporary suspension order shall take effect upon personal service on the regulated person or the regulated person's attorney, or upon the third calendar day after the order is served by first class mail to the most recent address provided to the health-related licensing board for the regulated person or the regulated person's attorney.

(b) The temporary suspension shall remain in effect until the health-related licensing board or the commissioner completes an investigation, holds a contested case hearing pursuant to the Administrative Procedure Act, and issues a final order in the matter as provided for in this section.

(c) At the time it issues the temporary suspension order, the health-related licensing board shall schedule a contested case hearing, on the merits of whether discipline is warranted, to be held pursuant to the Administrative Procedure Act. The regulated person shall be provided with at least ten days' notice of any contested case hearing held pursuant to this section. The contested case hearing shall be scheduled to begin no later than 30 days after the effective service of the temporary suspension order.

(d) The administrative law judge presiding over the contested case hearing shall issue a report and recommendation to the health-related licensing board no later than 30 days after the final day of the contested case hearing. If the administrative law judge's report and recommendations are for no action, the health-related licensing board shall issue a final order pursuant to sections 14.61 and 14.62 within 30 days of receipt of the administrative law judge's report and recommendations. If the administrative law judge's report and recommendations are for action, the health-related licensing board shall issue a final order pursuant to sections 14.61 and 14.62 within 60 days of receipt of the administrative law judge's report and recommendations. Except as provided in paragraph (e), if the health-related licensing board has not issued a final order pursuant to sections 14.61 and 14.62 within 30 days of receipt of the administrative law judge's report and recommendations for no action or within 60 days of receipt of the administrative law judge's report and recommendations for action, the temporary suspension shall be lifted.

(e) If the regulated person requests a delay in the contested case proceedings provided for in paragraphs (c) and (d) for any reason, the temporary suspension shall remain in effect until the health-related licensing board issues a final order pursuant to sections 14.61 and 14.62.

(f) This section shall not apply to the Office of Unlicensed Complementary and Alternative Health Practice established under section 146A.02. The commissioner of health shall conduct temporary suspensions for complementary and alternative health care practitioners in accordance with section 146A.09.

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

Sec. 21. Minnesota Statutes 2016, section 214.10, subdivision 8, is amended to read:

Subd. 8. **Special requirements for health-related licensing boards.** In addition to the provisions of this section that apply to all examining and licensing boards, the requirements in this subdivision apply to all health-related licensing boards, except the Board of Veterinary Medicine.

(a) If the executive director or consulted board member determines that a communication received alleges a violation of statute or rule that involves sexual contact with a patient or client, the communication shall be forwarded to the designee of the attorney general for an investigation of the facts alleged in the communication. If, after an investigation it is the opinion of the executive director or consulted board member that there is sufficient evidence to justify disciplinary action, the board shall conduct a disciplinary conference or hearing. If, after a hearing or disciplinary conference the board determines that misconduct involving sexual contact with a patient or client occurred, the board shall take disciplinary action. Notwithstanding subdivision 2, a board may not attempt to correct improper activities or redress grievances through education, conciliation, and persuasion, unless in the opinion of the executive director or consulted board member there is insufficient evidence to justify disciplinary action. The board may settle a case by stipulation prior to, or during, a hearing if the stipulation provides for disciplinary action.

(b) A board member who has a direct current or former financial connection or professional relationship to a person who is the subject of board disciplinary activities must not participate in board activities relating to that case.

(c) Each health-related licensing board shall establish procedures for exchanging information with other Minnesota state boards, agencies, and departments responsible for regulating health-related occupations, facilities, and programs, and for coordinating investigations involving matters within the jurisdiction of more than one regulatory body. The procedures must provide for the forwarding to other regulatory bodies of all information and evidence, including the results of investigations, that are relevant to matters within that licensing body's regulatory jurisdiction. Each health-related licensing board shall have access to any data of the Department of Human Services relating to a person subject to the jurisdiction of the licensing board. The data shall have the same classification under chapter 13, the Minnesota Government Data Practices Act, in the hands of the agency receiving the data as it had in the hands of the Department of Human Services.

(d) Each health-related licensing board shall establish procedures for exchanging information with other states regarding disciplinary actions against licensees. The procedures must provide for the collection of information from other states about disciplinary actions taken against persons who are licensed to practice in Minnesota or who have applied to be licensed in this state and the dissemination of information to other states regarding disciplinary actions taken in Minnesota. In addition to any authority in chapter 13 permitting the dissemination of data, the board may, in its discretion, disseminate data to other states regardless of its classification under chapter 13. Criminal history record information shall not be exchanged. Before transferring any data that is not public, the board shall obtain reasonable assurances from the receiving state that the data will not be made public.

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

Sec. 22. Minnesota Statutes 2016, section 214.12, is amended by adding a subdivision to read:

Subd. 6. **Opioid and controlled substances prescribing.** (a) The Board of Medical Practice, the Board of Nursing, the Board of Dentistry, the Board of Optometry, and the Board of Podiatric Medicine shall require that licensees with the authority to prescribe controlled substances obtain at least two hours of continuing education credit on best practices in prescribing opioids and controlled substances, as part of the continuing education requirements for licensure renewal. Licensees shall not be required to complete more than two credit hours of

continuing education on best practices in prescribing opioids and controlled substances before this subdivision expires. Continuing education credit on best practices in prescribing opioids and controlled substances must meet board requirements.

(b) This subdivision expires January 1, 2023.

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

Sec. 23. Minnesota Statutes 2017 Supplement, section 245G.22, subdivision 2, is amended to read:

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

(b) "Diversion" means the use of a medication for the treatment of opioid addiction being diverted from intended use of the medication.

(c) "Guest dose" means administration of a medication used for the treatment of opioid addiction to a person who is not a client of the program that is administering or dispensing the medication.

(d) "Medical director" means a physician licensed to practice medicine in the jurisdiction that the opioid treatment program is located who assumes responsibility for administering all medical services performed by the program, either by performing the services directly or by delegating specific responsibility to (1) authorized program physicians and; (2) advanced practice registered nurses, when approved by variance by the State Opioid Treatment Authority under section 254A.03 and the federal Substance Abuse and Mental Health Services Administration; or (3) health care professionals functioning under the medical director's direct supervision.

(e) "Medication used for the treatment of opioid use disorder" means a medication approved by the Food and Drug Administration for the treatment of opioid use disorder.

(f) "Minnesota health care programs" has the meaning given in section 256B.0636.

(g) "Opioid treatment program" has the meaning given in Code of Federal Regulations, title 42, section 8.12, and includes programs licensed under this chapter.

(h) "Placing authority" has the meaning given in Minnesota Rules, part 9530.6605, subpart 21a.

(i) "Unsupervised use" means the use of a medication for the treatment of opioid use disorder dispensed for use by a client outside of the program setting.

Sec. 24. Minnesota Statutes 2016, section 256.975, subdivision 7b, is amended to read:

Subd. 7b. **Exemptions and emergency admissions.** (a) Exemptions from the federal screening requirements outlined in subdivision 7a, paragraphs (b) and (c), are limited to:

(1) a person who, having entered an acute care facility from a certified nursing facility, is returning to a certified nursing facility; or

(2) a person transferring from one certified nursing facility in Minnesota to another certified nursing facility in Minnesota.

(b) Persons who are exempt from preadmission screening for purposes of level of care determination include:

- (1) persons described in paragraph (a);
 - (2) an individual who has a contractual right to have nursing facility care paid for indefinitely by the Veterans Administration;
 - (3) an individual enrolled in a demonstration project under section 256B.69, subdivision 8, at the time of application to a nursing facility; and
 - (4) an individual currently being served under the alternative care program or under a home and community-based services waiver authorized under section 1915(c) of the federal Social Security Act.
- (c) Persons admitted to a Medicaid-certified nursing facility from the community on an emergency basis as described in paragraph (d) or from an acute care facility on a nonworking day must be screened the first working day after admission.
- (d) Emergency admission to a nursing facility prior to screening is permitted when all of the following conditions are met:
- (1) a person is admitted from the community to a certified nursing or certified boarding care facility during Senior LinkAge Line nonworking hours;
 - (2) a physician or advanced practice registered nurse has determined that delaying admission until preadmission screening is completed would adversely affect the person's health and safety;
 - (3) there is a recent precipitating event that precludes the client from living safely in the community, such as sustaining an injury, sudden onset of acute illness, or a caregiver's inability to continue to provide care;
 - (4) the attending physician or advanced practice registered nurse has authorized the emergency placement and has documented the reason that the emergency placement is recommended; and
 - (5) the Senior LinkAge Line is contacted on the first working day following the emergency admission.

Transfer of a patient from an acute care hospital to a nursing facility is not considered an emergency except for a person who has received hospital services in the following situations: hospital admission for observation, care in an emergency room without hospital admission, or following hospital 24-hour bed care and from whom admission is being sought on a nonworking day.

(e) A nursing facility must provide written information to all persons admitted regarding the person's right to request and receive long-term care consultation services as defined in section 256B.0911, subdivision 1a. The information must be provided prior to the person's discharge from the facility and in a format specified by the commissioner.

Sec. 25. Minnesota Statutes 2016, section 256B.0575, subdivision 1, is amended to read:

Subdivision 1. **Income deductions.** When an institutionalized person is determined eligible for medical assistance, the income that exceeds the deductions in paragraphs (a) and (b) must be applied to the cost of institutional care.

(a) The following amounts must be deducted from the institutionalized person's income in the following order:

(1) the personal needs allowance under section 256B.35 or, for a veteran who does not have a spouse or child, or a surviving spouse of a veteran having no child, the amount of an improved pension received from the veteran's administration not exceeding \$90 per month;

(2) the personal allowance for disabled individuals under section 256B.36;

(3) if the institutionalized person has a legally appointed guardian or conservator, five percent of the recipient's gross monthly income up to \$100 as reimbursement for guardianship or conservatorship services;

(4) a monthly income allowance determined under section 256B.058, subdivision 2, but only to the extent income of the institutionalized spouse is made available to the community spouse;

(5) a monthly allowance for children under age 18 which, together with the net income of the children, would provide income equal to the medical assistance standard for families and children according to section 256B.056, subdivision 4, for a family size that includes only the minor children. This deduction applies only if the children do not live with the community spouse and only to the extent that the deduction is not included in the personal needs allowance under section 256B.35, subdivision 1, as child support garnished under a court order;

(6) a monthly family allowance for other family members, equal to one-third of the difference between 122 percent of the federal poverty guidelines and the monthly income for that family member;

(7) reparations payments made by the Federal Republic of Germany and reparations payments made by the Netherlands for victims of Nazi persecution between 1940 and 1945;

(8) all other exclusions from income for institutionalized persons as mandated by federal law; and

(9) amounts for reasonable expenses, as specified in subdivision 2, incurred for necessary medical or remedial care for the institutionalized person that are recognized under state law, not medical assistance covered expenses, and not subject to payment by a third party.

For purposes of clause (6), "other family member" means a person who resides with the community spouse and who is a minor or dependent child, dependent parent, or dependent sibling of either spouse. "Dependent" means a person who could be claimed as a dependent for federal income tax purposes under the Internal Revenue Code.

(b) Income shall be allocated to an institutionalized person for a period of up to three calendar months, in an amount equal to the medical assistance standard for a family size of one if:

(1) a physician or advanced practice registered nurse certifies that the person is expected to reside in the long-term care facility for three calendar months or less;

(2) if the person has expenses of maintaining a residence in the community; and

(3) if one of the following circumstances apply:

(i) the person was not living together with a spouse or a family member as defined in paragraph (a) when the person entered a long-term care facility; or

(ii) the person and the person's spouse become institutionalized on the same date, in which case the allocation shall be applied to the income of one of the spouses.

For purposes of this paragraph, a person is determined to be residing in a licensed nursing home, regional treatment center, or medical institution if the person is expected to remain for a period of one full calendar month or more.

Sec. 26. Minnesota Statutes 2016, section 256B.0595, subdivision 3, is amended to read:

Subd. 3. **Homestead exception to transfer prohibition.** (a) An institutionalized person is not ineligible for long-term care services due to a transfer of assets for less than fair market value if the asset transferred was a homestead and:

(1) title to the homestead was transferred to the individual's:

(i) spouse;

(ii) child who is under age 21;

(iii) blind or permanently and totally disabled child as defined in the Supplemental Security Income program;

(iv) sibling who has equity interest in the home and who was residing in the home for a period of at least one year immediately before the date of the individual's admission to the facility; or

(v) son or daughter who was residing in the individual's home for a period of at least two years immediately before the date the individual became an institutionalized person, and who provided care to the individual that, as certified by the individual's attending physician or advanced practice registered nurse, permitted the individual to reside at home rather than receive care in an institution or facility;

(2) a satisfactory showing is made that the individual intended to dispose of the homestead at fair market value or for other valuable consideration; or

(3) the local agency grants a waiver of a penalty resulting from a transfer for less than fair market value because denial of eligibility would cause undue hardship for the individual, based on imminent threat to the individual's health and well-being. Whenever an applicant or recipient is denied eligibility because of a transfer for less than fair market value, the local agency shall notify the applicant or recipient that the applicant or recipient may request a waiver of the penalty if the denial of eligibility will cause undue hardship. With the written consent of the individual or the personal representative of the individual, a long-term care facility in which an individual is residing may file an undue hardship waiver request, on behalf of the individual who is denied eligibility for long-term care services on or after July 1, 2006, due to a period of ineligibility resulting from a transfer on or after February 8, 2006. In evaluating a waiver, the local agency shall take into account whether the individual was the victim of financial exploitation, whether the individual has made reasonable efforts to recover the transferred property or resource, and other factors relevant to a determination of hardship. If the local agency does not approve a hardship waiver, the local agency shall issue a written notice to the individual stating the reasons for the denial and the process for appealing the local agency's decision.

(b) When a waiver is granted under paragraph (a), clause (3), a cause of action exists against the person to whom the homestead was transferred for that portion of long-term care services provided within:

(1) 30 months of a transfer made on or before August 10, 1993;

(2) 60 months if the homestead was transferred after August 10, 1993, to a trust or portion of a trust that is considered a transfer of assets under federal law;

(3) 36 months if transferred in any other manner after August 10, 1993, but prior to February 8, 2006; or

(4) 60 months if the homestead was transferred on or after February 8, 2006,

or the amount of the uncompensated transfer, whichever is less, together with the costs incurred due to the action.

Sec. 27. Minnesota Statutes 2016, section 256B.0625, subdivision 2, is amended to read:

Subd. 2. **Skilled and intermediate nursing care.** (a) Medical assistance covers skilled nursing home services and services of intermediate care facilities, including training and habilitation services, as defined in section 252.41, subdivision 3, for persons with developmental disabilities who are residing in intermediate care facilities for persons with developmental disabilities. Medical assistance must not be used to pay the costs of nursing care provided to a patient in a swing bed as defined in section 144.562, unless (1) the facility in which the swing bed is located is eligible as a sole community provider, as defined in Code of Federal Regulations, title 42, section 412.92, or the facility is a public hospital owned by a governmental entity with 15 or fewer licensed acute care beds; (2) the Centers for Medicare and Medicaid Services approves the necessary state plan amendments; (3) the patient was screened as provided by law; (4) the patient no longer requires acute care services; and (5) no nursing home beds are available within 25 miles of the facility. The commissioner shall exempt a facility from compliance with the sole community provider requirement in clause (1) if, as of January 1, 2004, the facility had an agreement with the commissioner to provide medical assistance swing bed services.

(b) Medical assistance also covers up to ten days of nursing care provided to a patient in a swing bed if: (1) the patient's physician or advanced practice registered nurse certifies that the patient has a terminal illness or condition that is likely to result in death within 30 days and that moving the patient would not be in the best interests of the patient and patient's family; (2) no open nursing home beds are available within 25 miles of the facility; and (3) no open beds are available in any Medicare hospice program within 50 miles of the facility. The daily medical assistance payment for nursing care for the patient in the swing bed is the statewide average medical assistance skilled nursing care per diem as computed annually by the commissioner on July 1 of each year.

Sec. 28. Minnesota Statutes 2016, section 259.24, subdivision 2, is amended to read:

Subd. 2. **Parents, guardian.** If an unmarried parent who consents to the adoption of a child is under 18 years of age, the consent of the minor parent's parents or guardian, if any, also shall be required; if either or both the parents are disqualified for any of the reasons enumerated in subdivision 1, the consent of such parent shall be waived, and the consent of the guardian only shall be sufficient; and, if there be neither parent nor guardian qualified to give such consent, the consent may be given by the commissioner. The agency overseeing the adoption proceedings shall ensure that the minor parent is offered the opportunity to consult with an attorney, a member of the clergy ~~or~~ a physician, or an advanced practice registered nurse before consenting to adoption of the child. The advice or opinion of the attorney, clergy member ~~or~~ physician, or advanced practice registered nurse shall not be binding on the minor parent. If the minor parent cannot afford the cost of consulting with an attorney, a member of the clergy ~~or~~ a physician, or an advanced practice registered nurse, the county shall bear that cost.

Sec. 29. Minnesota Statutes 2017 Supplement, section 260C.007, subdivision 6, is amended to read:

Subd. 6. **Child in need of protection or services.** "Child in need of protection or services" means a child who is in need of protection or services because the child:

(1) is abandoned or without parent, guardian, or custodian;

(2)(i) has been a victim of physical or sexual abuse as defined in section 626.556, subdivision 2, (ii) resides with or has resided with a victim of child abuse as defined in subdivision 5 or domestic child abuse as defined in subdivision 13, (iii) resides with or would reside with a perpetrator of domestic child abuse as defined in subdivision 13 or child abuse as defined in subdivision 5 or 13, or (iv) is a victim of emotional maltreatment as defined in subdivision 15;

(3) is without necessary food, clothing, shelter, education, or other required care for the child's physical or mental health or morals because the child's parent, guardian, or custodian is unable or unwilling to provide that care;

(4) is without the special care made necessary by a physical, mental, or emotional condition because the child's parent, guardian, or custodian is unable or unwilling to provide that care;

(5) is medically neglected, which includes, but is not limited to, the withholding of medically indicated treatment from an infant with a disability with a life-threatening condition. The term "withholding of medically indicated treatment" means the failure to respond to the infant's life-threatening conditions by providing treatment, including appropriate nutrition, hydration, and medication which, in the treating physician's or ~~physicians'~~ advanced practice registered nurse's reasonable medical judgment, will be most likely to be effective in ameliorating or correcting all conditions, except that the term does not include the failure to provide treatment other than appropriate nutrition, hydration, or medication to an infant when, in the treating physician's or ~~physicians'~~ advanced practice registered nurse's reasonable medical judgment:

(i) the infant is chronically and irreversibly comatose;

(ii) the provision of the treatment would merely prolong dying, not be effective in ameliorating or correcting all of the infant's life-threatening conditions, or otherwise be futile in terms of the survival of the infant; or

(iii) the provision of the treatment would be virtually futile in terms of the survival of the infant and the treatment itself under the circumstances would be inhumane;

(6) is one whose parent, guardian, or other custodian for good cause desires to be relieved of the child's care and custody, including a child who entered foster care under a voluntary placement agreement between the parent and the responsible social services agency under section 260C.227;

(7) has been placed for adoption or care in violation of law;

(8) is without proper parental care because of the emotional, mental, or physical disability, or state of immaturity of the child's parent, guardian, or other custodian;

(9) is one whose behavior, condition, or environment is such as to be injurious or dangerous to the child or others. An injurious or dangerous environment may include, but is not limited to, the exposure of a child to criminal activity in the child's home;

(10) is experiencing growth delays, which may be referred to as failure to thrive, that have been diagnosed by a physician and are due to parental neglect;

(11) is a sexually exploited youth;

(12) has committed a delinquent act or a juvenile petty offense before becoming ten years old;

(13) is a runaway;

(14) is a habitual truant;

(15) has been found incompetent to proceed or has been found not guilty by reason of mental illness or mental deficiency in connection with a delinquency proceeding, a certification under section 260B.125, an extended jurisdiction juvenile prosecution, or a proceeding involving a juvenile petty offense; or

(16) has a parent whose parental rights to one or more other children were involuntarily terminated or whose custodial rights to another child have been involuntarily transferred to a relative and there is a case plan prepared by the responsible social services agency documenting a compelling reason why filing the termination of parental rights petition under section 260C.503, subdivision 2, is not in the best interests of the child.

Sec. 30. Minnesota Statutes 2017 Supplement, section 364.09, is amended to read:

364.09 EXCEPTIONS.

(a) This chapter does not apply to the licensing process for peace officers; to law enforcement agencies as defined in section 626.84, subdivision 1, paragraph (f); to fire protection agencies; to eligibility for a private detective or protective agent license; to the licensing and background study process under chapters 245A and 245C; to the licensing and background investigation process under chapter 240; to eligibility for school bus driver endorsements; to eligibility for special transportation service endorsements; to eligibility for a commercial driver training instructor license, which is governed by section 171.35 and rules adopted under that section; to emergency medical services personnel, or to the licensing by political subdivisions of taxicab drivers, if the applicant for the license has been discharged from sentence for a conviction within the ten years immediately preceding application of a violation of any of the following:

(1) sections 609.185 to 609.2114, 609.221 to 609.223, 609.342 to 609.3451, or 617.23, subdivision 2 or 3; or Minnesota Statutes 2012, section 609.21;

(2) any provision of chapter 152 that is punishable by a maximum sentence of 15 years or more; or

(3) a violation of chapter 169 or 169A involving driving under the influence, leaving the scene of an accident, or reckless or careless driving.

This chapter also shall not apply to eligibility for juvenile corrections employment, where the offense involved child physical or sexual abuse or criminal sexual conduct.

(b) This chapter does not apply to a school district or to eligibility for a license issued or renewed by the Professional Educator Licensing and Standards Board or the commissioner of education.

(c) Nothing in this section precludes the Minnesota Police and Peace Officers Training Board or the state fire marshal from recommending policies set forth in this chapter to the attorney general for adoption in the attorney general's discretion to apply to law enforcement or fire protection agencies.

~~(d) This chapter does not apply to a license to practice medicine that has been denied or revoked by the Board of Medical Practice pursuant to section 147.091, subdivision 1a.~~

~~(e) This chapter does not apply to any person who has been denied a license to practice chiropractic or whose license to practice chiropractic has been revoked by the board in accordance with section 148.10, subdivision 7.~~

~~(f) This chapter does not apply to any license, registration, or permit that has been denied or revoked by the Board of Nursing in accordance with section 148.261, subdivision 1a.~~

~~(g)~~ (d) This chapter does not apply to any license, registration, permit, or certificate that has been denied or revoked by the commissioner of health according to section 148.5195, subdivision 5; or 153A.15, subdivision 2.

~~(h)~~ (e) This chapter does not supersede a requirement under law to conduct a criminal history background investigation or consider criminal history records in hiring for particular types of employment.

(f) This chapter does not apply to the licensing or registration process for, or to any license, registration, or permit that has been denied or revoked by, a health licensing board listed in section 214.01, subdivision 2.

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

Sec. 31. **COUNCIL OF HEALTH BOARDS WORK GROUP.**

(a) The Council of Health Boards shall convene a work group to study and make recommendations on:

(1) increasing the use of telehealth technologies including, but not limited to, high-fidelity simulation and teleconferencing to complete portions of the clinical experiences required as part of postsecondary educational programs that relate to counseling. Clinical experiences may include supervised practicum and internship hours. The study shall include the parameters in which the proposed technology may be utilized in order to ensure that students are integrating classroom theory in a lifelike clinical setting without compromising clinical competency outcomes;

(2) increasing access to telehealth technologies for use in supervision of persons completing postdegree supervised practice work experience and training required for licensure. The study shall include the parameters in which the proposed technology may be utilized for supervision to ensure the quality and competence of the activities supervised; and

(3) increasing client access to mental health services through use of telehealth technologies.

(b) The work group must consist of representatives of:

(1) the Boards of Psychology, Social Work, Marriage and Family Therapy, and Behavioral Health and Therapy;

(2) postsecondary educational institutions that have accredited educational programs for social work, psychology, alcohol and drug counseling, marriage and family therapy, and professional counseling; and

(3) the relevant professional counseling associations, including the Minnesota Counseling Association; Minnesota Psychology Association; National Association of Social Workers, Minnesota chapter; Minnesota Association for Marriage and Family Therapy; and the Minnesota Association of Resources for Recovery and Chemical Health.

(c) By February 1, 2019, the council shall submit recommendations for using telehealth technologies to the chairs and ranking minority members of the legislative committees with jurisdiction over health occupations and higher education, and shall include a plan for implementing the recommendations and any legislative changes necessary for implementation.

Sec. 32. **REPEALER.**

Minnesota Statutes 2016, section 214.075, subdivision 8, is repealed.

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

ARTICLE 9
MISCELLANEOUS

Section 1. Minnesota Statutes 2016, section 169.345, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For the purpose of section 168.021 and this section, the following terms have the meanings given them in this subdivision.

(b) "Health professional" means a licensed physician, licensed physician assistant, advanced practice registered nurse, licensed physical therapist, or licensed chiropractor.

(c) "Long-term certificate" means a certificate issued for a period greater than 12 months but not greater than 71 months.

(d) "Organization certificate" means a certificate issued to an entity other than a natural person for a period of three years.

(e) "Permit" refers to a permit that is issued for a period of 30 days, in lieu of the certificate referred to in subdivision 3, while the application is being processed.

(f) "Physically disabled person" means a person who:

(1) because of disability cannot walk without significant risk of falling;

(2) because of disability cannot walk 200 feet without stopping to rest;

(3) because of disability cannot walk without the aid of another person, a walker, a cane, crutches, braces, a prosthetic device, or a wheelchair;

(4) is restricted by a respiratory disease to such an extent that the person's forced (respiratory) expiratory volume for one second, when measured by spirometry, is less than one liter;

(5) has an arterial oxygen tension (PaO₂) of less than 60 mm/Hg on room air at rest;

(6) uses portable oxygen;

(7) has a cardiac condition to the extent that the person's functional limitations are classified in severity as class III or class IV according to standards set by the American Heart Association;

(8) has lost an arm or a leg and does not have or cannot use an artificial limb; or

(9) has a disability that would be aggravated by walking 200 feet under normal environmental conditions to an extent that would be life threatening.

(g) "Short-term certificate" means a certificate issued for a period greater than six months but not greater than 12 months.

(h) "Six-year certificate" means a certificate issued for a period of six years.

(i) "Temporary certificate" means a certificate issued for a period not greater than six months.

Sec. 2. 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:

(1) "health care facility" means a facility:

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

(3) ~~(iii)~~ (iii) 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; and

(2) "home care provider" has the meaning given in section 144A.43.

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

(1) the health care facility employee or the home care provider 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 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 or home care services from a home care provider, shall notify the administrator of the facility or the home care provider and deliver a fact sheet to the administrator or provider 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, 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.

(e) If a home care provider receives a fact sheet under paragraph (c) that includes a risk level classification for the offender, the provider shall distribute the fact sheet to any individual who will provide direct services to the offender before the individual begins to provide the service.

ARTICLE 10
FORECAST ADJUSTMENTS

Section 1. **HUMAN SERVICES APPROPRIATION.**

The dollar amounts shown in the columns marked "Appropriations" are added to or, if shown in parentheses, are subtracted from the appropriations in Laws 2017, First Special Session chapter 6, article 18, from the general fund or any fund named to the Department of Human Services for the purposes specified in this article, to be available for the fiscal year 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 years 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.

APPROPRIATIONS
Available for the Year
Ending June 30
2018 **2019**

Sec. 2. **COMMISSIONER OF HUMAN SERVICES**

Subdivision 1. **Total Appropriation** **\$(208,963,000)** **\$(88,363,000)**

Appropriations by Fund

General Fund	<u>(210,083,000)</u>	<u>(103,535,000)</u>
Health Care Access Fund	<u>7,620,000</u>	<u>9,258,000</u>
Federal TANF	<u>(6,500,000)</u>	<u>5,914,000</u>

Subd. 2. **Forecasted Programs**

(a) **MFIP/DWP**

Appropriations by Fund

General Fund	<u>(3,749,000)</u>	<u>(11,267,000)</u>
Federal TANF	<u>(7,418,000)</u>	<u>4,565,000</u>

(b) **MFIP Child Care Assistance** (7,995,000) (521,000)

(c) **General Assistance** (4,850,000) (3,770,000)

(d) **Minnesota Supplemental Aid** (1,179,000) (821,000)

(e) **Housing Support** (3,260,000) (3,038,000)

(f) **Northstar Care for Children** (5,168,000) (6,458,000)

(g) **MinnesotaCare** 7,620,000 9,258,000

These appropriations are from the health care access fund.

(h) Medical AssistanceAppropriations by Fund

General Fund	(199,817,000)	(106,124,000)
Health Care Access Fund	-0-	-0-

<u>(i) Alternative Care Program</u>	-0-	-0-
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<u>(j) CCDTF Entitlements</u>	15,935,000	28,464,000
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Subd. 3. <u>Technical Activities</u>	918,000	1,349,000
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These appropriations are from the federal TANF fund.

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

ARTICLE 11
HEALTH AND HUMAN SERVICES APPROPRIATIONS

Section 1. **HEALTH AND HUMAN SERVICES 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 6, article 18, to the agencies and for the purposes specified in this article. The appropriations are from the general 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 or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively. Base adjustments mean the addition to or subtraction from the base level adjustment set in Laws 2017, First Special Session chapter 6, article 18. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2018, are effective the day following final enactment unless a different effective date is explicit.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2018</u>	<u>2019</u>

Sec. 2. **COMMISSIONER OF HUMAN SERVICES**

Subdivision 1. <u>Total Appropriation</u>	<u>\$-0-</u>	<u>\$73,024,000</u>
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Subd. 2. **Central Office; Operations**

Appropriations by Fund

General	-0-	6,125,000
Health Care Access	-0-	2,691,000

(a) Foster Care Recruitment Models. \$75,000 in fiscal year 2019 is from the general fund for a grant to Hennepin County to establish and promote family foster care recruitment models. The

county shall use the grant funds for the purpose of increasing foster care providers through administrative simplification, nontraditional recruitment models, and family incentive options, and develop a strategic planning model to recruit family foster care providers. This is a onetime appropriation.

(b) Transfer; Advisory Council on Rare Diseases. \$150,000 in fiscal year 2019 is from the general fund for transfer to the Board of Regents of the University of Minnesota for the advisory council on rare diseases under Minnesota Statutes, section 137.68.

(c) Transfer; Study and Report on Health Insurance Rate Disparities between Geographic Rating Areas. \$251,000 in fiscal year 2019 is from the general fund for transfer to the Legislative Coordinating Commission for the Office of the Legislative Auditor to study and report on disparities between geographic rating areas in individual and small group market health insurance rates. This is a onetime appropriation.

(d) Substance Abuse Recovery Services Provided through Minnesota Recovery Corps. \$450,000 in fiscal year 2019 is from the general fund for transfer to ServeMinnesota under Minnesota Statutes, section 124D.37, for purposes of providing evidenced-based substance abuse recovery services through Minnesota Recovery Corps. Funds shall be used to support training, supervision, and deployment of AmeriCorps members to serve as recovery navigators. The Minnesota Commission on National and Community Service shall include in the commission's report to the legislature under Minnesota Statutes, section 124D.385, subdivision 3, an evaluation of program data to determine the efficacy of the services promoting sustained substance abuse recovery, including but not limited to stable housing, relationship-building, employment skills, or a year of AmeriCorps service. This is a onetime appropriation.

(e) Base Adjustment. The general fund base is increased \$6,136,000 in fiscal year 2020 and \$6,145,000 in fiscal year 2021.

Subd. 3. Central Office; Children and Families

-0-

2,370,000

(a) Task Force on Childhood Trauma-Informed Policy and Practices. \$55,000 in fiscal year 2019 is from the general fund for the task force on childhood trauma-informed policy and practices. This is a onetime appropriation.

(b) Child Welfare Training Academy. \$786,000 in fiscal year 2019 is from the general fund for the child welfare training academy, which shall provide training to county and tribal child welfare workers, county and tribal child welfare supervisors, and staff at agencies providing out-of-home placement services.

(c) **Child Welfare Caseload Study.** \$400,000 in fiscal year 2019 is from the general fund for a child welfare caseload study.

(d) **Minn-LInK Study.** \$150,000 in fiscal year 2019 is from the general fund for the Minn-LInK study under Minnesota Statutes, section 260C.81.

(e) **Infant Child Care Grants.** \$750,000 in fiscal year 2019 is from the general fund for grants to child care providers who are licensed to care for infants, in order to increase the availability of quality infant child care statewide. In awarding grants, the commissioner shall give priority to providers in communities that have a documented shortage of infant child care. Grant recipients must use the funding awarded to increase infant enrollment in their programs, within the capacity requirements of their child care license. The commissioner shall conduct an evaluation of grant recipients no later than October 1 of each year, beginning in 2019, in order to assess the effectiveness of the grant program. Grant recipients shall cooperate with the commissioner in the evaluation and shall provide the commissioner with the information needed to conduct the evaluation. By January 1, 2020, and each year thereafter, the commissioner shall deliver a report to the chairs and ranking minority members of the legislative committees with jurisdiction over child care on the outcomes of the grants to date.

(f) **Child Care Regulation Working Group Administrative Costs.** \$50,000 in fiscal year 2019 is from the general fund for the costs related to the salary of an independent, professional facilitator, as well as printing and duplicating costs and expenses related to meeting management for the child care regulation working group.

Subd. 4. **Central Office; Health Care**

-0-

2,301,000

(a) **Encounter Reporting of 340B Eligible Drugs.** \$35,000 in fiscal year 2019 is from the general fund for development of recommendations for a process to identify 340B eligible drugs and report them at the point of sale. This is a onetime appropriation.

(b) **Base Adjustment.** The general fund base is increased \$2,235,000 in fiscal year 2020 and \$2,255,000 in fiscal year 2021.

Subd. 5. **Central Office; Continuing Care**

-0-

1,399,000

(a) **Regional Ombudsmen.** \$612,000 in fiscal year 2019 is from the general fund to fund five additional regional ombudsman in the Office of Ombudsman for Long-Term Care, to perform the duties in Minnesota Statutes, section 256.9742.

(b) Live Well At Home Grants. Of the fiscal year 2019 general fund appropriation in Laws 2017, First Special Session chapter 6, article 18, section 2, subdivision 6: (1) \$50,000 shall be used to provide a live well at home grant under Minnesota Statutes, section 256B.0917, to an organization that provides block nurse services to the elderly in the city of McGregor; and (2) if an organization providing block nurse services to the elderly in the city of Grove City does not receive a live well at home grant award by November 1, 2018, \$120,000 shall be used to provide a live well at home grant under Minnesota Statutes, section 256B.0917, to that organization.

(c) Base Adjustment. The general fund base is increased \$746,000 in fiscal year 2020 and \$746,000 in fiscal year 2021.

<u>Subd. 6. Central Office; Community Supports</u>	<u>-0-</u>	<u>4,032,000</u>
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Base Adjustment. The general fund base is increased \$4,127,000 in fiscal year 2020 and \$4,012,000 in fiscal year 2021.

<u>Subd. 7. Forecasted Programs; Medical Assistance</u>	<u>-0-</u>	<u>49,052,000</u>
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<u>Subd. 8. Forecasted Programs; Alternative Care</u>	<u>-0-</u>	<u>(314,000)</u>
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<u>Subd. 9. Forecasted Programs; Chemical Dependency Treatment Fund</u>	<u>-0-</u>	<u>(14,243,000)</u>
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<u>Subd. 10. Grant Programs; Basic Sliding Fee Child Care Assistance</u>	<u>-0-</u>	<u>12,718,000</u>
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<u>Subd. 11. Grant Programs; Child and Economic Support Grants</u>	<u>-0-</u>	<u>1,900,000</u>
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(a) Community Action Grants. \$750,000 in fiscal year 2019 is from the general fund for community action grants under Minnesota Statutes, sections 256E.30 to 256E.32. This is a onetime appropriation.

(b) Mobile food shelf grants. (1) \$750,000 in fiscal year 2019 is from the general fund for mobile food shelf grants to be awarded by Hunger Solutions. Of this appropriation, \$375,000 is for sustaining existing mobile food shelf programs and \$375,000 is for creating new mobile food shelf programs.

(2) Hunger Solutions shall award grants on a priority basis under clause (4). A grant to sustain an existing mobile food shelf program shall not exceed \$25,000. A grant to create a new mobile food shelf program shall not exceed \$75,000.

(3) An applicant for a mobile food shelf grant must provide the following information to Hunger Solutions:

(i) the location of the project;

(ii) a description of the mobile program, including the program's size and scope;

(iii) evidence regarding the unserved or underserved nature of the community in which the program is located;

(iv) evidence of community support for the program;

(v) the total cost of the program;

(vi) the amount of the grant request and how funds will be used;

(vii) sources of funding or in-kind contributions for the program that may supplement any grant award;

(viii) the applicant's commitment to maintain the mobile program; and

(ix) any additional information requested by Hunger Solutions.

(4) In evaluating applications and awarding grants, Hunger Solutions must give priority to an applicant who:

(i) serves unserved or underserved areas;

(ii) creates a new mobile program or expands an existing mobile program;

(iii) serves areas where a high level of need is identified;

(iv) provides evidence of strong support for the program from residents and other institutions in the community;

(v) leverages funding for the program from other private and public sources; and

(vi) commits to maintaining the program on a multiyear basis.

(5) This is a onetime appropriation.

(c) **Project Legacy.** \$400,000 in fiscal year 2019 is from the general fund for a grant to Project Legacy to provide counseling and outreach to youth and young adults from families with a history of generational poverty. Money from this appropriation must be spent for mental health care, medical care, chemical dependency interventions, housing, and mentoring and counseling services for first generation college students. This is a onetime appropriation.

Subd. 12. <u>Grant Programs; Health Care Grants</u>	-0-	<u>2,000,000</u>
Subd. 13. <u>Grant Programs; Aging and Adult Services Grants</u>	-0-	<u>540,000</u>
Subd. 14. <u>Grant Programs; Deaf and Hard of Hearing Grants</u>	-0-	<u>48,000</u>
Subd. 15. <u>Grant Programs; Disabilities Grants</u>	-0-	<u>551,000</u>

Disability grants. \$7,740,000 in fiscal year 2019 is from the general fund for the home and community-based services innovation pool under Minnesota Statutes, section 256B.0921; disability waiver rate system transition grants under Laws 2017, First Special Session chapter 6, article 18, section 2, subdivision 29; and competitive workforce sustainability grants under article 5, section 33. These funds shall be provided to home and community-based waiver service providers that are projected to be negatively impacted due to the transition to rates calculated under Minnesota Statutes, section 256B.4914. The commissioner may transfer funds from this appropriation to budget activity 52, other long-term care grants, as necessary. This is a onetime appropriation.

Subd. 16. <u>Grant Programs; Adult Mental Health Grants</u>	-0-	<u>31,000</u>
Subd. 17. <u>Grant Programs; Child Mental Health Grants</u>	-0-	<u>250,000</u>

School-Linked Mental Health Services Delivered by Telemedicine. \$250,000 in fiscal year 2019 is from the general fund for grants for four pilot projects to deliver school-linked mental health services by telemedicine. The grants are for new or existing providers and must be two pilot projects in greater Minnesota, one in the seven-county metropolitan area excluding Minneapolis and St. Paul, and one in Minneapolis or St. Paul. No later than six months after the funds are expended, the commissioner shall report to the legislative committees with jurisdiction over mental health issues on the effectiveness of the pilot projects. This is a onetime appropriation and is available until June 30, 2021.

Subd. 18. <u>Grant Programs; Chemical Dependency Treatment Support Grants</u>	-0-	<u>945,000</u>
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Student Health Initiative to Limit Opioid Harm. \$945,000 in fiscal year 2019 is from the general fund for the student health initiative to limit opioid harm. This is a onetime appropriation.

Sec. 3. **COMMISSIONER OF HEALTH**Subdivision 1. **Total Appropriation****\$1,000,000****\$17,865,000**Appropriations by Fund

	<u>2018</u>	<u>2019</u>
<u>General</u>	<u>1,000,000</u>	<u>17,781,000</u>
<u>State Government Special</u>		
<u>Revenue</u>	<u>-0-</u>	<u>84,000</u>

Subd. 2. **Health Improvement**1,000,00014,505,000

(a) **Health Professional Education Loan Forgiveness Program.** \$1,000,000 in fiscal year 2019 is from the general fund for the health professional education loan forgiveness program under Minnesota Statutes, section 144.1501.

(b) **Transfer; Minnesota Biomedicine and Bioethics Innovation Grants.** \$2,897,000 in fiscal year 2019 is from the general fund for transfer to the Board of Regents of the University of Minnesota for Minnesota biomedicine and bioethics innovation grants under Minnesota Statutes, section 137.67. This appropriation is available until June 30, 2021. The general fund base for this program is \$30,000 in fiscal year 2020 and \$30,000 in fiscal year 2021.

(c) **Addressing Disparities in Prenatal Care Access and Utilization.** \$613,000 in fiscal year 2019 is from the general fund for grants under Minnesota Statutes, section 145.928, subdivision 7, paragraph (a), clause (2), to decrease racial and ethnic disparities in access to and utilization of high-quality prenatal care. This is a onetime appropriation.

(d) **Information on Congenital Cytomegalovirus.** \$127,000 in fiscal year 2019 is from the general fund for the development and dissemination of information about congenital cytomegalovirus according to Minnesota Statutes, section 144.064.

(e) **Older Adult Social Isolation Working Group.** \$85,000 in fiscal year 2018 is from the general fund for the older adult social isolation working group, for costs related to the salary of an independent, professional facilitator, printing and duplicating costs, and expenses related to meeting management for the working group. This is a onetime appropriation.

(f) Transfer; Mental Health and Substance Use Disorder Parity Work Group. \$75,000 in fiscal year 2019 is from the general fund for transfer to the commissioner of commerce for the mental health and substance use disorder parity work group.

(g) The TAP Program. \$10,000 in fiscal year 2019 is from the general fund for a grant to the TAP in St. Paul to support mental health in disability communities through spoken art forms, community supports, and community engagement. This is a onetime appropriation.

(h) Statewide Tobacco Cessation Services. \$291,000 in fiscal year 2019 is from the general fund for statewide tobacco cessation services under Minnesota Statutes, section 144.397. The general fund base for this appropriation is \$1,550,000 in fiscal year 2020 and \$2,955,000 in fiscal year 2021.

(i) Opioid Abuse Prevention Pilot Project. \$2,000,000 in fiscal year 2019 is from the general fund for opioid abuse prevention pilot projects under Laws 2017, First Special Session chapter 6, article 10, section 144. Of this amount: (1) \$1,400,000 is for the opioid abuse prevention pilot project through CHI St. Gabriel's Health Family Medical Center, also known as Unity Family Health Care; and (2) \$600,000 is for Project Echo through CHI St. Gabriel's Health Family Medical Center for e-learning sessions centered around opioid case management and best practices for opioid abuse prevention. This is a onetime appropriation.

(j) Opioid Overdose Reduction Pilot Program. \$1,000,000 in fiscal year 2019 is from the general fund for the opioid overdose reduction pilot program, which provides grants to ambulance services to fund community paramedic teams. Of this appropriation, the commissioner may use up to \$50,000 to administer the program. This is a onetime appropriation and is available until June 30, 2021.

(k) Prescription Drug Deactivation and Disposal Products. (1) \$1,104,000 in fiscal year 2019 is from the general fund to provide grants to pharmacists and other prescription drug dispensers, health care providers, local law enforcement and emergency services personnel, and local health and human services departments to purchase at-home prescription drug deactivation and disposal products that render drugs and medications inert and irretrievable. The grants must be awarded on a competitive basis and targeted toward geographic areas of the state with the highest rates of overdose deaths.

(2) Grant recipients must provide these deactivation and disposal products free of charge to members of the public. Grant recipients, and the vendors providing deactivation and disposal products to grant recipients, shall provide information necessary to evaluate the effectiveness of the grant program to the commissioner of health, in the form and manner specified by the commissioner. At a minimum, a grant recipient must provide the commissioner with the number of deactivation and disposal products the grant recipient provided to members of the public under this program, and an estimate of the total number of dosages that may have been deactivated and disposed of using the products. The commissioner may contract with a third party to conduct the evaluation.

(3) This is a onetime appropriation.

(l) **Assisted Living Licensure and Dementia Care Certification.** \$150,000 in fiscal year 2019 is from the general fund for contingent development and implementation of the assisted living licensure and dementia care certification rules described in article 6, section 11. The base includes \$..... in fiscal year 2020 and \$0 in fiscal year 2021 for this purpose.

(m) **Assisted Living Licensure and Dementia Care Task Force.** \$150,000 in fiscal year 2019 is from the general fund for the Assisted Living Licensure and Dementia Care Task Force described in article 6, section 10. The general fund base includes \$..... in fiscal year 2020 and \$0 in fiscal year 2021 for this purpose.

(n) **Base Adjustments.** The general fund base is increased \$4,677,000 in fiscal year 2020 and \$6,082,000 in fiscal year 2021.

Subd. 3. **Health Protection**

Appropriations by Fund

<u>General</u>	<u>-0-</u>	<u>3,276,000</u>
<u>State Government Special</u>		
<u>Revenue</u>	<u>-0-</u>	<u>84,000</u>

(a) **Technology Upgrades.** \$1,250,000 in fiscal year 2019 is from the general fund for technology upgrades at the Office of Health Facility Complaints. These technology upgrades must be provided by an external vendor selected on a competitive basis by the commissioner of administration. The commissioner shall not transfer this appropriation or use the appropriated funds for any other purpose. This is a onetime appropriation and is available until June 30, 2022.

(b) **Base Adjustments.** The general fund base is increased \$980,000 in fiscal year 2020 and \$933,000 in fiscal year 2021. The state government special revenue fund base is increased \$365,000 in fiscal year 2020 and \$77,000 in fiscal year 2021.

Sec. 4. **HEALTH-RELATED BOARDS**

Subdivision 1. <u>Total Appropriation</u>	<u>\$-0-</u>	<u>\$67,000</u>
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Unless otherwise noted, this appropriation is from the state government special revenue fund. The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. <u>Board of Dentistry</u>	<u>-0-</u>	<u>13,000</u>
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This is a onetime appropriation.

Subd. 3. <u>Board of Nursing</u>	<u>-0-</u>	<u>5,000</u>
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Subd. 4. <u>Board of Nursing Home Administrators</u>	<u>-0-</u>	<u>25,000</u>
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Council of Health Boards Work Group. \$25,000 in fiscal year 2019 is for the administrative services unit to convene a Council of Health Boards work group to study and make recommendations on the use of telehealth technologies. This is a onetime appropriation.

Subd. 5. <u>Board of Optometry</u>	<u>-0-</u>	<u>5,000</u>
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This is a onetime appropriation.

Subd. 6. <u>Board of Pharmacy</u>	<u>-0-</u>	<u>14,000</u>
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Base Adjustments. The state government special revenue fund base is increased by \$12,000 in fiscal year 2020 and \$12,000 in fiscal year 2021.

Subd. 7. <u>Board of Podiatric Medicine</u>	<u>-0-</u>	<u>5,000</u>
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This is a onetime appropriation.

Sec. 5. **EMERGENCY MEDICAL SERVICES REGULATORY BOARD**

<u>\$-0-</u>	<u>\$35,000</u>
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Base Adjustment. The general fund base is increased by \$15,000 in fiscal year 2020 only.

Sec. 6. **COMMISSIONER OF EMPLOYMENT AND ECONOMIC DEVELOPMENT**

\$-0-

\$975,000

Subdivision 1. WomenVenture Cooperative Child Care Businesses

\$225,000 in fiscal year 2019 is from the general fund for a grant to WomenVenture to provide business training, mentoring, technical assistance, and loans in order to establish two pilot women-run cooperative child care businesses in low-income urban areas. The commissioner shall report data on outcomes and recommendations for replication of this pilot program throughout Minnesota to the governor and the legislative committees with jurisdiction over child care by January 31, 2021. This is a onetime appropriation and funds are available until June 30, 2020.

Subd. 2. Grants to Family Day Care Providers

(a) \$750,000 in fiscal year 2019 is from the general fund for grants to family and group family day care providers licensed under Minnesota Statutes, chapter 245A, and Minnesota Rules, part 9503, to increase the supply of quality child care providers. Grants under this section shall be in amounts of at least \$500, but not exceeding \$2,000, and must be used for either the cost of starting a child care business or of becoming Parent Aware rated. In awarding grants, the commissioner must give priority to providers in communities that have a documented shortage of child care providers in the area.

(b) By January 1 of each year, starting in 2020, the commissioner must report to the standing committees of the legislature having jurisdiction over child care and economic development on the outcomes of the program to date, including but not limited to the number of new programs created, the number of providers that became Parent Aware rated, the number of new child care provider jobs created, and the resulting increase in child care capacity.

Sec. 7. Minnesota Statutes 2016, section 256.01, is amended by adding a subdivision to read:

Subd. 17a. Transfers for routine administrative operations. (a) The commissioner may only transfer money from the general fund to any other fund for routine administrative operations and may not transfer money from the general fund to any other fund without approval from the commissioner of management and budget unless specifically authorized by law. If the commissioner of management and budget determines that a transfer proposed by the commissioner is necessary for routine administrative operations of the Department of Human Services, the commissioner may approve the transfer. If the commissioner of management and budget determines that the transfer proposed by the commissioner is not necessary for routine administrative operations of the Department of Human Services, the commissioner may not approve the transfer unless the requirements of paragraph (b) are met.

(b) If the commissioner of management and budget determines that a transfer under paragraph (a) is not necessary for routine administrative operations of the Department of Human Services, the commissioner may request approval of the transfer from the Legislative Advisory Commission under section 3.30. To request approval

of a transfer from the Legislative Advisory Commission, the commissioner must submit a request that includes the amount of the transfer, the budget activity and fund from which money would be transferred and the budget activity and fund to which money would be transferred, an explanation of the administrative necessity of the transfer, and a statement from the commissioner of management and budget explaining why the transfer is not necessary for routine administrative operations of the Department of Human Services. The Legislative Advisory Commission shall review the proposed transfer and make a recommendation within 20 days of the request from the commissioner. If the Legislative Advisory Commission makes a positive recommendation or no recommendation, the commissioner may approve the transfer. If the Legislative Advisory Commission makes a negative recommendation or a request for more information, the commissioner may not approve the transfer. A recommendation of the Legislative Advisory Commission must be made by a majority of the commission and must be made at a meeting of the commission unless a written recommendation is signed by a majority of the commission members required to vote on the question. If the commission makes a negative recommendation or a request for more information, the commission may subsequently withdraw or change its recommendation.

Sec. 8. Laws 2017, First Special Session chapter 6, article 18, section 3, subdivision 2, is amended to read:

Subd. 2. Health Improvement

Appropriations by Fund

General	81,438,000	78,100,000
State Government Special		
Revenue	6,215,000	6,182,000
Health Care Access	36,643,000	36,258,000
Federal TANF	11,713,000	11,713,000

(a) **TANF Appropriations.** (1) \$3,579,000 of the TANF fund each year is for home visiting and nutritional services listed under Minnesota Statutes, section 145.882, subdivision 7, clauses (6) and (7). Funds must be distributed to community health boards according to Minnesota Statutes, section 145A.131, subdivision 1.

(2) \$2,000,000 of the TANF fund each year is for decreasing racial and ethnic disparities in infant mortality rates under Minnesota Statutes, section 145.928, subdivision 7.

(3) \$4,978,000 of the TANF fund each year is for the family home visiting grant program according to Minnesota Statutes, section 145A.17. \$4,000,000 of the funding must be distributed to community health boards according to Minnesota Statutes, section 145A.131, subdivision 1. \$978,000 of the funding must be distributed to tribal governments according to Minnesota Statutes, section 145A.14, subdivision 2a.

(4) \$1,156,000 of the TANF fund each year is for family planning grants under Minnesota Statutes, section 145.925.

(5) The commissioner may use up to 6.23 percent of the funds appropriated each year to conduct the ongoing evaluations required under Minnesota Statutes, section 145A.17, subdivision 7, and training and technical assistance as required under Minnesota Statutes, section 145A.17, subdivisions 4 and 5.

(b) **TANF Carryforward.** Any unexpended balance of the TANF appropriation in the first year of the biennium does not cancel but is available for the second year.

(c) **Evidence-Based Home Visiting to Pregnant Women and Families with Young Children.** \$6,000,000 in fiscal year 2018 and \$6,000,000 in fiscal year 2019 are from the general fund to start up or expand ~~evidence-based~~ home visiting programs to pregnant women and families with young children. The commissioner shall award grants to community health boards, nonprofits, or tribal nations in urban and rural areas of the state. Grant funds must be used to start up or expand evidence-based or targeted home visiting programs in the county, reservation, or region to serve families, such as parents with high risk or high needs, parents with a history of mental illness, domestic abuse, or substance abuse, or first-time mothers prenatally until the child is four years of age, who are eligible for medical assistance under Minnesota Statutes, chapter 256B, or the federal Special Supplemental Nutrition Program for Women, Infants, and Children. For fiscal year 2019, the commissioner shall allocate at least 75 percent of the grant funds not yet awarded to evidence-based home visiting programs and up to 25 percent of the grant funds not yet awarded to other targeted home visiting programs in order to promote innovation and serve high-need families. Priority for grants to rural areas shall be given to community health boards, nonprofits, and tribal nations that expand services within regional partnerships that provide the ~~evidence-based~~ home visiting programs. This funding shall only be used to supplement, not to replace, funds being used for evidence-based or targeted home visiting services as of June 30, 2017. Up to seven percent of the appropriation may be used for training, technical assistance, evaluation, and other costs to administer the grants. The general fund base for this program is \$16,500,000 in fiscal year 2020 and \$16,500,000 in fiscal year 2021.

(d) **Safe Harbor for Sexually Exploited Youth Services.** \$250,000 in fiscal year 2018 and \$250,000 in fiscal year 2019 are from the general fund for trauma-informed, culturally specific services for sexually exploited youth. Youth 24 years of age or younger are eligible for services under this paragraph.

(e) **Safe Harbor Program Technical Assistance and Evaluation.** \$200,000 in fiscal year 2018 and \$200,000 in fiscal year 2019 are from the general fund for training, technical assistance, protocol implementation, and evaluation activities related to the safe harbor program. Of these amounts:

(1) \$90,000 each fiscal year is for providing training and technical assistance to individuals and organizations that provide safe harbor services and receive funds for that purpose from the commissioner of human services or commissioner of health;

(2) \$90,000 each fiscal year is for protocol implementation, which includes providing technical assistance in establishing best practices-based systems for effectively identifying, interacting with, and referring sexually exploited youth to appropriate resources; and

(3) \$20,000 each fiscal year is for program evaluation activities in compliance with Minnesota Statutes, section 145.4718.

(f) **Promoting Safe Harbor Capacity.** In funding services and activities under paragraphs (d) and (e), the commissioner shall emphasize activities that promote capacity-building and development of resources in greater Minnesota.

(g) **Administration of Safe Harbor Program.** \$60,000 in fiscal year 2018 and \$60,000 in fiscal year 2019 are for administration of the safe harbor for sexually exploited youth program.

(h) **Palliative Care Advisory Council.** \$44,000 in fiscal year 2018 and \$44,000 in fiscal year 2019 are from the general fund for the Palliative Care Advisory Council under Minnesota Statutes, section 144.059. This is a onetime appropriation.

(i) **Transfer; Minnesota Biomedicine and Bioethics Innovation Grants.** \$2,500,000 in fiscal year 2018 is from the general fund for transfer to the Board of Regents of the University of Minnesota for Minnesota biomedicine and bioethics innovation grants under Minnesota Statutes, section 137.67. The full amount of the appropriation is for grants, and the University of Minnesota shall not use any portion for administrative or monitoring expenses. The steering committee of the University of Minnesota and Mayo Foundation partnership must submit a preliminary report by April 1, 2018, and a final report by April 1, 2019, on all grant activities funded under Minnesota Statutes, section 137.67, to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services finance. This is a onetime appropriation and is available until June 30, 2021.

(j) **Statewide Strategic Plan for Victims of Sex Trafficking.** \$73,000 in fiscal year 2018 is from the general fund for the development of a comprehensive statewide strategic plan and report to address the needs of sex trafficking victims statewide. This is a onetime appropriation.

(k) **Home and Community-Based Services Employee Scholarship Program.** \$500,000 in fiscal year 2018 and \$500,000 in fiscal year 2019 are from the general fund for the home and community-based services employee scholarship program under Minnesota Statutes, section 144.1503.

(l) **Comprehensive Advanced Life Support Educational Program.** \$100,000 in fiscal year 2018 and \$100,000 in fiscal year 2019 are from the general fund for the comprehensive advanced life support educational program under Minnesota Statutes, section 144.6062. This is a onetime appropriation.

(m) **Opioid Abuse Prevention.** \$1,028,000 in fiscal year 2018 is to establish and evaluate accountable community for health opioid abuse prevention pilot projects. \$28,000 of this amount is for administration. This is a onetime appropriation and is available until June 30, 2021.

(n) **Advanced Care Planning.** \$250,000 in fiscal year 2018 and \$250,000 in fiscal year 2019 are from the general fund for a grant to a statewide advanced care planning resource organization that has expertise in convening and coordinating community-based strategies to encourage individuals, families, caregivers, and health care providers to begin conversations regarding end-of-life care choices that express an individual's health care values and preferences and are based on informed health care decisions. Of this amount, \$9,000 each year is for administration. This is a onetime appropriation.

(o) **Health Professionals Clinical Training Expansion Grant Program.** \$526,000 in fiscal year 2018 and \$526,000 in fiscal year 2019 are from the general fund for the primary care and mental health professions clinical training expansion grant program under Minnesota Statutes, section 144.1505. Of this amount, \$26,000 each year is for administration.

(p) **Federally Qualified Health Centers.** \$500,000 in fiscal year 2018 and \$500,000 in fiscal year 2019 are from the general fund to provide subsidies to federally qualified health centers under Minnesota Statutes, section 145.9269. This is a onetime appropriation.

(q) **Base Level Adjustments.** The general fund base is \$87,656,000 in fiscal year 2020 and \$87,706,000 in fiscal year 2021. The health care access fund base is \$36,858,000 in fiscal year 2020 and \$36,258,000 in fiscal year 2021.

Sec. 9. Laws 2017, First Special Session chapter 6, article 18, section 16, subdivision 2, is amended to read:

Subd. 2. **Administration.** Subject to Minnesota Statutes, section 256.01, subdivision 17a, positions, salary money, and nonsalary administrative money may be transferred within the Departments of Health and Human Services as the commissioners consider necessary, with the advance approval of the commissioner of management and budget. The commissioner shall inform the chairs and ranking minority members of the senate Health and Human Services Finance and Policy Committee, the senate Human Services Reform Finance and Policy Committee, and the house of representatives Health and Human Services Finance Committee quarterly about transfers made under this subdivision.

Sec. 10. **DIRECTION TO COMMISSIONER OF MANAGEMENT AND BUDGET.**

The state obligation for the basic sliding fee child care assistance program under Minnesota Statutes, section 119B.03, must be included in the Minnesota Management and Budget February and November forecast of state revenues and expenditures under Minnesota Statutes, section 16A.103, beginning with the November 2018 forecast.

Sec. 11. **TRANSFERS.**

By June 30, 2018, the commissioner of management and budget shall transfer:

(1) \$14,000,000 from the systems operations account in the special revenue fund to the general fund;

(2) \$2,000,000 from the system long-term care options product account in the special revenue fund to the general fund; and

(3) \$2,400,000 from the direct care and treatment special health care receipts account in the special revenue fund to the general fund.

Sec. 12. **EXPIRATION OF UNCODIFIED LANGUAGE.**

All uncodified language contained in this article expires on June 30, 2019, unless a different expiration date is explicit.

Sec. 13. **EFFECTIVE DATE.**

This article is effective July 1, 2018, unless a different effective date is specified.

ARTICLE 12
TRANSPORTATION APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the column under "Appropriations" are added to the appropriations in Laws 2017, First Special Session chapter 3, 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. Amounts for "Total Appropriation" and sums shown in the corresponding columns marked "Appropriations by Fund" are summary only and do not have legal effect. 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.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2018</u>	<u>2019</u>

Sec. 2. **DEPARTMENT OF TRANSPORTATION**

Subdivision 1. **Total Appropriation**

<u>\$-0-</u>	<u>\$136,590,000</u>
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Appropriations by Fund

	<u>2018</u>	<u>2019</u>
<u>General</u>	<u>-0-</u>	<u>24,332,000</u>
<u>Special Revenue</u>	<u>-0-</u>	<u>1,550,000</u>
<u>C.S.A.H.</u>	<u>-0-</u>	<u>24,945,000</u>
<u>M.S.A.S.</u>	<u>-0-</u>	<u>6,552,000</u>
<u>Trunk Highway</u>	<u>-0-</u>	<u>80,750,000</u>

The appropriations in this section are to the commissioner of transportation. The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Aeronautics** -0- 3,000,000

Appropriations by Fund

	<u>2018</u>	<u>2019</u>
<u>General</u>	<u>-0-</u>	<u>2,000,000</u>
<u>Airports</u>	<u>-0-</u>	<u>1,000,000</u>

This appropriation is for a grant to the city of Rochester to acquire and install a CAT II approach system at the Rochester International Airport. This appropriation is available when the commissioner of management and budget determines that sufficient resources have been committed to complete the project, as required by Minnesota Statutes, section 16A.502, and is available until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642. This is a onetime appropriation.

Subd. 3. **Passenger Rail** -0- 850,000

\$850,000 in the second year is from the general fund to study and report on the extension of the Northstar Commuter Rail line from Big Lake to St. Cloud. This is a onetime appropriation.

Subd. 4. **Freight Rail**

(a) **Freight Rail Economic Development (FRED)** -0- 5,000,000

This appropriation is for the freight rail economic development program under Minnesota Statutes, section 222.505.

The base is \$2,000,000 in each of fiscal years 2020 and 2021.

(b) **Rice Creek Railroad Bridge** -0- 1,550,000

This appropriation is from the freight rail account in the special revenue fund under the freight rail economic development program in Minnesota Statutes, section 222.505, for the grant under section 13.

This appropriation is available when the commissioner of management and budget determines that sufficient resources have been committed to complete the project, as required by Minnesota Statutes, section 16A.502, and is available until the project is completed or abandoned subject to Minnesota Statutes, section 16A.642. This is a onetime appropriation.

Subd. 5. State Roads

Unless otherwise specified, the appropriations in this subdivision are from the trunk highway fund.

<u>(a) Operations and Maintenance</u>	<u>-0-</u>	<u>11,095,000</u>
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This is a onetime appropriation.

(b) Program Planning and Delivery

<u>(1) Planning and Research</u>	<u>-0-</u>	<u>2,094,000</u>
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If a balance remains of this appropriation, the commissioner may transfer up to that amount for program delivery under clause (2).

This is a onetime appropriation.

<u>(2) Program Delivery</u>	<u>-0-</u>	<u>13,317,000</u>
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Appropriations by Fund

	<u>2018</u>	<u>2019</u>
<u>General</u>	<u>-0-</u>	<u>6,230,000</u>
<u>Trunk Highway</u>	<u>-0-</u>	<u>7,087,000</u>

This appropriation includes use of consultants to support development and management of projects. This is a onetime appropriation.

\$5,400,000 in the second year is from the general fund for a grant to the city of Virginia to repay loans incurred by the city for costs related to utility relocation for the U.S. Highway 53 project. This is a onetime appropriation.

\$830,000 in the second year is from the general fund for a grant to the city of Mankato for a project to increase the height of a levee and related construction on a segment of marked Trunk Highway 169 north of the Highway 14 interchange to accommodate the raising of a levee. This appropriation is for the local share the city of Mankato would be responsible for under the state's Cost Participation and Maintenance with Local Units of Government Manual, or any contract between the state and the city of Mankato.

This is a onetime appropriation and is available when the commissioner of management and budget determines that sufficient resources have been committed to complete the project, as required by Minnesota Statutes, section 16A.502.

(c) State Road Construction

-0-

48,155,000

This appropriation is for the actual construction, reconstruction, and improvement of trunk highways, including design-build contracts, internal department costs associated with delivering the construction program, consultant use to support the activities, and the cost of actual payments to landowners for lands acquired for highway rights-of-way, payment to lessees, interest subsidies, and relocation expenses. This is a onetime appropriation.

(d) Corridors of Commerce

-0-

10,000,000

This appropriation is for the corridors of commerce program under Minnesota Statutes, section 161.088. This is a onetime appropriation.

(e) Highway Debt Service

-0-

2,319,000

\$2,319,000 in fiscal year 2019 is for transfer to the state bond fund. If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of management and budget must transfer the deficiency amount under the statutory open appropriation and notify the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance and the chairs of the senate Finance Committee and the house of representatives Ways and Means Committee of the amount of the deficiency. Any excess appropriation cancels to the trunk highway fund.

Subd. 6. Local Roads

(a) County State-Aid Roads

-0-

24,945,000

This appropriation is from the county state-aid highway fund under Minnesota Statutes, sections 161.081 and 297A.815, subdivision 3, and Minnesota Statutes, chapter 162, and is available until June 30, 2027. This is a onetime appropriation.

(b) Municipal State-Aid Roads

-0-

6,552,000

This appropriation is from the municipal state-aid street fund under Minnesota Statutes, chapter 162, and is available until June 30, 2027. This is a onetime appropriation.

<u>(c) Small Cities Assistance</u>	<u>-0-</u>	<u>7,000,000</u>
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This appropriation is for the small cities assistance program under Minnesota Statutes, section 162.145.

The base is \$8,081,000 in fiscal year 2020 and \$8,082,000 in fiscal year 2021.

<u>(d) Town Roads</u>	<u>-0-</u>	<u>2,000,000</u>
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This appropriation is for town roads, to be distributed in the manner provided under Minnesota Statutes, section 162.081. This is a onetime appropriation.

<u>Subd. 7. Agency Services</u>	<u>-0-</u>	<u>201,000</u>
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\$201,000 in the second year is from the general fund to facilitate tribal training for state agencies. The base from the general fund is \$210,000 in fiscal year 2020 and \$235,000 in fiscal year 2021.

Sec. 3. **DEPARTMENT OF PUBLIC SAFETY**

<u>Subdivision 1. Total Appropriation</u>	<u>\$-0-</u>	<u>\$18,059,000</u>
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The appropriations in this section are to the commissioner of public safety. The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Driver and Vehicle Services**

<u>(a) Public Information Center</u>	<u>-0-</u>	<u>7,296,000</u>
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\$7,296,000 in the second year is from the general fund to support the Driver and Vehicle Services Public Information Center.

<u>(b) Minnesota Licensing and Registration System (MNLARS)</u>	<u>-0-</u>	<u>10,763,000</u>
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\$10,763,000 in the second year is from the general fund to fix, operate, and maintain the driver and vehicle information system known as Minnesota Licensing and Registration System (MNLARS). This is a onetime appropriation.

<u>Sec. 4. METROPOLITAN COUNCIL</u>	<u>\$-0-</u>	<u>\$3,500,000</u>
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This appropriation is for financial assistance to replacement service providers under Minnesota Statutes, section 473.388, for the purposes of the suburb-to-suburb transit project authorized under Laws 2015, chapter 75, article 1, section 4. Of the amount in the second year, \$2,500,000 is for capital improvements, including bus replacement, associated with the project. The replacement service providers must collectively identify and notify the Metropolitan

Council of the capital expenditures under this rider, and the Metropolitan Council must allocate funds as directed by the replacement service providers. The council is prohibited from retaining any portion of the funds under this appropriation. This is a onetime appropriation.

Notwithstanding Laws 2017, First Special Session chapter 3, article 1, section 3, the base is \$90,747,000 in fiscal year 2020 and \$90,730,000 in fiscal year 2021.

Sec. 5. **DEPARTMENT OF MANAGEMENT AND BUDGET**

\$9,000,000

\$-0-

This appropriation is for reimbursement grants to deputy registrars under Minnesota Statutes, section 168.335, provided that the time period under Minnesota Statutes, section 168.335, subdivision 3, paragraph (a), clause (1), is August 1, 2017, through January 31, 2018.

\$6,265,000 in the first year is from the driver services operating account and \$2,735,000 in the first year is from the vehicle services operating account.

For the appropriation in the first year, the commissioner of management and budget must make efforts to reimburse deputy registrars within 30 days of the effective date of this section.

The base from the general fund is \$9,000,000 in each of fiscal years 2020 and 2021. The base from the driver services operating account is \$0 in each of fiscal years 2020 and 2021. The base from the vehicle services operating account is \$0 in each of fiscal years 2020 and 2021.

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

Sec. 6. Laws 2017, First Special Session chapter 3, article 1, section 2, subdivision 2, is amended to read:

Subd. 2. **Multimodal Systems**

(a) **Aeronautics**

(1) **Airport Development and Assistance**

26,001,000

16,598,000

This appropriation is from the state airports fund and must be spent according to Minnesota Statutes, section 360.305, subdivision 4.

Notwithstanding Minnesota Statutes, section 16A.28, subdivision 6, this appropriation is available for five years after the year of the appropriation. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$6,619,000 in the first year is for a grant to the Duluth Airport Authority for improvements at the Duluth International Airport and the Sky Harbor Airport in accordance with Minnesota Statutes, section 360.017. For the purposes of this appropriation, the commissioner may waive the requirements of Minnesota Statutes, section 360.305, subdivision 4, paragraph (b). This appropriation may be used to reimburse the Authority for costs incurred after March 1, 2015. This is a onetime appropriation.

\$2,334,000 in the first year is for a grant to the city of Rochester for improvements to the passenger terminal building at the Rochester International Airport in accordance with Minnesota Statutes, section 360.017. For the purposes of this appropriation, the commissioner of transportation may waive the requirements of Minnesota Statutes, section 360.305, subdivision 4, paragraph (b). This appropriation may be used to reimburse the city for costs incurred after May 1, 2016. This is a onetime appropriation.

Notwithstanding Minnesota Statutes, section 360.017, \$250,000 in the first year is for a grant to the city of St. Cloud for an air transport optimization planning study for the St. Cloud Regional Airport. The study must be comprehensive and market-based, using economic development and air service expertise to research, analyze, and develop models and strategies that maximize the return on investments made to enhance the use and impact of the St. Cloud Regional Airport. By January 5, 2018, the city of St. Cloud shall submit a report to the governor and the members and staff of the legislative committees with jurisdiction over capital investment, transportation, and economic development with recommendations based on the findings of the study. This is a onetime appropriation.

If the commissioner of transportation determines that a balance remains in the state airports fund following the appropriations made in this article and that the appropriations made are insufficient for advancing airport development and assistance projects, an amount necessary to advance the projects, not to exceed the balance in the state airports fund, is appropriated in each year to the commissioner and must be spent according to Minnesota Statutes, section 360.305, subdivision 4. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation must notify the commissioner of management and budget and the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance concerning the funds appropriated. Funds appropriated under this contingent appropriation do not adjust the base for fiscal years 2020 and 2021.

The base is \$15,298,000 in each of fiscal years 2020 and 2021.

(2) **Aviation Support and Services** 6,710,000 6,854,000

Appropriations by Fund

	2018	2019
Airports	5,231,000	5,231,000
Trunk Highway	1,479,000	1,623,000

(3) **Civil Air Patrol** 3,580,000 80,000

This appropriation is from the state airports fund for the Civil Air Patrol.

\$3,500,000 in the first year is for a grant to: (1) perform site selection and analysis; (2) purchase, renovate a portion of and, or construct an addition to the training and maintenance facility located at the South St. Paul airport, facilities; and to (3) furnish and equip the facility facilities, including communications equipment. If the Civil Air Patrol purchases an existing facility, predesign requirements are waived. The facilities must be located at an airport in Minnesota. Notwithstanding the matching requirements in Minnesota Statutes, section 360.305, subdivision 4, a nonstate contribution is not required for this appropriation. Notwithstanding Minnesota Statutes, section 16A.28, subdivision 6, this appropriation is available for five six years after the year of the appropriation. This is a onetime appropriation.

(b) **Transit** 1,416,000 18,268,000

Appropriations by Fund

	2018	2019
General	570,000	17,395,000
Trunk Highway	846,000	873,000

\$150,000 in each year is from the general fund for grants to transportation management organizations that provide services exclusively or primarily in the city located along the marked Interstate Highway 494 corridor having the highest population as of the effective date of this section. The commissioner must not retain any portion of the funds appropriated under this section. From the appropriation in each fiscal year, the commissioner must make grant payments in full by July 31. Permissible uses of funds under this grant include administrative expenses and programming and service expansion, including but not limited to staffing, communications, outreach and education program development, and operations management. This is a onetime appropriation.

The base from the general fund is \$17,245,000 in each year for fiscal years 2020 and 2021.

(c) Safe Routes to School	500,000	500,000
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This appropriation is from the general fund for the safe routes to school program under Minnesota Statutes, section 174.40.

(d) Passenger Rail	500,000	500,000
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This appropriation is from the general fund for passenger rail system planning, alternatives analysis, environmental analysis, design, and preliminary engineering under Minnesota Statutes, sections 174.632 to 174.636.

(e) **Freight**

Freight and Commercial Vehicle Operations	8,506,000	6,578,000
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Appropriations by Fund

	2018	2019
General	3,156,000	1,056,000
Trunk Highway	5,350,000	5,522,000

\$1,100,000 in the first year is from the general fund for port development assistance grants under Minnesota Statutes, chapter 457A, to the city of Red Wing and to the Port Authority of Winona. Any improvements made with the proceeds of the grants must be publicly owned. This is a onetime appropriation and is available in the second year.

\$800,000 in each year is from the general fund for additional rail safety and rail service activities.

\$1,000,000 in the first year is from the general fund for a grant to the city of Grand Rapids to fund rail planning studies, design, and preliminary engineering relating to the construction of a freight rail line located in the counties of Itasca, St. Louis, and Lake to serve local producers and shippers. The city of Grand Rapids shall collaborate with the Itasca Economic Development Corporation and the Itasca County Regional Railroad Authority in the activities funded with the proceeds of this grant. This is a onetime appropriation and is available until June 30, 2019.

Sec. 7. Laws 2017, First Special Session chapter 3, article 1, section 4, subdivision 1, is amended to read:

Subdivision 1. Total Appropriation	\$199,838,000	\$ 199,407,000 <u>198,041,000</u>
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Appropriations by Fund

	2018	2019
General	19,971,000	14,381,000
Special Revenue	63,945,000	65,087,000
H.U.T.D.	10,474,000	10,486,000
		<u>9,120,000</u>
Trunk Highway	105,448,000	109,453,000

The appropriations in this section are to the commissioner of public safety. The amounts that may be spent for each purpose are specified in the following subdivisions.

Sec. 8. Laws 2017, First Special Session chapter 3, article 1, section 4, subdivision 2, is amended to read:

Subd. 2. **Administration and Related Services**

(a) Office of Communications	553,000	573,000
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Appropriations by Fund

	2018	2019
General	127,000	130,000
Trunk Highway	426,000	443,000

(b) Public Safety Support	6,372,000	6,569,000 <u>5,203,000</u>
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Appropriations by Fund

	2018	2019
General	1,225,000	1,235,000
H.U.T.D.	1,366,000	1,366,000
		<u>-0-</u>
Trunk Highway	3,781,000	3,968,000

(c) Public Safety Officer Survivor Benefits	640,000	640,000
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This appropriation is from the general fund for payment of public safety officer survivor benefits under Minnesota Statutes, section 299A.44.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

(d) Public Safety Officer Reimbursements	1,367,000	1,367,000
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This appropriation is from the general fund to be deposited in the public safety officer's benefit account. This money is available for reimbursements under Minnesota Statutes, section 299A.465.

(e) Soft Body Armor Reimbursements	700,000	700,000
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Appropriations by Fund

	2018	2019
General	600,000	600,000
Trunk Highway	100,000	100,000

This appropriation is for soft body armor reimbursements under Minnesota Statutes, section 299A.38.

(f) Technology and Support Service	3,777,000	3,814,000
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Appropriations by Fund

	2018	2019
General	1,353,000	1,365,000
H.U.T.D.	19,000	19,000
Trunk Highway	2,405,000	2,430,000

Sec. 9. METRO TRANSIT; APPROPRIATION.

\$45,000,000 in fiscal year 2020 and \$45,000,000 in fiscal year 2021 are appropriated from the general fund to the Metropolitan Council for transit system operations under Minnesota Statutes, sections 473.371 to 473.449.

Sec. 10. HIGHWAY USER TAX DISTRIBUTION FUND TRANSFER.

\$75,270,000 in fiscal year 2019 is transferred from the general fund to the commissioner of transportation for deposit in the highway user tax distribution fund.

Sec. 11. RAIL SERVICE IMPROVEMENT ACCOUNT TRANSFER.

On June 30, 2018, the commissioner of transportation must transfer the entire balance in the rail service improvement account to the freight rail account in the special revenue fund. Any encumbrance from the rail service improvement account made before the transfer remains in effect from the freight rail account following the transfer.

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

Sec. 12. DRIVER AND VEHICLE SERVICES FUND.

(a) On July 1, 2019, the commissioner of public safety must transfer the entire account balances as follows: (1) from the driver services operating account in the special revenue fund to the driver services operating account in the driver and vehicle services fund; (2) from the vehicle services operating account in the special revenue fund to the vehicle services operating account in the driver and vehicle services fund; and (3) from the driver and vehicle services technology account in the special revenue fund to the driver and vehicle services technology account in the driver and vehicle services fund.

(b) Any encumbrance from an account identified in paragraph (a) made before the transfer remains in effect from the corresponding account following the transfer.

(c) The appropriations in fiscal year 2019 from the driver services operating account and from the vehicle services operating account under Laws 2017, First Special Session chapter 3, article 1, section 4, are available from the corresponding account in the driver and vehicle services fund under Minnesota Statutes, sections 299A.704 and 299A.705, for the purposes specified under Laws 2017, First Special Session chapter 3, article 1, section 4.

Sec. 13. **RICE CREEK RAILROAD BRIDGE.**

(a) From funds specifically made available for purposes of this section, the commissioner of transportation must provide a grant to Minnesota Commercial Railway Company to demolish the existing railroad bridge over Rice Creek in New Brighton and to predesign, design, acquire any needed right-of-way, engineer, construct, and equip a replacement railroad bridge to meet the needs of the railroad operators that use the bridge.

(b) The grant under this section is contingent on:

(1) review and approval of the railway company's design, engineering, and plans for the project by Ramsey County to ensure the project does not interfere with recreational use of adjacent park property and Rice Creek, and by the Rice Creek Watershed District to ensure that the project's impact on flows in the creek complies with the watershed district's adopted rules. These reviews and approvals are in addition to any other reviews, permits, or approvals required for the project;

(2) Minnesota Commercial Railway Company removing all structures related to the existing bridge, including any pilings, footings, or water control structures placed to protect the existing bridge structures, from the Rice Creek streambed as part of the demolition and removal of the existing bridge, except to the extent prohibited by a permitting authority, including but not limited to the Department of Natural Resources and the United States Army Corps of Engineers. The replacement bridge and structures are the property of the owner of the railroad right-of-way and railroad operator, as may be arranged between them; and

(3) Minnesota Commercial Railway Company entering into an agreement with Ramsey County that: (i) grants the company access to both construct and perform ongoing maintenance on the bridge; and (ii) provides for repair of the county trail damaged by railway maintenance work that occurred on the two years before the effective date of this section, as well as immediately after construction and any subsequent maintenance activities.

(c) By entering into a grant agreement with the commissioner of transportation, Minnesota Commercial Railway Company agrees to cooperate with the city of New Brighton and Ramsey County to develop crossings and trails in or near to the railway right-of-way in the city.

Sec. 14. **EFFECT OF DUPLICATE APPROPRIATIONS.**

If an appropriation in this act is enacted more than once in the 2018 legislative session for the same purpose, the appropriation must be given effect only once.

ARTICLE 13
TRANSPORTATION BONDS

Section 1. **BOND APPROPRIATIONS.**

The sums shown in the column under "Appropriations" are appropriated from the bond proceeds account in the trunk highway fund to the state agencies or officials indicated, to be spent for public purposes. Appropriations of bond proceeds must be spent as authorized by the Minnesota Constitution, articles XI and XIV. Unless otherwise specified, money appropriated in this article for a capital program or project may be used to pay state agency staff costs that are attributed directly to the capital program or project in accordance with accounting policies adopted by the commissioner of management and budget.

SUMMARY

<u>Department of Transportation</u>	<u>\$250,000,000</u>
<u>Department of Management and Budget</u>	<u>250,000</u>

<u>TOTAL</u>	<u>\$250,250,000</u>
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APPROPRIATIONSSec. 2. **DEPARTMENT OF TRANSPORTATION**

Subdivision 1. <u>Corridors of Commerce</u>	<u>\$145,000,000</u>
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This appropriation is to the commissioner of transportation for the corridors of commerce program under Minnesota Statutes, section 161.088.

The commissioner may use up to 17 percent of the amount for program delivery.

Subd. 2. <u>Trunk Highway-Rail Grade Separations</u>	<u>\$75,000,000</u>
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This appropriation is to the commissioner of transportation for trunk highway-rail grade separation projects (1) identified as priority grade separation recommendations in the final report on highway-rail grade crossing improvements submitted under Laws 2014, chapter 312, article 10, section 10; and (2) for which trunk highway bond proceeds are a permissible use. The commissioner must first prioritize grade separation projects that eliminate a skewed intersection of two trunk highways.

If any proceeds under this subdivision remain following a determination by the commissioner that sufficient resources have been committed to complete all eligible projects, the remaining amount is available for the corridors of commerce program under Minnesota Statutes, section 161.088.

Subd. 3. <u>Transportation Facilities Capital</u>	<u>\$30,000,000</u>
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This appropriation is to the commissioner of transportation for the transportation facilities capital program under Minnesota Statutes, section 174.13.

Sec. 3. <u>BOND SALE EXPENSES</u>	<u>\$250,000</u>
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This appropriation is to the commissioner of management and budget for bond sale expenses under Minnesota Statutes, sections 16A.641, subdivision 8, and 167.50, subdivision 4.

Sec. 4. BOND SALE AUTHORIZATION.

To provide the money appropriated in this article from the bond proceeds account in the trunk highway fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$250,250,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota Constitution, article XIV, section 11, at the times and in the amounts requested by the commissioner of transportation. The proceeds of the bonds, except accrued interest and any premium received from the sale of the bonds, must be deposited in the bond proceeds account in the trunk highway fund.

ARTICLE 14
TRANSPORTATION POLICY AND FINANCE

Section 1. Minnesota Statutes 2017 Supplement, section 3.972, subdivision 4, is amended to read:

Subd. 4. **Certain transit financial activity reporting.** (a) The legislative auditor must perform a transit financial activity review of financial information for the Metropolitan Council's Transportation Division ~~and the joint powers board under section 297A.992. Within 14 days of the end of each fiscal quarter, two times each year.~~ The first report, due April 1, must include the quarters ending on September 30 and December 31 of the previous calendar year. The second report, due October 1, must include the quarters ending on March 31 and June 30 of the current year. The legislative auditor must submit the review to the Legislative Audit Commission and the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance, finance, and ways and means.

(b) At a minimum, each transit financial activity review must include:

(1) a summary of monthly financial statements, including balance sheets and operating statements, that shows income, expenditures, and fund balance;

(2) a list of any obligations and agreements entered into related to transit purposes, whether for capital or operating, including but not limited to bonds, notes, grants, and future funding commitments;

(3) the amount of funds in clause (2) that has been committed;

(4) independent analysis by the fiscal oversight officer of the fiscal viability of revenues and fund balance compared to expenditures, taking into account:

(i) all expenditure commitments;

(ii) cash flow;

(iii) sufficiency of estimated funds; and

(iv) financial solvency of anticipated transit projects; and

(5) a notification concerning whether the requirements under paragraph (c) have been met.

(c) The Metropolitan Council ~~and the joint powers board under section 297A.992~~ must produce monthly financial statements as necessary for the review under paragraph (b), clause (1), and provide timely information as requested by the legislative auditor.

(d) This subdivision expires April 15, 2023.

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

Sec. 2. Minnesota Statutes 2016, section 13.461, is amended by adding a subdivision to read:

Subd. 33. **Metropolitan Council special transportation service.** Data sharing between the commissioner of human services and the Metropolitan Council to administer and coordinate transportation services for individuals with disabilities and elderly individuals is governed by section 473.386, subdivision 9.

EFFECTIVE DATE. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 3. Minnesota Statutes 2016, section 13.6905, subdivision 3, is amended to read:

Subd. 3. **Motor vehicle registration.** Various data on motor vehicle registrations are classified under sections 168.327, subdivision 3, and 168.346. Use of vehicle registration data is governed by section 168.345.

Sec. 4. Minnesota Statutes 2016, section 13.72, subdivision 10, is amended to read:

Subd. 10. **Transportation service data.** (a) Personal, medical, financial, familial, or locational information data pertaining to applicants for or users of services providing transportation for ~~the disabled~~ individuals with disabilities or elderly individuals are private data on individuals.

(b) Private transportation service data may be disclosed between the commissioner of human services and the Metropolitan Council to administer and coordinate human services programs and transportation services for individuals with disabilities and elderly individuals under section 473.386.

EFFECTIVE DATE. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 5. Minnesota Statutes 2017 Supplement, section 160.02, subdivision 1a, is amended to read:

Subd. 1a. **Bikeway.** "Bikeway" ~~means a bicycle lane, bicycle path, shared use path, bicycle route, or similar bicycle facility, regardless of whether designed for the exclusive use of bicycles or for shared use with other transportation modes~~ has the meaning given in section 169.011, subdivision 9.

Sec. 6. Minnesota Statutes 2016, section 160.295, subdivision 5, is amended to read:

Subd. 5. **Rural agricultural business or tourist-oriented business.** (a) A rural agricultural or tourist-oriented business served by a specific service sign must be open a minimum of eight hours per day, six days per week, and 12 months per year. ~~However,~~

(b) A seasonal business may qualify if it is served by a specific service sign must be open eight hours per day and six days per week during the normal seasonal period.

(c) A farm winery served by a specific service sign must:

(1) be licensed under section 340A.315;

(2) be licensed by the Department of Health under section 157.16 or by the commissioner of agriculture under section 28A.04;

(3) provide continuous, staffed food service operation; and

(4) be open at least four hours per day and two days per week.

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

Sec. 7. Minnesota Statutes 2016, section 161.115, subdivision 111, is amended to read:

Subd. 111. **Route No. 180.** Beginning at a point on Route No. ~~392 southwest or west of Ashby 3~~ at or near ~~Erdahl~~, thence extending in a general northerly or northeasterly direction to a point on ~~Route No. 153 as herein established at or near Ashby, thence extending in a northeasterly direction to a point on~~ Route No. 181 as herein established at or near Ottertail.

Sec. 8. Minnesota Statutes 2016, section 161.14, is amended by adding a subdivision to read:

Subd. 87. **Specialist Noah Pierce Bridge.** The bridge on marked U.S. Highway 53 over marked Trunk Highway 37 in the city of Eveleth is designated as "Specialist Noah Pierce Bridge." Subject to section 161.139, the commissioner shall adopt a suitable design to mark this bridge and erect appropriate signs.

Sec. 9. Minnesota Statutes 2016, section 161.14, is amended by adding a subdivision to read:

Subd. 88. **Officer Bill Mathews Memorial Highway.** That segment of marked U.S. Highway 12 within the city limits of Wayzata is designated as "Officer Bill Mathews Memorial Highway." Subject to section 161.139, the commissioner shall adopt a suitable design to mark this highway and erect appropriate signs.

Sec. 10. Minnesota Statutes 2016, section 161.14, is amended by adding a subdivision to read:

Subd. 89. **Warrant Officer Dennis A. Groth Memorial Bridge.** The bridge on marked U.S. Highway 52 over Dakota County State-Aid Highway 42, known as 145th Street within the city of Rosemount, is designated as "Warrant Officer Dennis A. Groth Memorial Bridge." Subject to section 161.139, the commissioner shall adopt a suitable design to mark the bridge and erect appropriate signs.

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

Sec. 11. Minnesota Statutes 2016, section 161.14, is amended by adding a subdivision to read:

Subd. 90. **State Trooper Ray Krueger Memorial Highway.** That segment of marked Trunk Highway 210 within Cass County is designated as "State Trooper Ray Krueger Memorial Highway." Subject to section 161.139, the commissioner shall adopt a suitable design to mark this highway and erect appropriate signs in the vicinity of the location where Trooper Krueger died.

Sec. 12. Minnesota Statutes 2016, section 161.32, subdivision 2, is amended to read:

Subd. 2. **Direct negotiation.** In cases where the estimated cost of construction work or maintenance work does not exceed ~~\$150,000~~ \$250,000, the commissioner may enter into a contract for the work by direct negotiation, by obtaining two or more quotations for the work, and without advertising for bids or otherwise complying with the requirements of competitive bidding if the total contractual obligation of the state for the directly negotiated contract or contracts on any single project does not exceed ~~\$150,000~~ \$250,000. All quotations obtained shall be kept on file for a period of at least one year after receipt of the quotation.

Sec. 13. **[161.369] INDIAN EMPLOYMENT PREFERENCE.**

(a) As authorized by United States Code, title 23, section 140(d), the commissioner of transportation may implement an Indian employment preference for members of federally recognized tribes on projects carried out under United States Code, title 23, near an Indian reservation.

(b) For purposes of this section, a project is near a reservation if: (1) the project is within the distance a person seeking employment could reasonably be expected to commute to and from each work day; or (2) the commissioner, in consultation with federally recognized Minnesota tribes, determines a project is near an Indian reservation.

Sec. 14. Minnesota Statutes 2016, section 168.10, subdivision 1h, is amended to read:

Subd. 1h. **Collector military vehicle.** (a) A motor vehicle, including a truck, shall be listed and registered under this section if it meets the following conditions:

(1) it is at least 20 years old;

(2) its first owner following its manufacture was a branch of the armed forces of the United States and it presently conforms to the vehicle specifications required during the time of military ownership, or it has been restored and presently conforms to the specifications required by a branch of the armed forces for the model year that the restored vehicle could have been owned by that branch of the armed forces; and

(3) it is owned by a nonprofit organization and operated solely as a collector's vehicle. For purposes of this subdivision, "nonprofit organization" means a corporation, society, association, foundation, or institution organized and operated exclusively for historical or educational purposes, no part of the net earnings of which inures to the benefit of a private individual.

(b) The owner of the vehicle shall execute an affidavit stating the name and address of the person from whom purchased and of the new owner; the make, year, and model number of the motor vehicle; the manufacturer's identification number; and the collector military vehicle identification number, if any, located on the exterior of the vehicle. The affidavit must affirm that the vehicle is owned by a nonprofit organization and is operated solely as a collector's item and not for general transportation purposes. If the commissioner is satisfied that the affidavit is true and correct and the owner pays a \$25 tax and the plate fee authorized under section 168.12, the commissioner shall list the vehicle for taxation and registration and shall issue number plates. The number plates shall bear the inscriptions "Collector" and "Minnesota" and the registration number, but no date. The number plates are valid without renewal as long as the vehicle is in existence in Minnesota. The commissioner may revoke the plates for failure to comply with this subdivision.

(c) Notwithstanding section 168.09, 168.12, or other law to the contrary, the owner of a registered collector military vehicle is not required to display registration plates on the exterior of the vehicle if the vehicle has an exterior number identification that conforms to the identifying system for military vehicles in effect when the vehicle was last owned by the branch of the armed forces of the United States or in effect in the year to which the collector military vehicle has been restored. However, the state registration plates must be carried in or on the collector military vehicle at all times.

(d) The owner of a registered collector military vehicle that is not required to display registration plates under paragraph (c) may tow a registered trailer behind it. The trailer is not required to display registration plates if the trailer:

(1) does not exceed a gross weight of 15,000 pounds;

- (2) otherwise conforms to registration, licensing, and safety laws and specifications;
- (3) conforms to military specifications for appearance and identification;
- (4) is intended to represent and does represent a military trailer; and
- (5) carries registration plates on or in the trailer or the collector military vehicle towing the trailer.

(e) This subdivision does not apply to a decommissioned military vehicle that (1) was also manufactured and sold as a comparable civilian vehicle, and (2) has the same size dimensions and vehicle weight as the comparable civilian vehicle. A decommissioned military vehicle under this paragraph is eligible for a motor vehicle title under chapter 168A and is subject to the same registration, insurance, equipment, and operating requirements as a motor vehicle.

Sec. 15. Minnesota Statutes 2016, section 168.101, subdivision 2a, is amended to read:

Subd. 2a. ~~Failure to send to registrar submit within ten days.~~ Any person who fails to mail in the application for registration or transfer with appropriate taxes and fees to the commissioner or a deputy registrar of motor vehicles, or otherwise fails to submit ~~said the~~ forms and remittance ~~to the registrar~~, within ten days following date of sale ~~shall be~~ is guilty of a misdemeanor.

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

Sec. 16. Minnesota Statutes 2016, section 168.127, subdivision 6, is amended to read:

Subd. 6. **Fee.** ~~Instead of the filing fee described in section 168.33, subdivision 7, For each vehicle in the fleet,~~ the applicant for fleet registration shall pay:

- (1) the filing fee in section 168.33, subdivision 7, for transactions processed by a deputy registrar; or
- (2) an equivalent administrative fee to the for transactions processed by the commissioner for each vehicle in the fleet, which is imposed in lieu of but in the same amount as the filing fee in section 168.33, subdivision 7.

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

Sec. 17. Minnesota Statutes 2016, section 168.326, is amended to read:

168.326 EXPEDITED DRIVER AND VEHICLE SERVICES; FEE.

(a) When an applicant requests and pays an expedited service fee of \$20, in addition to other specified and statutorily mandated fees and taxes, the commissioner or, if appropriate, a driver's license agent or deputy registrar, shall expedite the processing of an application for a driver's license, driving instruction permit, Minnesota identification card, or vehicle title transaction.

(b) A driver's license agent or deputy registrar may retain \$10 of the expedited service fee for each expedited service request processed by the licensing agent or deputy registrar.

(c) When expedited service is requested, materials must be mailed or delivered to the requester within three days of receipt of the expedited service fee excluding Saturdays, Sundays, or the holidays listed in section 645.44, subdivision 5. The requester shall comply with all relevant requirements of the requested document.

(d) The commissioner may decline to accept an expedited service request if it is apparent at the time it is made that the request cannot be granted. The commissioner must not decline an expedited service request and must not prevent a driver's license agent or deputy from accepting an expedited service request solely on the basis of limitations of the driver and vehicle services information technology system.

(e) The expedited service fees collected under this section for an application for a driver's license, driving instruction permit, or Minnesota identification card minus any portion retained by a licensing agent or deputy registrar under paragraph (b) must be paid into the driver services operating account in the special revenue fund specified under section 299A.705.

(f) The expedited service fees collected under this section for a transaction for a vehicle service minus any portion retained by a licensing agent or deputy registrar under paragraph (b) must be paid into the vehicle services operating account in the special revenue fund specified under section 299A.705.

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

Sec. 18. Minnesota Statutes 2016, section 168.33, is amended by adding a subdivision to read:

Subd. 8b. Transactions by mail. A deputy registrar may receive motor vehicle applications and submissions under this chapter and chapter 168A by mail, process the transactions, and retain the appropriate filing fee under subdivision 7.

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

Sec. 19. **[168.335] DEPUTY REGISTRAR REIMBURSEMENTS.**

Subdivision 1. Reimbursement grants. (a) By August 1 of a fiscal year in which funds are specifically made available for purposes of this section, the commissioner of management and budget must provide reimbursement grants to deputy registrars.

(b) The commissioner must use existing resources to administer the reimbursements.

Subd. 2. Eligibility. A deputy registrar office operated by the state is not eligible to receive funds under this section.

Subd. 3. Aid distribution. (a) The reimbursement grant to each deputy registrar, as identified by the Driver and Vehicle Services-designated office location number, is calculated as follows:

(1) 50 percent of available funds allocated proportionally based on (i) the number of transactions where a filing fee under section 168.33, subdivision 7, is retained by each deputy registrar during the preceding fiscal year, compared to (ii) the total number of transactions where a filing fee is retained by all deputy registrars during that time period; and

(2) 50 percent of available funds allocated proportionally based on (i) the number of transactions where a filing fee is retained by each deputy registrar from July 1, 2014, through June 30, 2017, compared to (ii) the total number of transactions where a filing fee is retained by all deputy registrars during that time period.

(b) For a deputy registrar appointed after July 1, 2014, the commissioner of management and budget must identify whether a corresponding discontinued deputy registrar appointment exists. If a corresponding discontinued deputy registrar is identified, the commissioner must include the transactions of the discontinued deputy registrar in the calculations under paragraph (a) for the deputy registrar appointed after July 1, 2014.

(c) For a deputy registrar appointed after July 1, 2014, for which paragraph (b) does not apply, the commissioner of management and budget must calculate that deputy registrar's proportional share under paragraph (a), clause (2), based on the average number of transactions where a filing fee is retained among the deputy registrars, as calculated excluding any deputy registrars for which this paragraph applies.

(d) In the calculations under paragraph (a), the commissioner of management and budget must exclude transactions for (1) a deputy registrar office operated by the state, and (2) a discontinued deputy registrar for which paragraph (b) does not apply.

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

Sec. 20. Minnesota Statutes 2016, section 168.345, subdivision 2, is amended to read:

Subd. 2. **Lessees; information.** The commissioner may not furnish information about registered owners of passenger automobiles who are lessees under a lease for a term of 180 days or more to any person except the personnel of law enforcement agencies and, trade associations performing a member service under section 604.15, subdivision 4a, federal, state, and local governmental units, and, at the commissioner's discretion, to persons who use the information to notify lessees of automobile recalls. The commissioner may release information about lessees in the form of summary data, as defined in section 13.02, to persons who use the information in conducting statistical analysis and market research.

Sec. 21. Minnesota Statutes 2016, section 168A.02, subdivision 1, is amended to read:

Subdivision 1. **Application for certificate of title.** (a) Except as provided in section 168A.03, every owner of a vehicle which is in this state and for which no currently effective certificate of title has been issued in this state shall make application to the department for a certificate of title of the vehicle, pursuant to rules adopted by the department under section 168A.24, subdivision 2, clause 3 (3).

(b) A decommissioned military vehicle that (1) was also manufactured and sold as a comparable civilian vehicle, and (2) has the same size dimensions and vehicle weight as the comparable civilian vehicle, is eligible for a certificate of title under this chapter.

Sec. 22. Minnesota Statutes 2016, section 168A.151, subdivision 1, is amended to read:

Subdivision 1. **Salvage titles.** (a) When an insurer, licensed to conduct business in Minnesota, acquires ownership of a ~~late model or high value~~ vehicle through payment of damages, the insurer shall immediately apply for a salvage certificate of title or shall stamp the existing certificate of title with the legend "SALVAGE CERTIFICATE OF TITLE" in a manner prescribed by the department. Within ten days of obtaining the title of a vehicle through payment of damages, an insurer must notify the department in a manner prescribed by the department.

(b) A person shall immediately apply for a salvage certificate of title if the person acquires a damaged ~~late model or high value~~ vehicle with an out-of-state title and the vehicle:

- (1) is a vehicle that was acquired by an insurer through payment of damages;
- (2) is a vehicle for which the cost of repairs exceeds the value of the damaged vehicle; or
- (3) has an out-of-state salvage certificate of title as proof of ownership.

(c) A self-insured owner of a ~~late model or high value~~ vehicle that sustains damage by collision or other occurrence which exceeds 80 percent of its actual cash value shall immediately apply for a salvage certificate of title.

Sec. 23. Minnesota Statutes 2016, section 168A.29, subdivision 1, is amended to read:

Subdivision 1. **Amounts.** (a) The department must be paid the following fees:

(1) for filing an application for and the issuance of an original certificate of title, ~~the sum of:~~

~~(i) until December 31, 2016, \$6.25 of which \$3.25 must be paid into the vehicle services operating account of the special revenue fund under section 299A.705, and from July 1, 2012, to June 30, 2016, a surcharge of \$1 must be added to the fee and credited to the driver and vehicle services technology account; and~~

~~(ii) on and after January 1, 2017, \$8.25, of which \$4.15 must be paid into the vehicle services operating account under section 299A.705;~~

(2) for each security interest when first noted upon a certificate of title, including the concurrent notation of any assignment thereof and its subsequent release or satisfaction, ~~the sum of \$2~~, except that no fee is due for a security interest filed by a public authority under section 168A.05, subdivision 8;

~~(3) until December 31, 2016, for the transfer of the interest of an owner and the issuance of a new certificate of title, the sum of \$5.50 of which \$2.50 must be paid into the vehicle services operating account of the special revenue fund under section 299A.705, and from July 1, 2012, to June 30, 2016, a surcharge of \$1 must be added to the fee and credited to the driver and vehicle services technology account;~~

~~(4)~~ (3) for each assignment of a security interest when first noted on a certificate of title, unless noted concurrently with the security interest, ~~the sum of \$1~~; and

~~(5)~~ (4) for issuing a duplicate certificate of title, ~~the sum of \$7.25, of which \$3.25 must be paid into the vehicle services operating account of the special revenue fund under section 299A.705; from July 1, 2012, to June 30, 2016, a surcharge of \$1 must be added to the fee and credited to the driver and vehicle services technology account.~~

(b) In addition to the fee required under paragraph (a), clause (1), the department must be paid \$3.50. The additional \$3.50 fee collected under this paragraph must be deposited in the special revenue fund and credited to the public safety motor vehicle account established in section 299A.70.

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

Sec. 24. Minnesota Statutes 2016, section 169.011, subdivision 5, is amended to read:

Subd. 5. **Bicycle lane.** "Bicycle lane" means a portion of a roadway ~~or shoulder~~ designed for exclusive or preferential use by persons using bicycles. Bicycle lanes are to be distinguished from the portion of the roadway ~~or shoulder~~ used for motor vehicle traffic by physical barrier, striping, marking, or other similar device.

Sec. 25. Minnesota Statutes 2016, section 169.011, subdivision 9, is amended to read:

Subd. 9. **Bikeway.** "Bikeway" means a bicycle lane, bicycle path, ~~or~~ bicycle route, shared use path, or similar bicycle facility, regardless of whether it is designed for the exclusive use of bicycles or ~~is to be for~~ shared use with other transportation modes.

Sec. 26. Minnesota Statutes 2016, section 169.011, subdivision 60, is amended to read:

Subd. 60. **Railroad train.** "Railroad train" means a steam engine, electric or other motor, with or without cars coupled thereto, operated upon rails, except streetcars. Railroad train includes on-track equipment or other rolling stock operated upon rails, whether the on-track equipment or rolling stock is self-propelled or coupled to another device.

Sec. 27. Minnesota Statutes 2016, section 169.18, subdivision 3, is amended to read:

Subd. 3. **Passing.** ~~The following rules shall govern the overtaking and passing of vehicles proceeding in the same direction, subject to the limitations, exceptions, and special rules hereinafter stated:~~

~~(1) (a)~~ The driver of a vehicle overtaking another vehicle proceeding in the same direction ~~shall~~ must pass to the left ~~thereof of the other vehicle~~ at a safe distance and ~~shall not again drive~~ is prohibited from returning to the right side of the roadway until safely clear of the overtaken vehicle;

~~(2) (b)~~ Except when overtaking and passing on the right is permitted, the driver of an overtaken vehicle ~~shall~~ must give way to the right in favor of the overtaking vehicle ~~on audible warning~~, and ~~shall~~ must not increase the speed ~~of the overtaken vehicle~~ until completely passed by the overtaking vehicle; ~~and~~.

~~(3) (c)~~ The operator of a motor vehicle overtaking a bicycle or individual proceeding in the same direction on the roadway ~~shall leave or shoulder must~~:

~~(1) either (i) maintain a safe clearance distance while passing, but in no case less than three feet clearance, when passing the bicycle or individual or one-half the width of the motor vehicle, whichever is greater; or (ii) completely enter another lane of the roadway while passing; and shall~~

~~(2) maintain clearance until the motor vehicle has safely past passed the overtaken bicycle or individual.~~

Sec. 28. Minnesota Statutes 2016, section 169.222, subdivision 1, is amended to read:

Subdivision 1. **Traffic laws apply.** (a) Every person operating a bicycle ~~shall have~~ has all of the rights and duties applicable to the driver of any other vehicle by this chapter, except in respect to those provisions in this chapter relating expressly to bicycles and in respect to those provisions of this chapter which by their nature cannot reasonably be applied to bicycles. This subdivision applies to a bicycle operating on the shoulder of a roadway.

(b) A person lawfully operating a bicycle (1) on a sidewalk, or (2) across a roadway or shoulder on a crosswalk, has all the rights and duties applicable to a pedestrian under the same circumstances.

Sec. 29. Minnesota Statutes 2016, section 169.222, subdivision 4, is amended to read:

Subd. 4. **Riding rules.** (a) Every person operating a bicycle ~~upon a roadway shall~~ on a road must ride as close as ~~practicable~~ to the right-hand curb or edge of the ~~roadway except under any of the following situations~~ road as the bicycle operator determines is safe. A person operating a bicycle is not required to ride as close to the right-hand curb when:

(1) ~~when~~ overtaking and passing another vehicle proceeding in the same direction;

(2) ~~when~~ preparing for a left turn at an intersection or into a private road or driveway;

(3) ~~when~~ reasonably necessary to avoid conditions that make it unsafe to continue along the right-hand curb or edge, including fixed or moving objects, vehicles, pedestrians, animals, surface hazards, or narrow width lanes, ~~that make it unsafe to continue along the right-hand curb or edge; or~~

(4) ~~when~~ operating on the shoulder of a roadway or in a bicycle lane; or

(5) operating in a right-hand turn lane before entering an intersection.

(b) If a bicycle is traveling on a shoulder of a roadway, the bicycle ~~shall~~ operator must travel in the same direction as adjacent vehicular traffic.

(c) Persons riding bicycles upon a roadway or shoulder shall not ride more than two abreast and shall not impede the normal and reasonable movement of traffic and, on a laned roadway, shall ride within a single lane.

(d) A person operating a bicycle upon a sidewalk, or across a roadway or shoulder on a crosswalk, shall yield the right-of-way to any pedestrian and shall give an audible signal when necessary before overtaking and passing any pedestrian. No person shall ride a bicycle upon a sidewalk within a business district unless permitted by local authorities. Local authorities may prohibit the operation of bicycles on any sidewalk or crosswalk under their jurisdiction.

(e) An individual operating a bicycle or other vehicle on a bikeway shall leave a safe distance when overtaking a bicycle or individual proceeding in the same direction on the bikeway, and shall maintain clearance until safely past the overtaken bicycle or individual.

~~(f) A person lawfully operating a bicycle on a sidewalk, or across a roadway or shoulder on a crosswalk, shall have all the rights and duties applicable to a pedestrian under the same circumstances.~~

~~(g)~~ (f) A person may operate an electric-assisted bicycle on the shoulder of a roadway, on a bikeway, or on a bicycle trail if not otherwise prohibited under section 85.015, subdivision 1d; 85.018, subdivision 2, paragraph (d); or 160.263, subdivision 2, paragraph (b), as applicable.

(g) Notwithstanding section 169.06, subdivision 4, a bicycle operator may cross an intersection proceeding from a dedicated right-hand turn lane without turning right.

Sec. 30. Minnesota Statutes 2016, section 169.26, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** (a) Except as provided in section 169.28, subdivision 1, when any person driving a vehicle approaches a railroad grade crossing under any of the circumstances stated in this paragraph, the driver shall stop the vehicle not less than ten feet from the nearest railroad track and shall not proceed until safe to do so and until the roadway is clear of traffic so that the vehicle can proceed without stopping until the rear of the vehicle is at least ten feet past the farthest railroad track. These requirements apply when:

(1) a clearly visible electric or mechanical signal device warns of the immediate approach of a railroad train; or

(2) an approaching railroad train is plainly visible and is in hazardous proximity.

(b) The fact that a moving railroad train approaching a railroad grade crossing is visible from the crossing is prima facie evidence that it is not safe to proceed.

(c) The driver of a vehicle shall stop and remain stopped and not traverse the grade crossing when a human flagger signals the approach or passage of a railroad train or when a crossing gate is lowered warning of the immediate approach or passage of a railroad train. No person may drive a vehicle past a flagger at a railroad crossing until the flagger signals that the way is clear to proceed or drive a vehicle past a lowered crossing gate.

Sec. 31. Minnesota Statutes 2016, section 169.28, is amended to read:

169.28 CERTAIN VEHICLES TO STOP AT RAILROAD CROSSING.

Subdivision 1. **Requirements.** (a) The driver of any motor vehicle carrying passengers for hire, or of any school bus whether carrying passengers or not, or of any Head Start bus whether carrying passengers or not, or of any vehicle that is required to stop at railroad grade crossings under Code of Federal Regulations, title 49, section 392.10, before crossing at grade any track or tracks of a railroad, shall stop the vehicle not less than 15 feet nor more than 50 feet from the nearest rail of the railroad and while so stopped shall listen and look in both directions along the track for any approaching railroad train, and for signals indicating the approach of a railroad train, except as ~~hereinafter otherwise provided, and in this section.~~ The driver shall not proceed until safe to do so and until the roadway is clear of traffic so that the vehicle can proceed without stopping until the rear of the vehicle is at least ten feet past the farthest railroad track. The driver must not shift gears while crossing the railroad tracks.

(b) A school bus or Head Start bus shall not be flagged across railroad grade crossings except at those railroad grade crossings that the local school administrative officer may designate.

(c) A type III vehicle, as defined in section 169.011, is exempt from the requirement of school buses to stop at railroad grade crossings.

(d) The requirements of this subdivision do not apply to the crossing of light rail vehicle track or tracks that are located in a public street when:

- (1) the crossing occurs within the intersection of two or more public streets;
- (2) the intersection is controlled by a traffic-control signal; and
- (3) the intersection is marked with signs indicating to drivers that the requirements of this subdivision do not apply. Notwithstanding any other provision of law, the owner or operator of the track or tracks is authorized to place, maintain, and display the signs upon and in the view of the public street or streets.

Subd. 2. **Exempt crossing.** (a) The commissioner may designate a crossing as an exempt crossing:

- (1) if the crossing is on a rail line on which service has been abandoned;
- (2) if the crossing is on a rail line that carries fewer than five trains each year, traveling at speeds of ten miles per hour or less; or
- (3) as agreed to by the operating railroad and the Department of Transportation, following a diagnostic review of the crossing.

(b) The commissioner shall direct the railroad to erect at the crossing signs bearing the word "Exempt" that conform to section 169.06. The installation or presence of an exempt sign does not relieve a driver of the duty to use due care.

(c) A railroad train must not proceed across an exempt crossing unless a police officer is present to direct traffic or a railroad employee is on the ground to warn traffic until the railroad train enters the crossing.

~~(e)~~ (d) A vehicle that must stop at grade crossings under subdivision 1 is not required to stop at a marked exempt crossing unless directed otherwise by a police officer or a railroad employee.

Sec. 32. Minnesota Statutes 2016, section 169.29, is amended to read:

169.29 CROSSING RAILROAD TRACKS WITH CERTAIN EQUIPMENT.

(a) No person shall operate or move any caterpillar tractor, steam shovel, derrick, roller, or any equipment or structure having a normal operating speed of six or less miles per hour or a vertical body or load clearance of less than nine inches above the level surface of a roadway upon or across any tracks at a railroad grade crossing without first complying with this section.

(b) Before making any crossing, the person operating or moving any vehicle or equipment set forth in this section shall first stop the same not less than ten, nor more than 50, feet from the nearest rail of the railway, and while so stopped shall listen and look in both directions along the track for any approaching railroad train and for signals indicating the approach of a railroad train, and shall not proceed until the crossing can be made safely.

(c) No crossing shall be made when warning is given by automatic signal or crossing gates or a flagger or otherwise of the immediate approach of a railroad train or car.

(d) No stop need be made at a crossing on a rail line on which service has been abandoned and where a sign erected in conformance with section 169.06 and bearing the word "Exempt" has been installed, unless directed otherwise by a flagger. The installation or presence of an exempt sign shall not relieve any driver of the duty to use due care.

Sec. 33. Minnesota Statutes 2016, section 169.345, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For the purpose of section 168.021 and this section, the following terms have the meanings given them in this subdivision.

(b) "Health professional" means a licensed physician, licensed physician assistant, advanced practice registered nurse, licensed physical therapist, or licensed chiropractor.

(c) "Long-term certificate" means a certificate issued for a period greater than 12 months but not greater than 71 months.

(d) "Organization certificate" means a certificate issued to an entity other than a natural person for a period of three years.

(e) "Permit" refers to a permit that is issued for a period of 30 days, in lieu of the certificate referred to in subdivision 3, while the application is being processed.

(f) "Physically disabled person" means a person who:

(1) because of disability cannot walk without significant risk of falling;

(2) because of disability cannot walk 200 feet without stopping to rest;

(3) because of disability cannot walk without the aid of another person, a walker, a cane, crutches, braces, a prosthetic device, or a wheelchair;

(4) is restricted by a respiratory disease to such an extent that the person's forced (respiratory) expiratory volume for one second, when measured by spirometry, is less than one liter;

- (5) has an arterial oxygen tension (PaO₂) of less than 60 mm/Hg on room air at rest;
- (6) uses portable oxygen;
- (7) has a cardiac condition to the extent that the person's functional limitations are classified in severity as class III or class IV according to standards set by the American Heart Association;
- (8) has lost an arm or a leg and does not have or cannot use an artificial limb; or
- (9) has a disability that would be aggravated by walking 200 feet under normal environmental conditions to an extent that would be life threatening.
- (g) "Short-term certificate" means a certificate issued for a period greater than six months but not greater than 12 months.
- (h) "Six-year certificate" means a certificate issued for a period of six years.
- (i) "Temporary certificate" means a certificate issued for a period not greater than six months.

Sec. 34. Minnesota Statutes 2016, section 169.4503, subdivision 5, is amended to read:

Subd. 5. **Colors.** Fenderettes may be black. The beltline may be painted yellow over black or black over yellow. The rub rails ~~shall~~ must be black or yellow. The area around the lenses of alternately flashing signal lamps extending outward from the edge of the lamp three inches, plus or minus one-quarter inch, to the sides and top and at least one inch to the bottom, ~~shall~~ must be black. Visors or hoods, black in color, with a minimum of four inches may be provided.

Sec. 35. Minnesota Statutes 2016, section 169.81, is amended by adding a subdivision to read:

Subd. 11. **Automobile transporter.** (a) For purposes of this subdivision, the following terms have the meanings given them:

(1) "automobile transporter" means any vehicle combination designed and used to transport assembled highway vehicles, including truck camper units;

(2) "stinger-steered combination automobile transporter" means a truck tractor semitrailer having the fifth wheel located on a drop frame located behind and below the rear-most axle of the power unit; and

(3) "backhaul" means the return trip of a vehicle transporting cargo or general freight, especially when carrying goods back over all or part of the same route.

(b) Stinger-steered combination automobile transporters having a length of 80 feet or less may be operated on interstate highways and other highways designated in this section, and in addition may carry a load that extends the length by four feet or less in the front of the vehicle and six feet or less in the rear of the vehicle.

(c) An automobile transporter may transport cargo or general freight on a backhaul, provided it complies with weight limitations for a truck tractor and semitrailer combination under section 169.824.

Sec. 36. Minnesota Statutes 2016, section 169.8261, subdivision 2, is amended to read:

Subd. 2. **Conditions.** (a) A vehicle or combination of vehicles described in subdivision 1 must:

(1) comply with seasonal load restrictions in effect between the dates set by the commissioner under section 169.87, subdivision 2;

(2) comply with bridge load limits posted under section 169.84;

(3) be equipped and operated with six or more axles and brakes on all wheels;

(4) not exceed 90,000 pounds gross vehicle weight, or 99,000 pounds gross vehicle weight during the time when seasonal increases are authorized under section 169.826;

(5) not be operated on interstate highways;

(6) obtain an annual permit from the commissioner of transportation;

(7) obey all road postings; and

(8) not exceed 20,000 pounds gross weight on any single axle.

(b) A vehicle operated under this section may exceed the legal axle weight limits listed in section 169.824 by not more than 12.5 percent; except that, the weight limits may be exceeded by not more than 23.75 percent during the time when seasonal increases are authorized under section 169.826, subdivision 1.

(c) Notwithstanding paragraph (a), clause (5), a vehicle or combination of vehicles hauling raw or unfinished forest products may also operate on the segment of marked Interstate Highway 35 provided under United States Code, title 23, section 127(q)(2)(D).

Sec. 37. Minnesota Statutes 2017 Supplement, section 169.829, subdivision 4, is amended to read:

Subd. 4. **Certain emergency vehicles.** (a) The provisions of sections 169.80 to 169.88 governing size, weight, and load do not apply to a fire apparatus, a law enforcement special response vehicle, or a licensed land emergency ambulance service vehicle.

(b) Emergency vehicles designed to transport personnel and equipment to support the suppression of fires and to mitigate other hazardous situations are subject to the following weight limitations when operated on an interstate highway: (1) 24,000 pounds on a single steering axle; (2) 33,500 pounds on a single drive axle; (3) 52,000 pounds on a tandem rear drive steer axle; and (4) 62,000 pounds on a tandem axle. The gross weight of an emergency vehicle operating on an interstate highway must not exceed 86,000 pounds.

Sec. 38. Minnesota Statutes 2016, section 169.829, is amended by adding a subdivision to read:

Subd. 5. **Sewage septic tank trucks.** (a) Sections 169.823 and 169.826 to 169.828 do not apply to a sewage septic tank truck used exclusively to transport sewage from septic or holding tanks.

(b) The weight limitations under section 169.824 are increased by ten percent for a single-unit vehicle transporting sewage from the point of service to (1) another point of service, or (2) the point of unloading.

(c) Notwithstanding sections 169.824, subdivision 1, paragraph (d); 169.826, subdivision 3; or any other law to the contrary, a permit is not required to operate a vehicle under this subdivision.

(d) The seasonal weight increases under section 169.826, subdivision 1, do not apply to a vehicle operated under this subdivision.

(e) A vehicle operated under this subdivision is subject to bridge load limits posted under section 169.84.

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

Sec. 39. Minnesota Statutes 2016, section 169.87, subdivision 6, is amended to read:

Subd. 6. **Recycling and garbage vehicles.** (a) ~~Except as provided in paragraph (b)~~ While a vehicle is engaged in the type of collection the vehicle was designed to perform, weight restrictions imposed under subdivisions 1 and 2 do not apply to:

(1) a vehicle that does not exceed 20,000 pounds per single axle and is designed and used exclusively for recycling, while engaged in recycling operating in a political subdivision that mandates curbside recycling pickup;

~~(b) Weight restrictions imposed under subdivisions 1 and 2 do not apply to: (1) (2) a vehicle that does not exceed 14,000 pounds per single axle and is used exclusively for recycling as described in paragraph (a);~~

~~(2) (3) a vehicle that does not exceed 14,000 pounds per single axle and is designed and used exclusively for collecting mixed municipal solid waste, as defined in section 115A.03, subdivision 21, while engaged in such collection; or~~

~~(3) (4) a portable toilet service vehicle that does not exceed 14,000 pounds per single axle or 26,000 pounds gross vehicle weight, and is designed and used exclusively for collecting liquid waste from portable toilets, while engaged in such collection; or~~

(5) a sewage septic tank truck that is designed and used exclusively to haul sewage from septic or holding tanks.

~~(e) (b) Notwithstanding section 169.80, subdivision 1, a violation of the owner or operator of a vehicle that violates the weight restrictions imposed under subdivisions 1 and 2 by a vehicle designed and used exclusively for recycling while engaged in recycling in a political subdivision that mandates curbside recycling pickup while engaged in such collection, by a vehicle that is designed and used exclusively for collecting mixed municipal solid waste as defined in section 115A.03, subdivision 21, while engaged in such collection, or by a portable toilet service vehicle that is designed and used exclusively for collecting liquid waste from portable toilets, while engaged in such collection, is not subject to criminal penalties but is subject to a civil penalty for excess weight under section 169.871 if the vehicle (1) meets the requirements under paragraph (a), and (2) is engaged in the type of collection the vehicle was designed to perform.~~

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

Sec. 40. Minnesota Statutes 2016, section 169.974, subdivision 2, is amended to read:

Subd. 2. **License endorsement and permit requirements.** (a) No person shall operate a motorcycle on any street or highway without having a valid driver's license with a two-wheeled vehicle endorsement as provided by law. A person may operate an autocycle without a two-wheeled vehicle endorsement, provided the person has a valid driver's license issued under section 171.02.

(b) The commissioner of public safety shall issue a two-wheeled vehicle endorsement only if the applicant (1) has in possession a valid two-wheeled vehicle instruction permit as provided in paragraph (c), (2) has passed a written examination and road test administered by the Department of Public Safety for the endorsement, and (3) in the case of applicants under 18 years of age, presents a certificate or other evidence of having successfully completed an approved two-wheeled vehicle driver's safety course in this or another state, in accordance with rules adopted by the commissioner of public safety for courses offered by a public, private, or commercial school or institute. The commissioner of public safety may waive the road test for any applicant on determining that the applicant possesses a valid license to operate a two-wheeled vehicle issued by a jurisdiction that requires a comparable road test for license issuance.

(c) The commissioner of public safety shall issue a two-wheeled vehicle instruction permit to any person over 16 years of age who (1) is in possession of a valid driver's license, (2) is enrolled in an approved two-wheeled vehicle driver's safety course, and (3) has passed a written examination for the permit and paid a fee prescribed by the commissioner of public safety. A two-wheeled vehicle instruction permit is effective for one year and may be renewed under rules prescribed by the commissioner of public safety.

(d) No person who is operating by virtue of a two-wheeled vehicle instruction permit shall:

(1) carry any passengers on the streets and highways of this state on the motorcycle while the person is operating the motorcycle;

(2) drive the motorcycle at night; or

~~(3) drive the motorcycle on any highway marked as an interstate highway pursuant to title 23 of the United States Code; or~~

~~(4)~~ (3) drive the motorcycle without wearing protective headgear that complies with standards established by the commissioner of public safety.

(e) Notwithstanding paragraphs (a) to (d), the commissioner of public safety may issue a special motorcycle permit, restricted or qualified as the commissioner of public safety deems proper, to any person demonstrating a need for the permit and unable to qualify for a driver's license.

Sec. 41. **[174.13] TRANSPORTATION FACILITIES CAPITAL PROGRAM.**

Subdivision 1. Program established. (a) A transportation facilities capital program is established to prioritize among eligible projects that:

(1) support the programmatic mission of the department;

(2) extend the useful life of existing buildings; or

(3) renovate or construct facilities to meet the department's current and future operational needs.

(b) Projects under the transportation facilities capital program may be funded by proceeds from the sale of trunk highway bonds or from other funds appropriated for the purposes of this section.

Subd. 2. Accounts. (a) A transportation facilities capital account is established in the trunk highway fund. The account consists of all money made available from the trunk highway fund for the purposes of this section and any other money donated, allotted, transferred, or otherwise provided to the account by law. Money in the account is appropriated to the commissioner for the purposes specified and consistent with the standards and criteria set forth in this section.

(b) A transportation facilities capital account is established in the bond proceeds account of the trunk highway fund. The account consists of trunk highway bond proceeds appropriated to the commissioner for the transportation facilities capital program. Money in the account may only be expended on trunk highway purposes, which includes the purposes in this section.

Subd. 3. **Standards.** (a) The legislature finds that many projects for preservation and replacement of portions of existing capital assets constitute the construction, improvement, and maintenance of the public highway system within the meaning of the Minnesota Constitution, article XIV, section 11, and capital expenditures under generally accepted accounting principles as applied to public expenditures. Projects can be financed more efficiently and economically under the program than by direct appropriations for specific projects.

(b) When allocating funding under this section, the commissioner must review the projects deemed eligible under subdivision 4 and prioritize allocations using the criteria in subdivision 5. Money allocated to a specific project in an appropriation or other law must be allocated as provided by the law.

Subd. 4. **Eligible expenditures; limitations.** (a) A project is eligible under this section only if it is a capital expenditure on a capital building asset owned or to be owned by the state within the meaning of generally accepted accounting principles as applied to public expenditures.

(b) Capital budget expenditures that are eligible under this section include but are not limited to: (1) acquisition of land and buildings; and (2) the predesign, engineering, construction, furnishing and equipping of district headquarter buildings, truck stations, salt storage or other unheated storage buildings, deicing and anti-icing facilities, fuel dispensing facilities, highway rest areas, and vehicle weigh and inspection stations.

Subd. 5. **Criteria for priorities.** When prioritizing funding allocation among projects eligible under subdivision 4, the commissioner must consider:

- (1) whether a project ensures the effective and efficient condition and operation of the facility;
- (2) the urgency in ensuring the safe use of existing buildings;
- (3) the project's total life-cycle cost;
- (4) additional criteria for priorities otherwise specified in state law, statute, or rule that applies to a category listed in the act making an appropriation for the program; and
- (5) any other criteria the commissioner deems necessary.

Sec. 42. Minnesota Statutes 2016, section 174.66, is amended to read:

174.66 CONTINUATION OF CARRIER RULES.

(a) Orders and directives in force, issued, or promulgated under authority of chapters 174A, 216A, 218, 219, 221, and 222 remain and continue in force and effect until repealed, modified, or superseded by duly authorized orders or directives of the commissioner of transportation. To the extent allowed under federal law or regulation, rules adopted under authority of the following sections are transferred to the commissioner of transportation and continue in force and effect until repealed, modified, or superseded by duly authorized rules of the commissioner:

(1) section 218.041 except rules related to the form and manner of filing railroad rates, railroad accounting rules, and safety rules;

(2) section 219.40;

(3) rules relating to rates or tariffs, or the granting, limiting, or modifying of permits under section 221.031, subdivision 1; and

(4) ~~rules relating to rates, charges, and practices under section 221.161, subdivision 4; and~~

~~(5)~~ rules relating to rates, tariffs, or the granting, limiting, or modifying of permits under section 221.121.

(b) The commissioner shall review the transferred rules, orders, and directives and, when appropriate, develop and adopt new rules, orders, or directives.

Sec. 43. Minnesota Statutes 2016, section 219.015, subdivision 1, is amended to read:

Subdivision 1. **Positions Program established; inspector powers and duties.** (a) The commissioner of transportation ~~shall must establish three a state rail safety inspector positions in the Office of Freight and Commercial Vehicle Operations of the Minnesota Department of Transportation. On or after July 1, 2015, the commissioner may establish a fourth state rail safety inspector position following consultation with railroad companies~~ inspection program consisting of up to six positions, which may include state rail safety inspectors and a program supervisor. The commissioner shall apply to and enter into agreements with the Federal Railroad Administration (FRA) of the United States Department of Transportation to participate in the federal State Rail Safety Participation Program ~~for training and certification of an inspector~~ to train and certify inspectors under authority of United States Code, title 49, sections 20103, 20105, 20106, and 20113, and Code of Federal Regulations, title 49, part 212.

(b) A state rail safety inspector ~~shall~~ may:

(1) inspect mainline track, secondary track, and yard and industry track;

(2) inspect railroad right-of-way, including adjacent or intersecting drainage, culverts, bridges, overhead structures, and traffic and other public crossings;

(3) inspect yards and physical plants;

(4) inspect train equipment;

(5) inspect railroad operations;

(6) review and enforce safety requirements;

(7) review maintenance and repair records; and

(8) review railroad security measures.

(c) A state rail safety inspector may perform, but is not limited to, the duties described in the federal State Rail Safety Participation Program. An inspector may train, be certified, and participate in any of the federal State Rail Safety Participation Program disciplines, including: track, signal and train control, motive power and equipment, operating practices compliance, hazardous materials, and highway-rail grade crossings.

(d) To the extent delegated by the Federal Railroad Administration and authorized by the commissioner, an inspector may issue citations for violations of this chapter, or to ensure railroad employee and public safety and welfare.

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

Sec. 44. **[219.752] MINIMUM CREW SIZE.**

No Class I or Class II railroad shall operate a railroad train or locomotive in connection with the movement of freight or passengers in Minnesota without a crew composed of a minimum of two individuals. This section does not apply to hostling and helper operations, remote control locomotives in yards, and as otherwise provided by Code of Federal Regulations, title 49, part 218, subpart B. A railroad that violates this section is guilty of a misdemeanor and must pay a fine of at least \$250 for a first-time violation of this section or \$1,000 for each subsequent violation, in addition to any other sanctions authorized by law.

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

Sec. 45. Minnesota Statutes 2016, section 221.031, subdivision 2d, is amended to read:

Subd. 2d. **Hours of service exemptions; agricultural purposes.** The federal regulations incorporated in section 221.0314, subdivision 9, for ~~maximum driving and on-duty time,~~ hours of service do not apply to drivers engaged in intrastate transportation within a 150-air-mile radius from the source of the commodities, or from the retail or wholesale distribution point of the farm supplies, for:

(1) agricultural commodities; or

(2) farm supplies for agricultural purposes ~~from March 15 to December 15 of each year; or,~~

~~(2) sugar beets from September 1 to May 15 of each year.~~

Sec. 46. Minnesota Statutes 2016, section 221.031, is amended by adding a subdivision to read:

Subd. 2f. **Hours of service exemptions; utility construction.** (a) The federal regulations incorporated in section 221.0314, subdivision 9, for hours of service do not apply to drivers engaged in intrastate transportation of utility construction materials within a 50-mile radius from the site of a construction or maintenance project.

(b) For purposes of this subdivision, utility construction materials includes supplies and materials used in a project to construct or maintain (1) a street or highway; (2) equipment or facilities to furnish electric transmission service; (3) a telecommunications system or cable communications system; (4) a waterworks system, sanitary sewer, or storm sewer; (5) a gas heating service line; (6) a pipeline; and (7) a facility for other similar utility service.

Sec. 47. Minnesota Statutes 2016, section 221.0314, subdivision 9, is amended to read:

Subd. 9. **Hours of service of driver.** (a) Code of Federal Regulations, title 49, part 395, is incorporated by reference, except that paragraphs (a), (c), (d), (f), (h), (i), ~~(k)~~, (m), and (n) of section 395.1 of that part are not incorporated. In addition, cross-references to sections or paragraphs not incorporated in this subdivision are not incorporated by reference.

(b) For purposes of Code of Federal Regulations, title 49, part 395.1, paragraph (k), the planting and harvest period for Minnesota is from January 1 through December 31 each year.

(c) The requirements of Code of Federal Regulations, title 49, part 395, do not apply to drivers of lightweight vehicles.

Sec. 48. Minnesota Statutes 2016, section 221.036, subdivision 1, is amended to read:

Subdivision 1. **Order.** The commissioner may issue an order requiring violations to be corrected and administratively assessing monetary penalties for a violation of (1) section 221.021; (2) section 221.033, subdivision 2b; (3) section 221.171; (4) section 221.141; (5) a federal, state, or local law, regulation, rule, or ordinance pertaining to railroad-highway grade crossings; or (6) rules of the commissioner relating to the transportation of hazardous waste, motor carrier operations, or insurance, or tariffs and accounting. An order must be issued as provided in this section.

Sec. 49. Minnesota Statutes 2016, section 221.036, subdivision 3, is amended to read:

Subd. 3. **Amount of penalty; considerations.** (a) The commissioner may issue an order assessing a penalty of up to \$5,000 for all violations identified during a single audit or investigation of (1) section 221.021, 221.141, or 221.171, or (2) rules of the commissioner relating to motor carrier operations, or insurance, or tariffs and accounting, identified during a single inspection, audit, or investigation.

(b) The commissioner may issue an order assessing a penalty up to a maximum of \$10,000 for all violations of section 221.033, subdivision 2b, identified during a single inspection or audit.

(c) In determining the amount of a penalty, the commissioner shall consider:

(1) the willfulness of the violation;

(2) the gravity of the violation, including damage to humans, animals, air, water, land, or other natural resources of the state;

(3) the history of past violations, including the similarity of the most recent violation and the violation to be penalized, the time elapsed since the last violation, the number of previous violations, and the response of the person to the most recent violation identified;

(4) the economic benefit gained by the person by allowing or committing the violation; and

(5) other factors as justice may require, if the commissioner specifically identifies the additional factors in the commissioner's order.

(d) The commissioner shall assess a penalty in accordance with Code of Federal Regulations, title 49, section 383.53, against:

(1) a driver who is convicted of a violation of an out-of-service order;

(2) an employer who knowingly allows or requires an employee to operate a commercial motor vehicle in violation of an out-of-service order; or

(3) an employer who knowingly allows or requires an employee to operate a commercial motor vehicle in violation of a federal, state, or local law or regulation pertaining to railroad-highway grade crossings.

Sec. 50. Minnesota Statutes 2016, section 221.122, subdivision 1, is amended to read:

Subdivision 1. **Registration, insurance, and filing requirements.** (a) An order issued by the commissioner which grants a certificate or permit must contain a service date.

(b) The person to whom the order granting the certificate or permit is issued shall do the following within 45 days from the service date of the order:

(1) register vehicles which will be used to provide transportation under the permit or certificate with the commissioner and pay the vehicle registration fees required by law; and

(2) file and maintain insurance or bond as required by section 221.141 and rules of the commissioner; ~~and,~~

~~(3) file rates and tariffs as required by section 221.161 and rules of the commissioner.~~

Sec. 51. Minnesota Statutes 2016, section 221.161, subdivision 1, is amended to read:

Subdivision 1. ~~Filing; hearing upon commissioner initiative~~ **Tariff maintenance and contents.** A household goods ~~carrier shall file and mover must~~ maintain with the commissioner a tariff showing rates and charges for transporting household goods. ~~Tariffs must be prepared and filed in accordance with the rules of the commissioner. When tariffs are filed in accordance with the rules and accepted by the commissioner, the filing constitutes notice to the public and interested parties of the contents of the tariffs. The commissioner shall not accept for filing tariffs that are unjust, unreasonable, unjustly discriminatory, unduly preferential or prejudicial, or otherwise in violation of this section or rules adopted under this section. If the tariffs appear to be unjust, unreasonable, unjustly discriminatory, unduly preferential or prejudicial, or otherwise in violation of this section or rules adopted under this section, after notification and investigation by the department, the commissioner may suspend and postpone the effective date of the tariffs and assign the tariffs for hearing upon notice to the household goods carrier filing the proposed tariffs and to other interested parties, including users of the service and competitive carriers by motor vehicle and rail. At the hearing, the burden of proof is on the household goods carrier filing the proposed tariff to sustain the validity of the proposed schedule of rates and charges. The tariffs and subsequent supplements to them or reissues of them must state the effective date, which may not be less than ten days following the date of filing, unless the period of time is reduced by special permission of the commissioner. A household goods mover must prepare a tariff under this section that complies with Code of Federal Regulations, title 49, part 1310.3.~~

Sec. 52. Minnesota Statutes 2016, section 221.161, is amended by adding a subdivision to read:

Subd. 5. **Tariff availability.** (a) A household goods mover subject to this section must maintain all of its effective tariffs at its principal place of business and at each of its terminal locations, and must make the tariffs available to the public for inspection at all times the household goods mover is open for business. Any publication referred to in a tariff must be maintained with that tariff.

(b) Upon request, a household goods mover must provide copies of tariffs, specific tariff provisions, or tariff subscriptions to the commissioner or any interested person.

Sec. 53. Minnesota Statutes 2016, section 221.171, subdivision 1, is amended to read:

Subdivision 1. **Compensation fixed by schedule on file.** ~~No~~ A household goods carrier shall mover must not charge or receive a greater, lesser, or different compensation for the transportation ~~of persons or property or for related service; provided~~ than the rates and charges ~~named in the carrier's schedule on file and in effect with the commissioner including any rate fixed by the commissioner specified in the tariff under section 221.161; nor shall.~~ A household goods ~~carrier~~ mover must not refund or remit in any manner or by any device, directly or indirectly, the rates and charges required to be collected by the ~~carrier~~ mover under the ~~carrier's~~ mover's schedules ~~or under the rates, if any, fixed by the commissioner.~~

Sec. 54. Minnesota Statutes 2016, section 222.46, is amended to read:

222.46 FREIGHT RAIL SERVICE IMPROVEMENT ACT; PURPOSE.

The legislature finds and determines that integrated transportation systems, including railways, highways and airways, are necessary in order to meet the economic and energy needs of the citizens of the state, both now and in the future. The legislature finds that a portion of the present railroad system in the state does not provide adequate service to citizens of the state. The legislature further finds and determines that it is in the best interest of the state to establish and fund a freight rail service improvement economic development program and to establish a railroad planning process in order to preserve and improve essential rail service in the state.

EFFECTIVE DATE. This section is effective June 30, 2018.

Sec. 55. Minnesota Statutes 2016, section 222.50, subdivision 3, is amended to read:

Subd. 3. **Commissioner's powers; rules.** The commissioner ~~shall have~~ has the power to:

(1) ~~set priorities for the allocation and expenditure of money or in kind contributions authorized under the rail service improvement program and develop criteria for eligibility and approval of projects under the program. The criteria shall include the anticipated economic and social benefits to the state and to the area being served and the economic viability of the project;~~

(2) negotiate and enter into contracts for rail line rehabilitation or other rail service improvement;

(3) (2) disburse state and federal money for rail service improvements; and

(4) (3) adopt rules necessary to carry out the purposes of sections 222.46 to 222.54.

EFFECTIVE DATE. This section is effective June 30, 2018.

Sec. 56. Minnesota Statutes 2016, section 222.50, subdivision 4, is amended to read:

Subd. 4. **Contract.** The commissioner may negotiate and enter into contracts for the purpose of rail service improvement and may incorporate funds available from the federal government. The participants in these contracts shall be railroads, rail users, and the department, and may be political subdivisions of the state and the federal government. In such contracts, participation by all parties shall be voluntary. The commissioner may provide a portion of the money required to carry out the terms of any such contract by expenditure from the freight rail service improvement account.

EFFECTIVE DATE. This section is effective June 30, 2018.

Sec. 57. **[222.505] FREIGHT RAIL ECONOMIC DEVELOPMENT PROGRAM.**

Subdivision 1. **Definition.** (a) For purposes of this section, "program" means the freight rail economic development program established in this section.

Subd. 2. **Program established.** (a) The commissioner, in consultation with the commissioner of employment and economic development, must establish a freight rail economic development program as provided under this section.

(b) By January 1, 2019, the commissioners must implement the program and begin accepting applications.

Subd. 3. **Freight rail accounts; appropriation.** (a) A freight rail account is established in the special revenue fund. The account consists of funds provided under paragraphs (b) and (c), section 222.63, subdivision 8, and any other money donated, allotted, transferred, or otherwise provided to the account. The account must not include any bond proceeds authorized by the Minnesota Constitution, article XI, section 5, clause (i). Funds in the account are annually appropriated to the commissioner for the program under this section.

(b) All funds provided to the commissioner from agreements or loans under section 222.50 must be deposited in the freight rail account in the special revenue fund.

(c) All funds made available to the commissioner from the disposition of railroad right-of-way or of any other property acquired pursuant to sections 222.46 to 222.62 must be deposited in the freight rail account in the special revenue fund.

(d) A freight rail account is established in the bond proceeds fund. The account consists of state bond proceeds appropriated to the commissioner for the program under this section. Money in the account may be expended only for bond-eligible purposes.

Subd. 4. **Program administration.** (a) The commissioner, in consultation with the commissioner of employment and economic development, must establish a project selection process for financial assistance under the program. The process must include public notice of available funds, procedures to submit applications, public access to information on project evaluation and selection, and financial assistance awards. The process must minimize applicant burdens and the length of time for application evaluation.

(b) The commissioner must maintain on an ongoing basis a project requests list that identifies all eligible projects that have been evaluated for grant awards under the program.

(c) An applicant must apply for financial assistance in the manner and at the times determined by the commissioners.

(d) The commissioner must make reasonable efforts to (1) publicize each solicitation for applications among all eligible recipients, and (2) provide technical and informational assistance related to applications.

Subd. 5. **Consultation.** In developing the program and on an ongoing basis, the commissioner must consult with eligible recipients of financial assistance under subdivision 8 and with counties and statutory and home rule charter cities in which industrial parks are located or proposed to be located. At a minimum, consultation must address:

(1) the project selection process, including project eligibility requirements, evaluation criteria and prioritization, and any significant policies in the program;

(2) flexibility of evaluation criteria to address unique situations;

(3) timeliness of project evaluation and award of financial assistance;

(4) adequacy of the program funding level; and

(5) legislative proposals for program funding.

Subd. 6. **Financial assistance; grants and loans.** The commissioner may provide financial assistance under the program through grants or through loans in the manner provided under section 222.50, subdivisions 4 and 5.

Subd. 7. **Financial assistance; limitations.** (a) When calculated in conjunction with any other state funding sources, a grant award under the program must not provide combined state funding that exceeds 85 percent of the total project cost estimate.

(b) The commissioner must ensure that financial assistance is provided in a manner that is balanced throughout the state, including with respect to (1) the number of projects receiving funding in a particular geographic location or region of the state, and (2) the total amount of financial assistance provided for projects in a particular geographic location or region of the state.

Subd. 8. **Award recipient eligibility.** (a) Eligible recipients of financial assistance under the program are:

(1) railroad companies that are classified by federal law or regulation as Class II railroads, Class II rail carriers, Class III railroads, or Class III rail carriers;

(2) rail users; and

(3) political subdivisions.

(b) An eligible recipient may receive funds regardless of rail facility ownership.

Subd. 9. **Project eligibility.** (a) The commissioner, in consultation with the commissioner of employment and economic development, must establish project eligibility criteria under the program. At a minimum, an eligible project must:

(1) improve safety, efficiency, service, or capacity of railroad freight movement;

(2) provide for rail line capital maintenance, preservation, rehabilitation, or improvements;

(3) improve rail service for a rail user or rail carrier; or

(4) promote the development of industrial parks primarily or substantially served by rail service.

(b) A project must be consistent with transportation plans adopted by the commissioner, including the statewide freight and passenger rail plan under section 174.03, subdivision 1b.

Subd. 10. **Project evaluation and prioritization.** The commissioner, in consultation with the commissioner of employment and economic development, must establish project evaluation criteria for grant awards under the program. At a minimum, the criteria must objectively prioritize projects based on:

(1) economic and employment impacts, including but not limited to responsiveness to emergent market conditions;

(2) addressing rail lines that have deteriorated or are in danger of deteriorating to such a degree that the rail line is unable to carry the speeds and weights necessary to efficiently transport goods and products; and

(3) percentage commitment of funding or in-kind assistance for the project from nonpublic sources.

Subd. 11. **Expenditures.** The commissioner may provide financial assistance and expend funds under the program for:

(1) capital improvement projects designed to improve a rail user or a rail carrier's rail service which includes but is not limited to rail track, track structures, and rail facilities and buildings;

(2) rehabilitation projects designed to improve a rail user or a rail carrier's rail service;

(3) rail-related development of industrial parks primarily or substantially served by rail service, which:

(i) includes capital improvements to or rehabilitation of main industrial lead track; and

(ii) excludes siding track designed to serve areas of an industrial park for which occupants are unidentified or uncommitted;

(4) highway-rail grade crossing improvement or grade separation projects, including but not limited to the local matching portion for federal grants;

(5) capital improvement projects designed to improve capacity or safety at rail yards;

(6) acquisition, maintenance, management, and disposition of railroad right-of-way under the state rail bank program in section 222.63;

(7) acquisition of a rail line by a regional railroad authority established under chapter 398A;

(8) rail planning studies;

(9) costs related to contractual agreements under section 222.52; and

(10) financial assistance under this section.

Subd. 12. **Design, engineering, and construction standards.** (a) The commissioner is prohibited from establishing specifications or engineering standards that are more restrictive than federal track safety standards under Code of Federal Regulations, title 49, part 213, or successor requirements, for track and track structures awarded financial assistance under the program.

(b) Sections 16B.30 to 16B.355 do not apply to rail facilities and buildings awarded financial assistance under the program.

Subd. 13. **Political subdivisions.** Any political subdivision may, with the approval of the commissioner, appropriate money for freight rail or rail service improvement and may participate in the freight rail economic development program and federal rail programs.

EFFECTIVE DATE. This section is effective June 30, 2018.

Sec. 58. Minnesota Statutes 2016, section 222.52, is amended to read:

222.52 COOPERATION BETWEEN STATES.

The commissioner may cooperate with other states in connection with the freight rail service improvement economic development program under section 222.505 and the railroad planning process. In exercising the authority conferred by this section, the commissioner may enter into contractual agreements with other states, including multistate coalitions.

EFFECTIVE DATE. This section is effective June 30, 2018.

Sec. 59. Minnesota Statutes 2016, section 222.57, is amended to read:

222.57 RAIL USER AND RAIL CARRIER LOAN GUARANTEE ACCOUNT.

There is created a rail user and rail carrier loan guarantee account as a separate account in the rail service improvement account, which shall be used by the commissioner for carrying out the provisions of sections 222.55 to 222.62 with respect to loans insured under section 222.58. The commissioner may transfer to the rail user and rail carrier loan guarantee account from money otherwise available in the freight rail service improvement account whatever amount is necessary to implement the rail user and rail carrier loan guarantee program, except that bond proceeds may not be transferred to the account for insurance of loans made for the purposes specified in section 222.58, subdivision 2, paragraph (b), clauses (3) to (5). The commissioner may withdraw any amount from the rail user and rail carrier loan guarantee account that is not required to insure outstanding loans as provided in section 222.60, subdivision 1.

EFFECTIVE DATE. This section is effective June 30, 2018.

Sec. 60. Minnesota Statutes 2016, section 222.63, subdivision 8, is amended to read:

Subd. 8. **Rail bank accounts; appropriation.** (a) ~~A special account shall be maintained in the state treasury, designated as the rail bank maintenance account, is established in the special revenue fund~~ to record the receipts and expenditures of the commissioner of transportation for the maintenance of rail bank property. Funds received by the commissioner of transportation from interest earnings, administrative payments, rentals, fees, or charges for the use of rail bank property, or received from rail line rehabilitation contracts ~~shall be~~ are credited to the rail bank maintenance account and must be used for the maintenance of that to maintain the property and held as a reserve for maintenance expenses in an amount determined by the commissioner, and. Amounts received in the rail bank maintenance account in excess of the reserve requirements ~~shall~~ must be transferred to the freight rail service improvement account under section 222.505, subdivision 3.

(b) All proceeds of the sale of abandoned rail lines ~~shall~~ must be deposited in the freight rail service improvement account.

(c) All money ~~to be deposited in this the rail service improvement bank maintenance~~ account as provided in this subdivision is appropriated to the commissioner of transportation for the purposes of this section. The appropriations ~~shall do not lapse but shall be~~ and are available until the purposes for which the funds are appropriated are accomplished.

EFFECTIVE DATE. This section is effective June 30, 2018.

Sec. 61. **[299A.704] DRIVER AND VEHICLE SERVICES FUND.**

A driver and vehicle services fund is established within the state treasury. The fund consists of accounts and money as specified by law, and any other money otherwise donated, allotted, appropriated, or legislated to the fund.

Sec. 62. Minnesota Statutes 2016, section 299A.705, is amended to read:

299A.705 DRIVER AND VEHICLE SERVICES ACCOUNTS.

Subdivision 1. **Vehicle services operating account.** (a) The vehicle services operating account is created in the ~~special revenue driver and vehicle services~~ fund, consisting of all money from the vehicle services fees specified in chapters 168, 168A, and 168D, and any other money otherwise donated, allotted, appropriated, or legislated to ~~this~~ the account.

(b) Funds appropriated ~~are available from this account must be used by the commissioner of public safety to~~ administer the vehicle services ~~as specified in chapters 168, 168A, and 168D, and section 169.345, including:~~

- (1) designing, producing, issuing, and mailing vehicle registrations, plates, emblems, and titles;
- (2) collecting title and registration taxes and fees;
- (3) transferring vehicle registration plates and titles;
- (4) maintaining vehicle records;
- (5) issuing disability certificates and plates;
- (6) licensing vehicle dealers;
- (7) appointing, monitoring, and auditing deputy registrars; and
- (8) inspecting vehicles when required by law.

Subd. 2. **Driver services operating account.** (a) The driver services operating account is created in the ~~special revenue driver and vehicle services~~ fund, consisting of all money collected under chapter 171 and any other money otherwise donated, allotted, appropriated, or legislated to the account.

(b) ~~Money in the~~ Funds appropriated from this account must be used by the commissioner of public safety to administer the driver services specified in chapters 169A and 171, including the activities associated with producing and mailing drivers' licenses and identification cards and notices relating to issuance, renewal, or withdrawal of driving and identification card privileges for any fiscal year or years and for the testing and examination of drivers.

Subd. 3. **Driver and vehicle services technology account.** (a) The driver and vehicle services technology account is created in the ~~special revenue driver and vehicle services~~ fund, consisting of the technology surcharge collected as specified in ~~chapters 168, 168A, and 171; the filing fee revenue collected under section 168.33, subdivision 7; section 168.33~~ and any other money otherwise donated, allotted, appropriated, or legislated to this account.

(b) Money in the account is annually appropriated to the commissioner of public safety to support the research, development, deployment, and maintenance of a driver and vehicle services information system.

(c) Following completion of the deposit of filing fee revenue into the driver and vehicle services technology account as provided under section 168.33, subdivision 7, the commissioner shall submit a notification to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance concerning driver and vehicle services information system implementation, which must include information on (1) total revenue deposited in the driver and vehicle services technology account, with a breakdown by sources of funds; (2) total project costs incurred, with a breakdown by key project components; and (3) an estimate of ongoing system maintenance costs.

Subd. 4. **Prohibited expenditures.** The commissioner is prohibited from expending money from driver and vehicle services accounts created in the ~~special revenue~~ driver and vehicle services fund for any purpose that is not specifically authorized in this section or in the chapters specified in this section.

Sec. 63. Minnesota Statutes 2016, section 360.013, is amended by adding a subdivision to read:

Subd. 46a. **Comprehensive plan.** "Comprehensive plan" has the meaning given in section 394.22, subdivision 9, or 462.352, subdivision 5.

Sec. 64. Minnesota Statutes 2016, section 360.017, subdivision 1, is amended to read:

Subdivision 1. **Creation; authorized disbursements.** (a) There is hereby created a fund to be known as the state airports fund. The fund shall consist of all money appropriated to it, or directed to be paid into it, by the legislature.

(b) The state airports fund shall be paid out on authorization of the commissioner and shall be used:

(1) to acquire, construct, improve, maintain, and operate airports and other air navigation facilities;

(2) to assist municipalities in the planning, acquisition, construction, improvement, and maintenance of airports and other air navigation facilities;

(3) to assist municipalities to initiate, enhance, and market scheduled air service at their airports;

(4) to promote interest and safety in aeronautics through education and information; and

(5) to pay the salaries and expenses of the Department of Transportation related to aeronautic planning, administration, and operation. All allotments of money from the state airports fund for salaries and expenses shall be approved by the commissioner of management and budget.

~~(c) A municipality that adopts a comprehensive plan that the commissioner finds is incompatible with the state aviation plan is not eligible for assistance from the state airports fund.~~

Sec. 65. Minnesota Statutes 2016, section 360.021, subdivision 1, is amended to read:

Subdivision 1. **Authority to establish.** The commissioner is authorized and empowered, on behalf of and in the name of this state, within the limitation of available appropriations, to acquire, by purchase, gift, devise, lease, condemnation proceedings, or otherwise, property, real or personal, for the purpose of establishing and constructing restricted landing areas and other air navigation facilities and to acquire in like manner, own, control, establish, construct, enlarge, improve, maintain, equip, operate, regulate, and police such restricted landing areas and other air navigation facilities, either within or without this state; and to make, prior to any such acquisition, investigations, surveys, and plans. The commissioner may maintain, equip, operate, regulate, and police airports, either within or without this state. The operation and maintenance of airports is an essential public service. The commissioner may

maintain at such airports facilities for the servicing of aircraft and for the comfort and accommodation of air travelers. The commissioner may dispose of any such property, airport, restricted landing area, or any other air navigation facility, by sale, lease, or otherwise, in accordance with the laws of this state governing the disposition of other like property of the state. The commissioner may not acquire or take over any restricted landing area, or other air navigation facility without the consent of the owner. The commissioner shall not acquire any additional state airports nor establish any additional state-owned airports. The commissioner may erect, equip, operate, and maintain on any airport buildings and equipment necessary and proper to maintain, and conduct such airport and air navigation facilities connected therewith. The commissioner shall not expend money for land acquisition, or for the construction, improvement, or maintenance of airports, or for air navigation facilities for an airport, unless the governmental unit, municipality, county, or joint airport zoning board involved has or is establishing a zoning authority for that airport, and the authority has made a good-faith showing that it is in the process of and will complete with due diligence, an airport zoning ordinance in accordance with sections 360.061 to 360.074. The commissioner may provide funds to support airport safety projects that maintain existing infrastructure, regardless of a zoning authority's efforts to complete a zoning regulation. The commissioner may withhold funding from only the airport subject to the proposed zoning ordinance. Notwithstanding the foregoing prohibition, the commissioner may continue to maintain the state-owned airport at Pine Creek.

Sec. 66. Minnesota Statutes 2016, section 360.024, is amended to read:

360.024 AIR TRANSPORTATION SERVICE CHARGE.

Subdivision 1. Charges. (a) The commissioner shall charge users of air transportation services provided by the commissioner for direct operating costs, excluding pilot salary ~~and~~.

(b) The commissioner may charge users for a portion of aircraft acquisition, replacement, or leasing costs.

Subd. 2. Accounts; appropriation. (a) An air transportation services account is established in the state airports fund. The account consists of money collected under subdivision 1, paragraph (a), and any other money donated, allotted, transferred, or otherwise provided to the account. All receipts for these services shall be deposited in the air transportation services account in the state airports fund and Funds in the account are annually appropriated to the commissioner to pay these direct air service operating costs.

(b) An aircraft capital account is established in the state airports fund. The account consists of collections under subdivision 1, paragraph (b), proceeds from the sale of aircraft under jurisdiction of the department, and any other money donated, allotted, transferred, or otherwise provided to the account. Except as provided by law, the commissioner must not transfer funds into or out of the account.

Sec. 67. Minnesota Statutes 2016, section 360.062, is amended to read:

360.062 AIRPORT HAZARD PREVENTION; PROTECTING EXISTING NEIGHBORHOOD LAND USES.

(a) It is hereby found that an airport hazard endangers the lives and property of users of the airport and of occupants of land in its vicinity, and may reduce the size of the area available for the landing, takeoff, and maneuvering of aircraft, thereby impairing the utility of the airport and the public investment therein. It is also found that the social and financial costs of disrupting existing land uses around airports ~~in built-up urban areas, particularly established residential neighborhoods,~~ often outweigh the benefits of a reduction in airport hazards that might result from the elimination or removal of those uses.

(b) Accordingly, it is hereby declared: (1) ~~that~~ the creation or establishment of an airport hazard is a public nuisance and an injury to the community served by the airport in question; (2) ~~that~~ it is ~~therefor~~ necessary in the interest of the public health, public safety, and general welfare that the creation or establishment of airport hazards

be prevented and that this should be accomplished to the extent legally possible, by exercise of the police power, without compensation; and (3) ~~that the elimination or removal of existing land uses, particularly established residential neighborhoods in built up urban areas,~~ or their designation as nonconforming uses is not in the public interest and should be avoided whenever possible consistent with reasonable standards of safety.

(c) It is further declared that the prevention of the creation or establishment of airport hazards and the elimination, removal, alteration, mitigation, or marking and lighting of existing airport hazards are essential public purposes services for which political subdivisions may raise and expend public funds and acquire land or property interests therein.

Sec. 68. Minnesota Statutes 2016, section 360.063, subdivision 1, is amended to read:

Subdivision 1. **Enforcement under police power.** (a) In order to prevent the creation or establishment of airport hazards, every municipality having an airport hazard area within its territorial limits may, unless a joint airport zoning board is permitted under subdivision 3, adopt, amend from time to time, administer, and enforce, under the police power and in the manner and upon the conditions hereinafter prescribed, airport zoning regulations for such airport hazard area, which regulations may divide such area into zones, and, within such zones, specify the land uses permitted and regulate and restrict the height to which structures and trees may be erected or allowed to grow.

(b) ~~For the purpose of promoting~~ In order to promote health, safety, order, convenience, prosperity, general welfare and ~~for conserving to conserve~~ property values and ~~encouraging~~ encourage the most appropriate use of land, the municipality may regulate ~~the location, size and use of buildings and the density of population in that portion of an airport hazard area under approach zones for a distance not to exceed two miles from the airport boundary and in other portions of an~~ in airport hazard area may regulate by land use zoning for a distance not to exceed one mile from the airport boundary, and by height restriction zoning for a distance not to exceed 1 1/2 miles from the airport boundary areas: (1) land use; (2) height restrictions; (3) the location, size, and use of buildings; and (4) the density of population.

(c) The powers granted by this subdivision may be exercised by metropolitan airports commissions in contiguous cities of the first class in and for which they have been created.

(d) In the case of airports owned or operated by the state of Minnesota such powers shall be exercised by the state airport zoning boards or by the commissioner of transportation as authorized herein.

Sec. 69. Minnesota Statutes 2016, section 360.063, subdivision 3, is amended to read:

Subd. 3. **Joint airport zoning board.** (a) Where an airport is owned or controlled by a municipality and an airport hazard area appertaining to the airport is located within the territorial limits of another county or municipality, the municipality owning or controlling the airport may request a county or municipality in which an airport hazard area is located:

(1) to adopt and enforce airport zoning regulations for the area in question ~~that conform to standards prescribed by the commissioner pursuant to subdivision 4~~ under sections 360.0655 and 360.0656; or

(2) to join in creating a joint airport zoning board pursuant to paragraph (b). The owning or controlling municipality shall determine which of these actions it shall request, except as provided in paragraph (e) for the Metropolitan Airports Commission. The request shall be made by certified mail to the governing body of each county and municipality in which an airport hazard area is located.

(b) Where an airport is owned or controlled by a municipality and an airport hazard area appertaining to the airport is located within the territorial limits of another county or municipality, the municipality owning or controlling the airport and the county or other municipality within which the airport hazard area is located may, by ordinance or resolution duly adopted, create a joint airport zoning board, which board shall have the same power to adopt, administer, and enforce airport zoning regulations applicable to the airport hazard area in question as that vested by subdivision 1 in the municipality within which the area is located. A joint board shall have as members two representatives appointed by the municipality owning or controlling the airport and two from the county or municipality, or in case more than one county or municipality is involved two from each county or municipality, in which the airport hazard is located, and in addition a chair elected by a majority of the members so appointed. All members shall serve at the pleasure of their respective appointing authority. Notwithstanding any other provision of law to the contrary, if the owning and controlling municipality is a city of the first class it shall appoint four members to the board, and the chair of the board shall be elected from the membership of the board.

(c) If a county or municipality, within 60 days of receiving a request from an owning or controlling municipality pursuant to paragraph (a), fails to adopt, or thereafter fails to enforce, the zoning regulations or fails to join in creating a joint airport zoning board, the owning or controlling municipality, or a joint airport zoning board created without participation by the subdivisions which fail to join the board, may itself adopt, administer, and enforce airport zoning regulations for the airport hazard area in question. In the event of conflict between the regulations and airport zoning regulations adopted by the county or municipality within which the airport hazard area is located, section 360.064, subdivision 2, applies.

(d) "Owning or controlling municipality," as used in this subdivision, includes:

(1) a joint airport operating board created pursuant to section 360.042 that has been granted all the powers of a municipality in zoning matters under the agreement creating the board;

(2) a joint airport operating board created pursuant to section 360.042 that has not been granted zoning powers under the agreement creating the board; provided that the board shall not itself adopt zoning regulations nor shall a joint airport zoning board created at its request adopt zoning regulations unless all municipalities that created the joint operating board join to create the joint zoning board; and

(3) the Metropolitan Airports Commission established and operated pursuant to chapter 473.

(e) The Metropolitan Airports Commission shall request creation of one joint airport zoning board for each airport operated under its authority.

Sec. 70. Minnesota Statutes 2016, section 360.064, subdivision 1, is amended to read:

Subdivision 1. **Comprehensive regulations.** In the event that a municipality has adopted, or hereafter adopts, a comprehensive zoning ordinance regulating, among other things the height of buildings, any airport zoning regulations applicable to the same area or portion thereof ~~may~~ must be incorporated by reference or incorporated in and made a part of such comprehensive zoning regulations and be administered and enforced in connection therewith.

Sec. 71. Minnesota Statutes 2016, section 360.065, subdivision 1, is amended to read:

Subdivision 1. **Notice of proposed zoning regulations, hearing.** (a) No airport zoning regulations shall be adopted, amended, or changed under sections 360.011 to 360.076, except by action of the governing body of the municipality ~~or, county in question, or joint airport zoning board under section 360.0655 or 360.0656,~~ or the boards provided for in section 360.063, subdivisions 3 and 7, or by the commissioner as provided in subdivisions 6 and 8; ~~after public hearings, at which parties in interest and citizens shall have an opportunity to be heard.~~

(b) A public hearing ~~shall~~ must be held on the ~~proposed airport zoning regulations proposed by a municipality, county, or joint airport zoning board before they are submitted for approval to the commissioner and after that approval but before final adoption by the local zoning authority for approval.~~ If any changes that alter the regulations placed on a parcel of land are made to the proposed airport zoning regulations after the initial public hearing, the municipality, county, or joint airport zoning board must hold a second public hearing before final adoption of the regulation. The commissioner may require a second hearing as determined necessary.

(c) Notice of a hearing ~~required pursuant to this subdivision shall~~ must be published by the ~~local zoning authority municipality, county, or joint airport zoning board~~ at least three times during the period between 15 days and five days before the hearing in an official newspaper and in a second newspaper designated by that authority which has a wide general circulation in the area affected by the proposed regulations; and posted on the municipality's, county's, or joint airport zoning board's Web site. If there is not a second newspaper of wide general circulation in the area that the municipality, county, or joint airport zoning board can designate for the notice, the municipality, county, or joint airport zoning board is only required to publish the notice once in the official newspaper of the jurisdiction. The notice shall not be published in the legal notice section of a newspaper. The notice must specify the time, location, and purpose of the hearing, and must identify any additional location and time the proposed regulations will be available for public inspection. A copy of the published notice must be added to the record of the proceedings.

(d) Notice of a hearing ~~shall also be mailed to the governing body of each political subdivision in which property affected by the regulations is located. Notice shall~~ must be given by mail at least ~~15~~ ten days before each hearing to any persons in municipalities that own land proposed to be included in safety zone A or B as provided in the rules of the Department of Transportation and landowners where the location or size of a building, or the density of population, will be regulated. Mailed notice must also be provided at least ten days before each hearing to persons or municipalities that have previously requested such notice from the ~~authority~~ municipality, county, or joint airport zoning board. The notice must specify the time, location, and purpose of the hearing, and must identify any additional location and time the proposed regulations will be made available for public inspection. Mailed notice must also identify the property affected by the regulations. For the purpose of ~~giving~~ providing mailed notice, the ~~authority municipality, county, or joint airport zoning board~~ may use any appropriate records to determine the names and addresses of owners. A copy of the notice and a list of the owners and addresses to which the notice was sent ~~shall be attested to by the responsible person and shall~~ must be made a part of added to the records of the proceedings. ~~The Failure to give provide mailed notice to individual property owners; or defects a defect in the notice, shall~~ does not invalidate the proceedings; provided if a bona fide attempt to comply with this subdivision has been was made. A notice shall describe the property affected by the proposed regulations and the restrictions to be imposed on the property by the regulations and shall state the place and time at which the proposed regulations are available for public inspection.

Sec. 72. **[360.0655] AIRPORT ZONING REGULATIONS BASED ON COMMISSIONER'S STANDARDS; SUBMISSION PROCESS.**

Subdivision 1. Submission to commissioner; review. (a) Except as provided in section 360.0656, prior to adopting zoning regulations the municipality, county, or joint airport zoning board must submit the proposed regulations to the commissioner for the commissioner to determine whether the regulations conform to the standards prescribed by the commissioner. The municipality, county, or joint airport zoning board may elect to complete custom airport zoning under section 360.0656 instead of using the commissioner's standard, but only after providing written notice to the commissioner.

(b) Notwithstanding section 15.99, the commissioner must examine the proposed regulations within 90 days of receipt of the regulations and report to the municipality, county, or joint airport zoning board the commissioner's approval or objections, if any. Failure to respond within 90 days is deemed an approval. The commissioner may request additional information from the municipality, county, or joint airport zoning board within the 90-day review period. If the commissioner requests additional information, the 90-day review period is tolled until the commissioner receives information and deems the information satisfactory.

(c) If the commissioner objects on the grounds that the regulations do not conform to the standards prescribed by the commissioner, the municipality, county, or joint airport zoning board must make amendments necessary to resolve the objections or provide written notice to the commissioner that the municipality, county, or joint airport zoning board has elected to proceed with zoning under section 360.0656.

(d) If the municipality, county, or joint airport zoning board makes revisions to the proposed regulations after its initial public hearing, the municipality, county, or joint airport zoning board must conduct a second public hearing on the revisions and resubmit the revised proposed regulations to the commissioner for review. The commissioner must examine the revised proposed regulations within 90 days of receipt to determine whether the revised proposed regulations conform to the standards prescribed by the commissioner.

(e) If, after a second review period, the commissioner determines that the municipality, county, or joint airport zoning board failed to submit proposed regulations that conform to the commissioner's standards, the commissioner must provide a final written decision to the municipality, county, or joint airport zoning board.

(f) The municipality, county, or joint airport zoning board must not adopt regulations or take other action until the proposed regulations are approved by the commissioner.

(g) The commissioner may approve local zoning ordinances that are more stringent than the commissioner's standards.

(h) If the commissioner approves the proposed regulations, the municipality, county, or joint airport zoning board may adopt the regulations.

(i) A copy of the adopted regulations must be filed with the county recorder in each county that contains a zoned area subject to the regulations.

(j) Substantive rights that existed and had been exercised prior to August 1, 2018, are not affected by the filing of the regulations.

Subd. 2. Protection of existing land uses. (a) In order to ensure minimum disruption of existing land uses, the commissioner's airport zoning standards and local airport zoning ordinances or regulations adopted under this section must distinguish between the creation or establishment of a use and the elimination of an existing use, and must avoid the elimination, removal, or reclassification of existing uses to the extent consistent with reasonable safety standards. The commissioner's standards must include criteria for determining when an existing land use may constitute an airport hazard so severe that public safety considerations outweigh the public interest in preventing disruption to that land use.

(b) Airport zoning regulations that classify as a nonconforming use or require nonconforming use classification with respect to any existing low-density structure or existing isolated low-density building lots must be adopted under sections 360.061 to 360.074.

(c) A local airport zoning authority may classify a land use described in paragraph (b) as an airport hazard if the authority finds that the classification is justified by public safety considerations and is consistent with the commissioner's airport zoning standards. Any land use described in paragraph (b) that is classified as an airport hazard must be acquired, altered, or removed at public expense.

(d) This subdivision must not be construed to affect the classification of any land use under any zoning ordinances or regulations not adopted under sections 360.061 to 360.074.

Sec. 73. **[360.0656] CUSTOM AIRPORT ZONING STANDARDS.**

Subdivision 1. Custom airport zoning standards; factors. (a) Notwithstanding section 360.0655, a municipality, county, or joint airport zoning board must provide notice to the commissioner when the municipality, county, or joint airport zoning board intends to establish and adopt custom airport zoning regulations under this section.

(b) Airport zoning regulations submitted to the commissioner under this subdivision are not subject to the commissioner's zoning regulations under section 360.0655 or Minnesota Rules, part 8800.2400.

(c) When developing and adopting custom airport zoning regulations under this section, the municipality, county, or joint airport zoning board must include in the record a detailed analysis that explains how the proposed custom airport zoning regulations addressed the following factors to ensure a reasonable level of safety:

(1) the location of the airport, the surrounding land uses, and the character of neighborhoods in the vicinity of the airport, including:

(i) the location of vulnerable populations, including schools, hospitals, and nursing homes, in the airport hazard area;

(ii) the location of land uses that attract large assemblies of people in the airport hazard area;

(iii) the availability of contiguous open spaces in the airport hazard area;

(iv) the location of wildlife attractants in the airport hazard area;

(v) airport ownership or control of the federal Runway Protection Zone and the department's Clear Zone;

(vi) land uses that create or cause interference with the operation of radio or electronic facilities used by the airport or aircraft;

(vii) land uses that make it difficult for pilots to distinguish between airport lights and other lights, result in glare in the eyes of pilots using the airport, or impair visibility in the vicinity of the airport;

(viii) land uses that otherwise inhibit a pilot's ability to land, take off, or maneuver the aircraft;

(ix) airspace protection to prevent the creation of air navigation hazards in the airport hazard area; and

(x) the social and economic costs of restricting land uses;

(2) the airport's type of operations and how the operations affect safety surrounding the airport;

(3) the accident rate at the airport compared to a statistically significant sample, including an analysis of accident distribution based on the rate with a higher accident incidence;

(4) the planned land uses within an airport hazard area, including any applicable platting, zoning, comprehensive plan, or transportation plan; and

(5) any other information relevant to safety or the airport.

Subd. 2. **Submission to commissioner; review.** (a) Except as provided in section 360.0655, prior to adopting zoning regulations, the municipality, county, or joint airport zoning board must submit its proposed regulations and the supporting record to the commissioner for review. The commissioner must determine whether the proposed custom airport zoning regulations and supporting record (1) evaluate the criteria under subdivision 1, and (2) provide a reasonable level of safety.

(b) Notwithstanding section 15.99, the commissioner must examine the proposed regulations within 90 days of receipt of the regulations and report to the municipality, county, or joint airport zoning board the commissioner's approval or objections, if any. Failure to respond within 90 days is deemed an approval. The commissioner may request additional information from the municipality, county, or joint airport zoning board within the 90-day review period.

(c) If the commissioner objects on the grounds that the regulations do not provide a reasonable level of safety, the municipality, county, or joint airport zoning board must review, consider, and provide a detailed explanation demonstrating how it evaluated the objections and what action it took or did not take in response to the objections. If the municipality, county, or joint airport zoning board submits amended regulations after its initial public hearing, the municipality, county, or joint airport zoning board must conduct a second public hearing on the revisions and resubmit the revised proposed regulations to the commissioner for review. The commissioner must examine the revised proposed regulations within 90 days of receipt of the regulations. If the commissioner requests additional information, the 90-day review period is tolled until satisfactory information is received by the commissioner. Failure to respond within 90 days is deemed an approval.

(d) If, after the second review period, the commissioner determines that the municipality, county, or joint airport zoning board failed to submit proposed regulations that provide a reasonable safety level, the commissioner must provide a final written decision to the municipality, county, or joint airport zoning board.

(e) A municipality, county, or joint airport zoning board is prohibited from adopting custom regulations or taking other action until the proposed regulations are approved by the commissioner.

(f) If the commissioner approves the proposed regulations, the municipality, county, or joint airport zoning board may adopt the regulations.

(g) A copy of the adopted regulations must be filed with the county recorder in each county that contains a zoned area subject to the regulations.

(h) Substantive rights that existed and had been exercised prior to August 1, 2018, are not affected by the filing of the regulations.

Sec. 74. Minnesota Statutes 2016, section 360.066, subdivision 1, is amended to read:

Subdivision 1. **Reasonableness.** ~~Standards of the commissioner~~ Zoning standards defining airport hazard areas and the categories of uses permitted and airport zoning regulations adopted under sections 360.011 to 360.076, ~~shall~~ must be reasonable, and none shall impose a requirement or restriction ~~which~~ that is not reasonably necessary to effectuate the purposes of sections 360.011 to 360.076. ~~In determining what minimum airport zoning regulations may be adopted, the commissioner and a local airport zoning authority shall consider, among other things, the character of the flying operations expected to be conducted at the airport, the location of the airport, the nature of the terrain within the airport hazard area, the existing land uses and character of the neighborhood around the airport, the uses to which the property to be zoned are planned and adaptable, and the social and economic costs of restricting land uses versus the benefits derived from a strict application of the standards of the commissioner.~~

Sec. 75. Minnesota Statutes 2016, section 360.067, is amended by adding a subdivision to read:

Subd. 5. Federal no hazard determination. (a) Notwithstanding subdivisions 1 and 2, a municipality, county, or joint airport zoning board may include in its custom airport zoning regulations adopted under section 360.0656 an option to permit construction of a structure, an increase or alteration of the height of a structure, or the growth of an existing tree without a variance from height restrictions if the Federal Aviation Administration has analyzed the proposed construction, alteration, or growth under Code of Federal Regulations, title 14, part 77, and has determined the proposed construction, alteration, or growth does not:

(1) pose a hazard to air navigation;

(2) require changes to airport or aircraft operations; or

(3) require any mitigation conditions by the Federal Aviation Administration that cannot be satisfied by the landowner.

(b) A municipality, county, or joint airport zoning board that permits an exception to height restrictions under this subdivision must require the applicant to file the Federal Aviation Administration's no hazard determination with the applicable zoning administrator. The applicant must obtain written approval of the zoning administrator before construction, alteration, or growth may occur. Failure of the administrator to respond within 60 days to a filing under this subdivision is deemed a denial. The Federal Aviation Administration's no hazard determination does not apply to requests for variation from land use, density, or any other requirement unrelated to the height of structures or the growth of trees.

Sec. 76. Minnesota Statutes 2016, section 360.071, subdivision 2, is amended to read:

Subd. 2. Membership. (a) Where a zoning board of appeals or adjustment already exists, it may be appointed as the board of adjustment. Otherwise, the board of adjustment shall consist of five members, each to be appointed for a term of three years by the authority adopting the regulations and to be removable by the appointing authority for cause, upon written charges and after public hearing. The length of initial appointments may be staggered.

(b) In the case of a Metropolitan Airports Commission, five members shall be appointed by the commission chair from the area in and for which the commission was created, any of whom may be members of the commission. In the case of an airport owned or operated by the state of Minnesota, the board of commissioners of the county, or counties, in which the airport hazard area is located shall constitute the airport board of adjustment and shall exercise the powers and duties of such board as provided herein.

Sec. 77. Minnesota Statutes 2016, section 360.305, subdivision 6, is amended to read:

Subd. 6. Zoning required. The commissioner ~~shall~~ must not expend money for ~~planning or~~ land acquisition, ~~or~~ for the construction, improvement, or maintenance of airports, or for air navigation facilities for an airport, unless the ~~governmental unit~~ municipality, county, or joint airport zoning board involved has or is establishing a zoning authority for that airport, and the authority has made a good-faith showing that it is in the process of and will complete with due diligence, an airport zoning ordinance in accordance with sections 360.061 to 360.074. The commissioner may provide funds to support airport safety projects that maintain existing infrastructure, regardless of a zoning authority's efforts to complete a zoning regulation. The commissioner ~~shall~~ must make maximum use of zoning and easements to eliminate runway and other potential airport hazards rather than land acquisition in fee.

Sec. 78. Minnesota Statutes 2016, section 394.22, is amended by adding a subdivision to read:

Subd. 1a. **Airport safety zone.** "Airport safety zone" means an area subject to land use zoning controls adopted under sections 360.061 to 360.074 if the zoning controls regulate (1) the size or location of buildings, or (2) the density of population.

Sec. 79. Minnesota Statutes 2016, section 394.23, is amended to read:

394.23 COMPREHENSIVE PLAN.

The board has the power and authority to prepare and adopt by ordinance, a comprehensive plan. A comprehensive plan or plans when adopted by ordinance must be the basis for official controls adopted under the provisions of sections 394.21 to 394.37. The commissioner of natural resources must provide the natural heritage data from the county biological survey, if available, to each county for use in the comprehensive plan. When adopting or updating the comprehensive plan, the board must, if the data is available to the county, consider natural heritage data resulting from the county biological survey. In a county that is not a greater than 80 percent area, as defined in section 103G.005, subdivision 10b, the board must consider adopting goals and objectives that will protect open space and the environment. The board must consider the location and dimensions of airport safety zones in any portion of the county, and of any airport improvements, identified in the airport's most recent approved airport layout plan.

Sec. 80. Minnesota Statutes 2016, section 394.231, is amended to read:

394.231 COMPREHENSIVE PLANS IN GREATER MINNESOTA; OPEN SPACE.

A county adopting or updating a comprehensive plan in a county outside the metropolitan area as defined by section 473.121, subdivision 2, and that is not a greater than 80 percent area, as defined in section 103G.005, subdivision 10b, shall consider adopting goals and objectives for the preservation of agricultural, forest, wildlife, and open space land, and minimizing development in sensitive shoreland areas. Within three years of updating the comprehensive plan, the county shall consider adopting ordinances as part of the county's official controls that encourage the implementation of the goals and objectives. The county shall consider the following goals and objectives:

(1) minimizing the fragmentation and development of agricultural, forest, wildlife, and open space lands, including consideration of appropriate minimum lot sizes;

(2) minimizing further development in sensitive shoreland areas;

(3) minimizing development near wildlife management areas, scientific and natural areas, and nature centers;

(4) encouraging land uses in airport safety zones that are compatible with the safe operation of the airport and the safety of people in the vicinity of the airport;

~~(4)~~ (5) identification of areas of preference for higher density, including consideration of existing and necessary water and wastewater services, infrastructure, other services, and to the extent feasible, encouraging full development of areas previously zoned for nonagricultural uses;

~~(5)~~ (6) encouraging development close to places of employment, shopping centers, schools, mass transit, and other public and private service centers;

~~(6)~~ (7) identification of areas where other developments are appropriate; and

~~(7)~~ (8) other goals and objectives a county may identify.

Sec. 81. Minnesota Statutes 2016, section 394.25, subdivision 3, is amended to read:

Subd. 3. **In district zoning, maps.** Within each such district zoning ordinances or maps may also be adopted designating or limiting the location, height, width, bulk, type of foundation, number of stories, size of, and the specific uses for which dwellings, buildings, and structures may be erected or altered; the minimum and maximum size of yards, courts, or other open spaces; setback from existing roads and highways and roads and highways designated on an official map; protective measures necessary to protect the public interest including but not limited to controls relating to appearance, signs, lighting, hours of operation and other aesthetic performance characteristics including but not limited to noise, heat, glare, vibrations and smoke; the area required to provide for off street loading and parking facilities; heights of trees and structures near airports; and to avoid too great concentration or scattering of the population. All such provisions shall be uniform for each class of land or building throughout each district, but the provisions in one district may differ from those in other districts. No provision may prohibit earth sheltered construction as defined in section 216C.06, subdivision 14, or manufactured homes built in conformance with sections 327.31 to 327.35 that comply with all other zoning ordinances promulgated pursuant to this section. Airport safety zones must be included on maps that illustrate boundaries of zoning districts and that are adopted as official controls.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to maps created or updated under this section on or after that date.

Sec. 82. Minnesota Statutes 2016, section 462.352, is amended by adding a subdivision to read:

Subd. 1a. **Airport safety zone.** "Airport safety zone" has the meaning given in section 394.22, subdivision 1a.

Sec. 83. Minnesota Statutes 2016, section 462.355, subdivision 1, is amended to read:

Subdivision 1. **Preparation and review.** The planning agency shall prepare the comprehensive municipal plan. In discharging this duty the planning agency shall consult with and coordinate the planning activities of other departments and agencies of the municipality to insure conformity with and to assist in the development of the comprehensive municipal plan. In its planning activities the planning agency shall take due cognizance of the planning activities of adjacent units of government and other affected public agencies. The planning agency shall periodically review the plan and recommend amendments whenever necessary. When preparing or recommending amendments to the comprehensive plan, the planning agency of a municipality located within a county that is not a greater than 80 percent area, as defined in section 103G.005, subdivision 10b, must consider adopting goals and objectives that will protect open space and the environment. When preparing or recommending amendments to the comprehensive plan, the planning agency must consider (1) the location and dimensions of airport safety zones in any portion of the municipality, and (2) any airport improvements identified in the airport's most recent approved airport layout plan.

Sec. 84. Minnesota Statutes 2016, section 462.357, is amended by adding a subdivision to read:

Subd. 1i. **Airport safety zones on zoning maps.** Airport safety zones must be included on maps that illustrate boundaries of zoning districts and that are adopted as official controls.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to maps created or updated under this section on or after that date.

Sec. 85. Minnesota Statutes 2016, section 462.357, subdivision 9, is amended to read:

Subd. 9. **Development goals and objectives.** In adopting official controls after July 1, 2008, in a municipality outside the metropolitan area, as defined by section 473.121, subdivision 2, the municipality shall consider restricting new residential, commercial, and industrial development so that the new development takes place in areas subject to the following goals and objectives:

(1) minimizing the fragmentation and development of agricultural, forest, wildlife, and open space lands, including consideration of appropriate minimum lot sizes;

(2) minimizing further development in sensitive shoreland areas;

(3) minimizing development near wildlife management areas, scientific and natural areas, and nature centers;

(4) encouraging land uses in airport safety zones that are compatible with the safe operation of the airport and the safety of people in the vicinity of the airport;

~~(4)~~ (5) identification of areas of preference for higher density, including consideration of existing and necessary water and wastewater services, infrastructure, other services, and to the extent feasible, encouraging full development of areas previously zoned for nonagricultural uses;

~~(5)~~ (6) encouraging development close to places of employment, shopping centers, schools, mass transit, and other public and private service centers;

~~(6)~~ (7) identification of areas where other developments are appropriate; and

~~(7)~~ (8) other goals and objectives a municipality may identify.

Sec. 86. Minnesota Statutes 2016, section 473.13, is amended by adding a subdivision to read:

Subd. 1d. **Budget amendments.** In conjunction with the adoption of any amendment to a budget under subdivision 1, the council must submit a summary of the budget changes and a copy of the amended budget to the members and staff of the legislative committees with jurisdiction over transportation policy and finance and to the Legislative Commission on Metropolitan Government.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 87. Minnesota Statutes 2016, section 473.13, is amended by adding a subdivision to read:

Subd. 6. **Overview of revenues and expenditures; forecast.** (a) In cooperation with the Department of Management and Budget and as required by section 16A.103, in February and November of each year the council must prepare a financial overview and forecast of revenues and expenditures for the transportation components of the council's budget.

(b) At a minimum, the financial overview and forecast must identify:

(1) actual revenues, expenditures, transfers, reserves, and balances for each of the previous four budget years;

(2) budgeted and forecasted revenues, expenditures, transfers, reserves, and balances for each year within the state forecast period; and

(3) a comparison of the information under clause (2) to the prior forecast, including any changes made.

(c) The information under paragraph (b), clauses (1) and (2), must include:

(1) a breakdown for each transportation operating budget category established by the council, including but not limited to bus, light rail transit, commuter rail, planning, special transportation service under section 473.386, and assistance to replacement service providers under section 473.388;

(2) data for both transportation operating and capital expenditures; and

(3) fund balances for each replacement service provider under section 473.388.

(d) The financial overview and forecast must summarize reserve policies, identify the methodology for cost allocation, and review revenue assumptions and variables affecting the assumptions.

(e) The council must review the financial overview and forecast information with the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over finance, ways and means, and transportation finance no later than two weeks following the release of the forecast.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 88. Minnesota Statutes 2016, section 473.386, subdivision 3, is amended to read:

Subd. 3. **Duties of council.** In implementing the special transportation service, the council shall:

(a) encourage participation in the service by public, private, and private nonprofit providers of special transportation currently receiving capital or operating assistance from a public agency;

(b) when feasible and cost-efficient, contract with public, private, and private nonprofit providers that have demonstrated their ability to effectively provide service at a reasonable cost;

(c) encourage individuals using special transportation to use the type of service most appropriate to their particular needs;

(d) encourage shared rides to the greatest extent practicable;

(e) encourage public agencies that provide transportation to eligible individuals as a component of human services and educational programs to coordinate with this service and to allow reimbursement for transportation provided through the service at rates that reflect the public cost of providing that transportation;

(f) establish criteria to be used in determining individual eligibility for special transportation services;

(g) consult with the Transportation Accessibility Advisory Committee in a timely manner before changes are made in the provision of special transportation services;

(h) provide for effective administration and enforcement of council policies and standards; and

(i) ensure that, taken as a whole including contracts with public, private, and private nonprofit providers, the geographic coverage area of the special transportation service is continuous within the boundaries of the transit taxing district, as defined as of March 1, 2006, in section 473.446, subdivision 2, and any area added to the transit taxing district under section 473.4461 that received capital improvements financed in part by the Minnesota Urban Partnership Agreement (UPA) under the United States Department of Transportation UPA program.

EFFECTIVE DATE; APPLICATION. This section is effective July 1, 2019, and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 89. Minnesota Statutes 2016, section 473.386, is amended by adding a subdivision to read:

Subd. 9. Data practices. (a) For purposes of administering this section, and only with the consent of the data subject, the commissioner of human services and the Metropolitan Council may share the following private data on individuals eligible for special transportation services:

(1) name;

(2) date of birth;

(3) residential address; and

(4) program eligibility status with expiration date, to inform the other party of program eligibility.

(b) The commissioner of human services and the Metropolitan Council must provide notice regarding data sharing to each individual applying for or renewing eligibility to use special transportation services. The notice must seek consent to engage in data sharing under paragraph (a), and must state how and for what purposes the individual's private data will be shared between the commissioner of human services and the Metropolitan Council. A consent to engage in data sharing is effective until the individual's eligibility expires, but may be renewed if the individual applies to renew eligibility.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington. Within 60 days of this section's effective date, the commissioner of human services and the Metropolitan Council must provide notice regarding data sharing to each individual who is currently receiving special transportation services under Minnesota Statutes, section 473.386. The notice must provide an opportunity to opt out of data sharing under paragraph (a) of this section, and must state how and for what purposes the individual's private data will be shared between the commissioner of human services and the Metropolitan Council. An individual who is currently receiving special transportation services on this section's effective date is presumed to have consented to data sharing under paragraph (a) unless, within 60 days of the dissemination of the notice, the individual appropriately informs the commissioner of human services or the Metropolitan Council that the individual opts out of data sharing.

Sec. 90. Minnesota Statutes 2017 Supplement, section 473.4051, subdivision 2, is amended to read:

Subd. 2. Operating costs. (a) After operating revenue and federal money have been used to pay for light rail transit operations, 50 percent of the remaining operating costs must be paid by the state.

(b) Notwithstanding paragraph (a), all operating and ongoing capital maintenance costs must be paid from nonstate sources for a segment of a light rail transit line or line extension project that formally entered the engineering phase of the Federal Transit Administration's "New Starts" capital investment grant program between August 1, 2016, and December 31, 2016.

(c) For purposes of this subdivision, operating costs consist of the costs associated with light rail system daily operations and the maintenance costs associated with keeping light rail services and facilities operating. Operating costs do not include costs incurred to construct new buildings or facilities, purchase new vehicles, or make technology improvements.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 91. Minnesota Statutes 2016, section 473.4051, subdivision 3, is amended to read:

Subd. 3. **Capital costs.** State money ~~may~~ must not be used ~~to pay more than ten percent of~~ for the ~~total~~ capital cost of a light rail transit project.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment for appropriations encumbered on or after that date and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 92. Minnesota Statutes 2016, section 473.606, subdivision 5, is amended to read:

Subd. 5. **Employees, others, affirmative action; prevailing wage.** The corporation shall have the power to appoint engineers and other consultants, attorneys, and such other officers, agents, and employees as it may see fit, who shall perform such duties and receive such compensation as the corporation may determine notwithstanding the provisions of section 43A.17, subdivision 9, and be removable at the pleasure of the corporation. The corporation must adopt an affirmative action plan, which shall be submitted to the appropriate agency or office of the state for review and approval. The plan must include a yearly progress report to the agency or office. Whenever the corporation performs any work within the limits of a city of the first class, or establishes a minimum wage for skilled or unskilled labor in the specifications or any contract for work within one of the cities, the rate of pay to such skilled and unskilled labor must be the prevailing rate of wage for such labor in that city.

Sec. 93. Minnesota Statutes 2016, section 574.26, subdivision 1a, is amended to read:

Subd. 1a. **Exemptions: certain manufacturers; commissioner of transportation; road maintenance.** (a) Sections 574.26 to 574.32 do not apply to a manufacturer of public transit buses that manufactures at least 100 public transit buses in a calendar year. For purposes of this section, "public transit bus" means a motor vehicle designed to transport people, with a design capacity for carrying more than 40 passengers, including the driver. The term "public transit bus" does not include a school bus, as defined in section 169.011, subdivision 71.

(b) At the discretion of the commissioner of transportation, sections 574.26 to 574.32 do not apply to any projects of the Department of Transportation (1) costing less than the amount in section 471.345, subdivision 3, ~~or~~ (2) involving the permanent or semipermanent installation of heavy machinery, fixtures, or other capital equipment to be used primarily for maintenance or repair, or (3) awarded under section 161.32, subdivision 2.

(c) Sections 574.26 to 574.32 do not apply to contracts for snow removal, ice removal, grading, or other similar routine road maintenance on town roads.

Sec. 94. Laws 2014, chapter 312, article 11, section 38, subdivision 5, is amended to read:

Subd. 5. **Pilot program evaluation.** In coordination with the city, the commissioner of transportation shall evaluate effectiveness of the pilot program under this section, which must include analysis of traffic safety impacts, utility to motorists and tourists, costs and expenditures, extent of community support, and pilot program termination or continuation. By January 15, ~~2021~~ 2024, the commissioner shall submit a report on the evaluation to the ~~chairs~~ and ranking minority members and staff of the legislative committees with jurisdiction over transportation policy and finance.

Sec. 95. Laws 2014, chapter 312, article 11, section 38, subdivision 6, is amended to read:

Subd. 6. **Expiration.** The pilot program under this section expires January 1, ~~2022~~ 2025.

Sec. 96. **LEGISLATIVE ROUTE NO. 222 REMOVED.**

(a) Minnesota Statutes, section 161.115, subdivision 153, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of Red Lake County to transfer jurisdiction of Legislative Route No. 222 and after the commissioner notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 97. **LEGISLATIVE ROUTE NO. 253 REMOVED.**

(a) Minnesota Statutes, section 161.115, subdivision 184, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of Faribault County to transfer jurisdiction of Legislative Route No. 253 and after the commissioner notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 98. **LEGISLATIVE ROUTE NO. 254 REMOVED.**

(a) Minnesota Statutes, section 161.115, subdivision 185, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of Faribault County to transfer jurisdiction of Legislative Route No. 254 and after the commissioner notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 99. **LEGISLATIVE ROUTE NO. 277 REMOVED.**

(a) Minnesota Statutes, section 161.115, subdivision 208, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of Chippewa County to transfer jurisdiction of Legislative Route No. 277 and after the commissioner notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 100. **LEGISLATIVE ROUTE NO. 298 REMOVED.**

(a) Minnesota Statutes, section 161.115, subdivision 229, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of the city of Faribault to transfer jurisdiction of Legislative Route No. 298 and after the commissioner notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 101. **LEGISLATIVE ROUTE NO. 299 REMOVED.**

(a) Minnesota Statutes, section 161.115, subdivision 230, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of the city of Faribault to transfer jurisdiction of Legislative Route No. 299 and after the commissioner notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 102. **LEGISLATIVE ROUTE NO. 323 REMOVED.**

(a) Minnesota Statutes, section 161.115, subdivision 254, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of the city of Faribault to transfer jurisdiction of Legislative Route No. 323 and after the commissioner notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 103. **DEPARTMENT OF TRANSPORTATION LOAN CONVERSION AND LIEN RELEASE.**

The commissioner of transportation must (1) convert to a grant the remaining balance on Minnesota Department of Transportation Contract No. 1000714, originally executed as of June 1, 2015, with Minnesota Commercial Railway Company; (2) cancel all future payments under the contract; (3) release liens on the locomotives designated as MNNR 49 and MNNR 84; and (4) perform the appropriate filing. The commissioner is prohibited from requiring or accepting additional payments under the contract as of the effective date of this section. Notwithstanding the loan conversion and payment cancellation under this section, all other terms and conditions under Contract No. 1000714 remain effective for the duration of the period specified in the contract.

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

Sec. 104. **NORTHSTAR COMMUTER RAIL OPERATING COSTS; EXCEPTION.**

(a) Minnesota Statutes, section 398A.10, subdivision 2, does not apply for reserve funds available to the Anoka County Regional Railroad Authority as of June 30, 2018, that are used to pay operating and maintenance costs of Northstar Commuter Rail.

(b) This section expires on January 1, 2021.

Sec. 105. **MARKED INTERSTATE HIGHWAY 35 SIGNS.**

The commissioner of transportation must erect signs that identify and direct motorists to the campuses of Minnesota State Academy for the Deaf and Minnesota State Academy for the Blind under Minnesota Statutes, sections 125A.61 to 125A.73. At least one sign in each direction of travel must be placed on marked Interstate Highway 35, located as near as practical to exits that reasonably access the campuses. The commissioner is prohibited from removing signs for the campuses posted on marked Trunk Highway 60.

Sec. 106. **COMMERCIAL DRIVER'S LICENSE FEDERAL REGULATION WAIVER REQUEST.**

The commissioner of public safety must apply to the Federal Motor Carrier Safety Administration for a waiver from the federal regulation that requires a person to have a passenger endorsement to drive a bus with no passengers for the sole purpose of delivering the bus to the purchaser.

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

Sec. 107. **REVISOR INSTRUCTIONS.**

(a) The revisor of statutes shall renumber Minnesota Statutes, section 160.02, subdivision 27a, as Minnesota Statutes, section 169.011, subdivision 73a. The revisor shall correct any cross-references made necessary by this renumbering.

(b) The revisor of statutes shall change the term "special revenue fund" to "driver and vehicle services fund" wherever the term appears in Minnesota Statutes when referring to the accounts under Minnesota Statutes, section 299A.705.

Sec. 108. **REPEALER.**

(a) Minnesota Statutes 2016, section 168.013, subdivision 21, is repealed.

(b) Minnesota Statutes 2016, section 221.161, subdivisions 2, 3, and 4, are repealed.

(c) Minnesota Statutes 2016, sections 360.063, subdivision 4; 360.065, subdivision 2; and 360.066, subdivisions 1a and 1b, are repealed.

(d) Minnesota Statutes 2016, sections 222.47; 222.50, subdivisions 1 and 7; and 222.51, are repealed.

(e) Minnesota Statutes 2017 Supplement, sections 222.49; and 222.50, subdivision 6, are repealed.

Sec. 109. **EFFECTIVE DATE; APPLICATION.**

(a) Sections 63 to 84 and section 107, paragraph (c), are effective August 1, 2018, and apply to airport sponsors that make or plan to make changes to runway lengths or configurations on or after that date.

(b) Sections 63 to 84 and section 107, paragraph (c), do not apply to airports that (1) have airport safety zoning ordinances approved by this commissioner in effect on August 1, 2018; (2) have not made and are not planning to make changes to runway lengths or configurations; and (3) are not required to update airport safety zoning ordinances."

Amend the title accordingly

Signed:

ERIN MURPHY

FRANK HORNSTEIN

Murphy, E., moved that the Minority Report from the Committee on Ways and Means relating to H. F. No. 3138 be substituted for the Majority Report and that the Minority Report be now adopted.

A roll call was requested and properly seconded.

LAY ON THE TABLE

Peppin moved that the Minority Report from the Committee on Ways and Means relating to H. F. No. 3138 be laid on the table.

A roll call was requested and properly seconded.

CALL OF THE HOUSE

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

Albright	Davids	Haley	Koegel	Masin	Peterson
Anderson, P.	Davnie	Halverson	Koznick	Maye Quade	Pierson
Anderson, S.	Dean, M.	Hamilton	Kresha	Metsa	Pinto
Anselmo	Dehn, R.	Hansen	Kunesh-Podein	Miller	Poppe
Backer	Dettmer	Hausman	Layman	Munson	Poston
Bahr, C.	Drazkowski	Heintzeman	Lee	Murphy, E.	Pryor
Baker	Ecklund	Hertaus	Lesch	Murphy, M.	Pugh
Barr, R.	Erickson	Hilstrom	Liebling	Nash	Quam
Bennett	Fabian	Hoppe	Lien	Nelson	Rarick
Bernardy	Fenton	Hornstein	Loeffler	Neu	Rosenthal
Bliss	Fischer	Hortman	Lohmer	Newberger	Runbeck
Bly	Franke	Howe	Loon	Nornes	Sandstede
Carlson, A.	Franson	Jessup	Loonan	O'Driscoll	Sauke
Carlson, L.	Freiberg	Johnson, B.	Lucero	Olson	Schomacker
Christensen	Green	Johnson, C.	Lueck	Omar	Schultz
Clark	Grossell	Jurgens	Mahoney	O'Neill	Scott
Considine	Gruenhagen	Kiel	Mariani	Peppin	Smith
Daniels	Gunther	Knoblach	Marquart	Petersburg	Sundin

Swedzinski	Uglen	Wagenius	Whelan	Spk. Daudt
Theis	Urdahl	Ward	Wills	
Torkelson	Vogel	West	Youakim	

All members answered to the call and it was so ordered.

The question recurred on the Peppin motion and the roll was called. There were 76 yeas and 46 nays as follows:

Those who voted in the affirmative were:

Albright	Dean, M.	Hamilton	Lohmer	O'Driscoll	Smith
Anderson, P.	Dettmer	Heintzeman	Loon	O'Neill	Swedzinski
Anderson, S.	Drazkowski	Hertaus	Loonan	Peppin	Theis
Anselmo	Erickson	Hoppe	Lucero	Petersburg	Torkelson
Backer	Fabian	Howe	Lueck	Peterson	Uglen
Bahr, C.	Fenton	Jessup	Marquart	Pierson	Urdahl
Baker	Franke	Johnson, B.	McDonald	Poston	Vogel
Barr, R.	Franson	Jurgens	Miller	Pugh	West
Bennett	Green	Kiel	Munson	Quam	Whelan
Bliss	Grossell	Knoblach	Nash	Rarick	Wills
Christensen	Gruenhagen	Koznick	Neu	Runbeck	Spk. Daudt
Daniels	Gunther	Kresha	Newberger	Schomacker	
Davids	Haley	Layman	Nornes	Scott	

Those who voted in the negative were:

Bernardy	Ecklund	Hortman	Loeffler	Nelson	Sauke
Bly	Fischer	Johnson, C.	Mahoney	Olson	Schultz
Carlson, A.	Freiberg	Koegel	Mariani	Omar	Sundin
Carlson, L.	Halverson	Kunesh-Podein	Masin	Pinto	Wagenius
Clark	Hansen	Lee	Maye Quade	Poppe	Ward
Considine	Hausman	Lesch	Metsa	Pryor	Youakim
Davnie	Hilstrom	Liebling	Murphy, E.	Rosenthal	
Dehn, R.	Hornstein	Lien	Murphy, M.	Sandstede	

The motion prevailed and the Minority Report from the Committee on Ways and Means relating to H. F. No. 3138 was laid on the table.

The question recurred on the adoption of the Majority Report from the Committee on Ways and Means relating to H. F. No. 3138. The report was adopted.

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

H. F. No. 3246, A bill for an act relating to human services; establishing a task force on childhood trauma-informed policy and practices; requiring a report.

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

The report was adopted.

Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 9, H. F. No. 3246 was re-referred to the Committee on Rules and Legislative Administration.

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

H. F. No. 3445, A bill for an act relating to state government; modifying rulemaking; amending Minnesota Statutes 2016, sections 14.05, by adding subdivisions; 14.116; 14.126; 14.127, subdivision 4; 14.22, subdivision 1; 14.366; 14.381, subdivision 3; 14.388, subdivision 2; 14.45; repealing Minnesota Statutes 2016, section 14.05, subdivision 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"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. 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 the 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. 5. **[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.

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

Sec. 6. **REPEALER.**

Minnesota Statutes 2016, section 14.381, subdivision 3, is repealed.

Sec. 7. **EFFECTIVE DATE; APPLICATION.**

(a) Except where otherwise provided, this act 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 act 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."

Delete the title and insert:

"A bill for an act relating to state government; modifying rulemaking; regulating policy pronouncements; providing for the investigation of complaints of harassment, misconduct, and discrimination in the executive branch; amending Minnesota Statutes 2016, sections 14.03, subdivision 3; 14.127, subdivision 4; 14.381, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 14; 43A; repealing Minnesota Statutes 2016, section 14.381, subdivision 3."

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

The report was adopted.

Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 9, H. F. No. 3445 was re-referred to the Committee on Rules and Legislative Administration.

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

H. F. No. 4244, A bill for an act relating to local government; modifying the cap on loans to certain local units of government from a rural electric cooperative or the USDA; making a technical change; amending Minnesota Statutes 2016, section 465.73.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

The report was adopted.

Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 9, H. F. No. 4244 was re-referred to the Committee on Rules and Legislative Administration.

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

H. F. No. 4256, A bill for an act relating to state government; requiring approval of the Capitol Preservation Commission for the display of works of art in certain areas of the Capitol; establishing a Capitol Art Advisory Committee; amending Minnesota Statutes 2016, sections 15B.32, subdivision 6; 138.67, subdivisions 2, 4; 138.68; 138.70; Minnesota Statutes 2017 Supplement, section 138.69; proposing coding for new law in Minnesota Statutes, chapter 15B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2016, section 15B.32, as amended by Laws 2017, First Special Session chapter 8, article 2, section 1, is amended to read:

15B.32 STATE CAPITOL PRESERVATION COMMISSION.

Subdivision 1. **Definitions.** (a) As used in this section and section 15B.36, the terms defined in this subdivision have the following meanings.

(b) "Commission" means the State Capitol Preservation Commission created under this section.

(c) "Capitol Area" means the geographic area defined in section 15B.02.

(d) "Board" means the Capitol Area Architectural and Planning Board created under section 15B.03.

(e) "Predesign" has the meaning given in section 16B.335, subdivision 3, paragraph (a).

Subd. 2. **Membership.** The State Capitol Preservation Commission consists of ~~22~~ 24 members, appointed as follows:

(1) the governor;

(2) the lieutenant governor;

(3) the attorney general;

(4) the chief justice of the Supreme Court, or the chief justice's designee, who shall be a member of the Supreme Court;

(5) the majority leader of the senate or the majority leader's designee, who shall be a member of the senate;

(6) the minority leader of the senate or the minority leader's designee, who shall be a member of the senate;

(7) the speaker of the house or the speaker's designee, who shall be a member of the house of representatives;

(8) the minority leader of the house of representatives or the minority leader's designee, who shall be a member of the house of representatives;

~~(7)~~ (9) two members of the senate, including one member from the majority party appointed by the majority leader and one member from the minority party appointed by the minority leader;

~~(8)~~ (10) two members of the house of representatives, including one member appointed by the speaker of the house and one member from the minority party appointed by the minority leader;

~~(9)~~ (11) the chair and ranking minority member of the house of representatives committee with jurisdiction over capital investment and the chair and ranking minority member of the senate committee with jurisdiction over capital investment;

~~(10)~~ (12) the commissioner of administration or the commissioner's designee;

- ~~(14)~~ (13) the commissioner of public safety or the commissioner's designee;
- ~~(12)~~ (14) the executive director of the Minnesota Historical Society or the executive director's designee;
- ~~(13)~~ (15) the executive secretary of the Capitol Area Architectural and Planning Board; and
- ~~(14)~~ (16) four public members appointed by the governor.

Subd. 3. **Terms and compensation.** (a) A member serving on the commission because the member or the appointing authority for the member holds an elected or appointed office shall serve on the commission as long as the member or the appointing authority holds the office.

(b) Public members of the commission shall serve two-year terms. The public members may not serve for more than three consecutive terms.

(c) The removal of members and filling of vacancies on the commission are as provided in section 15.059. ~~Public members may receive compensation and expenses as provided under section 15.059, subdivision 3.~~

Subd. 4. **Officers and meetings.** (a) The governor is the chair of the commission. The lieutenant governor is the vice-chair of the commission and may act as the chair of the commission in the absence of the governor. The governor may designate a staff member to attend commission meetings and vote on the governor's behalf in the absence of the governor.

(b) The commission shall meet at least annually and at other times at the call of the chair. Meetings of the commission are subject to chapter 13D.

Subd. 5. **Administrative support.** ~~The commission may designate an executive secretary and obtain administrative support through a contract with a state agency or other means. The commissioner of administration shall provide administrative support to the commission.~~

Subd. 6. **Duties.** (a) The commission:

(1) shall exercise ongoing coordination of the ~~restoration~~, protection, risk management, and preservation of the Capitol building;

(2) shall consult with and advise the commissioner of administration, the board, and the Minnesota Historical Society regarding their applicable statutory responsibilities for and in the Capitol building;

~~(3) may assist in the selection of an architectural firm to assist in the preparation of the predesign plan for the restoration of the Capitol building;~~

~~(4) (3) shall develop a comprehensive, multiyear, predesign maintenance and preservation plan for the restoration of the Capitol building, review the plan periodically, and, as appropriate, amend and modify the plan. The predesign plan shall identify appropriate and required functions of the Capitol building; identify and address space requirements for legislative, executive, and judicial branch functions; and identify and address the long-term maintenance and preservation requirements of the Capitol building. In developing the predesign plan, the commission shall take into account the comprehensive plan for the Minnesota State Capitol Area, as amended in 2010, the rules governing zoning and design for the Capitol Area, citizen access, information technology needs, energy efficiency, security, educational programs including public and school tours, and any additional space needs for the efficient operation of state government and shall take into account the recommendations of the long-range strategic plan under section 16B.24;~~

~~(5)~~ (4) shall develop and implement a plan to ~~reopen the~~ ensure a welcoming and accessible Minnesota State Capitol and reintroduce it to the citizens of Minnesota for all Minnesotans and visitors;

~~(6)~~ (5) shall develop and implement a comprehensive financial plan to fund the ongoing preservation and restoration of the Capitol building;

~~(7)~~ (6) shall provide annual reports about the condition of the Capitol building and its needs, as well as all activities related to the restoration preservation of the Capitol building; and

(8) (7) may solicit gifts, grants, or donations of any kind from any private or public source to carry out the purposes of this section. For purposes of this section, the commissioner of administration may expend money appropriated by the legislature for these purposes in the same manner as private persons, firms, corporations, and associations make expenditures for these purposes. All gifts, grants, or donations received by the commission shall be deposited in a State Capitol preservation account established in the special revenue fund. Money in the account is appropriated to the commissioner of administration for the activities of clause (5), the commission, and implementation of the predesign plan under this section. ~~The gift acceptance procedures under sections 16A.013 to 16A.016 do not apply to this clause.~~ Appropriations under this clause do not cancel and are available until expended; and

(8) shall approve a program of art exhibits to encourage public visits to the Capitol to be displayed in a space in the Capitol building that is listed in section 15B.36, subdivision 1, before an exhibit that is part of the program can be displayed for two weeks or longer. When considering recommendations made under section 15B.36, the commission must approve or reject recommended exhibits as a whole and may not approve or reject individual pieces within a recommended exhibit. The approved program shall address the proposed schedule, how it addresses adopted themes for art in the Capitol, and the type or types of artwork.

(b) By January 15 of each year, the commission shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over ~~the commission state government operations, capital investment, finance, ways and means, and legacy finance~~ regarding the activities and efforts of the commission in the preceding calendar year maintenance and preservation needs of the Capitol building, including recommendations adopted by the commission, the comprehensive financial plan required under paragraph (a), clause (6), and any proposed draft legislation necessary to implement the recommendations of the commission.

Sec. 2. [15B.36] CAPITOL ART EXHIBIT ADVISORY COMMITTEE.

Subdivision 1. **Application.** This section applies to art exhibits in the following spaces within the State Capitol: (1) the third floor east wing; (2) the egress lobbies added as part of the Capitol restoration completed in 2017; (3) the tunnels connecting legislative office buildings to the Capitol; (4) room 104A of the Capitol; and (5) the entire Capitol basement, excluding the historic Rathskeller, Governor's Dining Room, and Justices' Dining Room. The speaker of the house of representatives, the president of the senate, and the chief justice of the Minnesota Supreme Court may request that the advisory committee provide recommendations on art in their respective hearing rooms and other tenant spaces.

Subd. 2. **Creation; duties.** (a) The Capitol Art Exhibit Advisory Committee is established to advise and make recommendations to the State Capitol Preservation Commission regarding art exhibits to be displayed in the State Capitol spaces listed in subdivision 1. To develop these recommendations, the committee shall:

(1) receive proposals from a broad diversity of Minnesota artists, art organizations, and other individuals and evaluate the extent to which proposals meet the criteria in paragraph (b); and

(2) prepare a list of recommended art exhibits for consideration by the commission, including information on the availability of the exhibits, a summary of how the recommended exhibits meet the criteria in paragraph (b) and reflect Minnesota history not covered by previous art exhibits, and the estimated costs and logistical needs for recommended exhibits.

(b) Art exhibits displayed in the State Capitol should tell Minnesota stories and engage people to:

(1) reflect on Minnesota history;

(2) understand Minnesota government;

(3) recognize the contributions of Minnesota's diverse peoples;

(4) inspire citizen engagement; and

(5) appreciate the varied landscapes of Minnesota.

(c) The commissioner of administration shall provide administrative support and curatorial services to the advisory committee and implement displays of art exhibits approved by the commission under section 15B.32, subdivision 6, paragraph (a), clause (8).

(d) A preference shall be given for recommended art exhibits for artists currently living in Minnesota or living in Minnesota at the time portrayed in the art exhibit. The selection process should assure that a wide range of artists have a chance to be considered, and that over time the art reflects the contributions of artists of various demographic backgrounds, including age, disability, gender, and racial and ethnic identity.

Subd. 3. **Membership.** (a) The advisory committee consists of members of the public appointed as follows:

(1) five appointed by the governor;

(2) two appointed by the majority leader of the senate and two appointed by the minority leader of the senate; and

(3) two appointed by the speaker of the house and two appointed by the minority leader of the house of representatives.

(b) To the extent practicable, the appointing authorities shall appoint individuals with knowledge or experience in art, Minnesota history, or Native American history, so that the advisory committee reflects the demographic and geographic diversity of the state. The public members appointed by the governor must be appointed using the public appointments process under section 15.0597.

(c) The State Arts Board, the Minnesota Historical Society, the Capitol Area Architectural and Planning Board, and the commissioner of administration shall each appoint one individual to serve ex-officio on the advisory committee as a nonvoting member.

(d) The advisory committee may meet as frequently as needed to complete its work and shall annually, or when requested by the commission, provide the commission with a list of recommended exhibits of works of art by Minnesota artists for possible display in the State Capitol.

Subd. 4. **Terms; removal; vacancies; compensation.** Except as otherwise provided in this section, terms, removal, vacancies, and compensation are as provided in section 15.059. The terms of advisory committee members begin the first Tuesday after the first Monday in January and are for four years.

Subd. 5. **Chair.** The committee shall elect a chair from among its members. The committee may elect other officers as it deems necessary.

Subd. 6. **Open meetings.** Committee meetings are subject to chapter 13D.

Subd. 7. **Conflict of interest.** A member of the committee may not participate in the discussion of or vote on a decision of the committee relating to an organization in which the member has either a direct or indirect financial interest.

Subd. 8. **Gifts; grants; donations.** The committee may accept gifts and grants which are accepted on behalf of the state and constitute donations to the state. Funds received under this subdivision are appropriated to the commissioner of administration for purposes of the committee.

Sec. 3. CAPITOL ART EXHIBIT ADVISORY COMMITTEE; FIRST APPOINTMENTS AND FIRST MEETING.

(a) Appointing authorities for membership of the Capitol Art Exhibit Advisory Committee under Minnesota Statutes, section 15B.36, shall make first appointments to the committee by September 15, 2018. The commissioner of administration shall convene the first meeting of the committee by November 1, 2018, and serve as chair until the committee elects a chair from among its members at its first meeting.

(b) The following members are appointed to an initial term that ends January 5, 2021: two members appointed by the governor; one member each appointed by the majority leader of the senate, the minority leader of the senate, the speaker of the house, and the minority leader of the house of representatives. The remaining members are appointed to terms that end on January 3, 2023."

Amend the title as follows:

Page 1, line 4, after "Art" insert "Exhibit"

Correct the title numbers accordingly

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

The report was adopted.

Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 9, H. F. No. 4256 was re-referred to the Committee on Rules and Legislative Administration.

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

H. F. No. 4385, A bill for an act relating to taxation; making changes to conform with certain federal tax law changes; adopting federal adjusted gross income as the starting point for calculating individual income tax; making policy and technical changes to various tax-related provisions including provisions related to the individual income tax, corporate franchise tax, estate tax, sales and use tax, gross revenues tax, gross receipts tax, property tax, partnership tax, tobacco tax, minerals tax, and other miscellaneous tax provisions; making changes to the property tax refund program; providing for registration and taxation of unmanned aircraft; modifying provisions related to local government aid and credits; modifying referendum dates; appropriating money; amending Minnesota Statutes

2016, sections 116J.8737, subdivisions 5, 12; 123A.455, subdivision 1; 126C.01, subdivision 3; 162.145, subdivision 3; 174.03, subdivision 1b; 197.603, subdivision 2; 216B.36; 237.19; 270.12, subdivisions 2, 3; 270.41, subdivision 3; 270.96, subdivision 1; 270A.03, subdivision 7; 270B.08, subdivision 2; 270C.85, subdivision 2; 270C.89, subdivision 2; 270C.91; 272.02, subdivisions 27, 49, 81, by adding a subdivision; 272.025, subdivision 3; 273.032; 273.061, subdivision 9; 273.11, subdivision 12; 273.1115, subdivision 2; 273.112, subdivision 6; 273.113, subdivision 3; 273.119, subdivision 2; 273.1231, subdivisions 3, 4; 273.124, subdivisions 1, 3a, 8, 9, 14, 17, 21, by adding a subdivision; 273.1245, subdivision 2; 273.125, subdivision 3; 273.128, subdivision 1; 273.13, subdivision 35, by adding a subdivision; 273.136, subdivision 2; 273.1384, subdivision 3; 273.18; 274.14; 274.16; 275.025, subdivision 3, by adding subdivisions; 276A.01, subdivision 4; 282.01, subdivision 6; 287.21, subdivision 1; 289A.08, subdivisions 1, 6, 7; 289A.25, subdivision 1; 289A.31, subdivision 2; 289A.37, subdivision 6; 289A.38, subdivisions 7, 10; 289A.42; 289A.50, subdivision 1; 289A.60, subdivision 24; 290.01, subdivisions 6, 22, by adding subdivisions; 290.0131, subdivisions 1, 3, by adding subdivisions; 290.0132, subdivisions 1, 7, by adding subdivisions; 290.0133, subdivision 6, by adding a subdivision; 290.0134, by adding subdivisions; 290.0136; 290.05, subdivision 3; 290.06, subdivisions 1, 2c, 2d, by adding a subdivision; 290.067, subdivision 2a; 290.0671, subdivision 7; 290.0672, subdivision 2; 290.0681, subdivisions 3, 4; 290.0685, subdivision 1, by adding a subdivision; 290.0802, subdivisions 2, 3; 290.091, subdivision 3; 290.0921, subdivision 8; 290.0922, subdivision 1; 290.095, subdivision 4; 290.21, by adding a subdivision; 290.34, by adding a subdivision; 290.92, subdivisions 1, 28; 290A.03, subdivisions 4, 12; 290A.04, subdivisions 2h, 4, by adding a subdivision; 290A.05; 290A.08; 290A.09; 290B.04, subdivision 1; 290B.09, subdivision 1; 291.03, subdivisions 8, 10; 295.50, subdivisions 4, 9b, by adding subdivisions; 297A.61, subdivision 18; 297A.67, subdivision 12, by adding subdivisions; 297A.68, subdivisions 17, 25, 29, 44; 297A.70, subdivisions 3, 7, 16, by adding subdivisions; 297A.71, subdivisions 22, 45, by adding subdivisions; 297A.77, by adding a subdivision; 297A.84; 297A.85; 297A.993, by adding a subdivision; 297B.01, subdivision 14; 297B.03; 297F.01, subdivisions 19, 23, by adding a subdivision; 297F.17, subdivision 6; 297G.16, subdivision 7; 298.225, subdivision 1; 298.28, subdivision 3; 360.013, by adding subdivisions; 360.55, by adding a subdivision; 360.62; 412.221, subdivision 2; 426.19, subdivision 2; 447.045, subdivisions 2, 3, 4, 6, 7; 452.11; 455.24; 455.29; 469.171, subdivision 4; 469.177, subdivision 1; 469.1812, subdivision 1, by adding subdivisions; 469.190, subdivisions 1, 5; 469.316, subdivision 1; 469.317; 469.319, subdivision 4; 471.57, subdivision 3; 471.571, subdivision 3; 471.572, subdivision 4; 473F.02, subdivision 4; 473F.05; 473H.05, subdivision 1; 473H.08, subdivisions 1, 4, by adding a subdivision; 474A.02, subdivision 22b; 477A.013, subdivision 13; 477A.016; Minnesota Statutes 2017 Supplement, sections 126C.17, subdivision 9; 205.10, subdivision 3a; 205A.05, subdivision 1a; 270A.03, subdivision 5; 270C.445, subdivision 6; 270C.89, subdivision 1; 271.21, subdivision 2; 272.115, subdivision 1; 273.0755; 273.13, subdivisions 22, 23, 25, 34; 273.1384, subdivision 2; 273.1387, subdivision 3; 274.01, subdivision 1; 275.025, subdivision 1; 276.04, subdivision 3; 278.01, subdivision 1; 289A.02, subdivision 7; 289A.12, subdivision 14; 289A.31, subdivision 1; 289A.35; 289A.37, subdivision 2; 290.01, subdivisions 4a, 19, 31; 290.0131, subdivision 10; 290.0132, subdivisions 21, 26; 290.0133, subdivision 12; 290.0137; 290.05, subdivision 1; 290.067, subdivisions 1, 2b; 290.0671, subdivision 1; 290.0672, subdivision 1; 290.0681, subdivisions 1, 2; 290.0684, subdivisions 1, 2; 290.0686, subdivision 1; 290.091, subdivision 2; 290.17, subdivisions 2, 4; 290.31, subdivision 1; 290A.03, subdivisions 3, 8, 13, 15; 291.005, subdivision 1; 291.03, subdivisions 9, 11; 297A.61, subdivision 3; 297A.67, subdivisions 6, 34; 297A.70, subdivisions 4, 20; 297A.75, subdivisions 1, 2, 3; 297B.01, subdivision 16; 297E.02, subdivision 3; 462D.03, subdivision 2; 462D.06, subdivisions 1, 2; 475.59, subdivision 2; 477A.015; 477A.03, subdivision 2a; Laws 1986, chapter 379, sections 1, subdivision 1; 2, subdivision 1; Laws 2008, chapter 366, article 5, sections 26, as amended; 33, as amended; Laws 2011, First Special Session chapter 7, article 4, section 10, subdivision 3; Laws 2017, First Special Session chapter 1, article 3, section 32; article 8, section 3; article 10, section 4; proposing coding for new law in Minnesota Statutes, chapters 16A; 16B; 117; 222; 289A; 290; 416; 459; 469; repealing Minnesota Statutes 2016, sections 10A.322, subdivision 4; 13.4967, subdivision 2; 273.1315; 275.29; 289A.38, subdivisions 7, 8, 9; 290.01, subdivision 29a; 290.0131, subdivisions 7, 11, 12, 13; 290.0132, subdivisions 8, 19, 20; 290.0133, subdivisions 13, 14; 290.06, subdivision 23; 290.0921, subdivisions 1, 2, 3a, 4, 6; 290.10, subdivision 2; 477A.085; Minnesota Statutes 2017 Supplement, sections 327C.01, subdivision 13; 327C.16; Minnesota Rules, part 4503.1400, subpart 4.

Reported the same back with the following amendments:

Page 9, line 22, delete "(f)" and insert "(g)"

Page 9, line 24, delete "(g)" and insert "(h)"

Page 10, line 15, reinstate the stricken "not" and delete the new language

Page 10, lines 21 to 23, delete the new language

Page 13, line 23, strike "an" and insert "a resident"

Page 35, line 4, delete "who is a resident"

Page 35, after line 26, insert:

"(d) No amount deducted in computing federal adjusted gross income is allowed as an itemized deduction under this section."

Page 36, line 25, delete "163(d)" and insert "163"

Page 37, line 4, delete everything after "year"

Page 37, line 5, delete everything before the colon

Page 38, after line 20, insert:

"Subd. 11. **Nonresidents; itemized deduction rules.** For an individual who is not a resident of this state for the entire taxable year, the following rules apply to limit the otherwise allowable itemized deductions under this section:

(1) the taxes paid deduction under subdivision 4 is limited to real and personal property taxes imposed by this state or its political subdivisions;

(2) the charitable contribution deduction under subdivision 5 does not apply;

(3) the interest deduction under subdivision 6 is limited to:

(i) qualified residence interest paid on loans secured by a mortgage or lien on a residence located in this state; or

(ii) interest paid or accrued on indebtedness properly allocable to property held for investment located in this state;

(4) the miscellaneous deduction under subdivision 8 is limited to expenses related to:

(i) the production of income in this state;

(ii) property located in this state; or

(iii) taxes paid to this state or its political subdivisions; and

(5) the deduction for losses under subdivision 3, paragraph (a), clause (6), is limited to losses attributable to property located in this state."

Page 98, line 10, after "retailers" insert "with economic presence nexus and"

Page 178, line 8, delete "credit" and insert "refund"

Page 184, line 22, delete "17.2186" and insert "17.2156"

Page 184, line 23, delete "32.7814" and insert "32.7844"

Page 210, after line 6, insert:

"Sec. 13. Minnesota Statutes 2017 Supplement, section 298.227, is amended to read:

298.227 TACONITE ECONOMIC DEVELOPMENT FUND.

An amount equal to that distributed pursuant to each taconite producer's taxable production and qualifying sales under section 298.28, subdivision 9a, shall be held by the commissioner of Iron Range resources and rehabilitation in a separate taconite economic development fund for each taconite and direct reduced ore producer. Money from the fund for each producer shall be released by the commissioner after review by a joint committee consisting of an equal number of representatives of the salaried employees and the nonsalaried production and maintenance employees of that producer. The District 11 director of the United States Steelworkers of America, on advice of each local employee president, shall select the employee members. In nonorganized operations, the employee committee shall be elected by the nonsalaried production and maintenance employees. The review must be completed no later than six months after the producer presents a proposal for expenditure of the funds to the committee. The funds held pursuant to this section may be released only for workforce development ~~and associated public facility improvement~~, concurrent reclamation, ~~or for acquisition of plant and stationary mining equipment and facilities for the producer or for research and development in Minnesota on new mining, or taconite, iron, or steel production technology, but only if the producer provides a matching expenditure equal to the amount of the distribution to be used for the same purpose beginning with distributions in 2014. Effective for proposals for expenditures of money from the fund beginning May 26, 2007, the commissioner may not release the funds before the next scheduled meeting of the board.~~ If a proposed expenditure is not approved by the commissioner, after consultation with the advisory board, the funds must be deposited in the Taconite Environmental Protection Fund under sections 298.222 to 298.225. If a taconite production facility is sold after operations at the facility had ceased, any money remaining in the fund for the former producer may be released to the purchaser of the facility on the terms otherwise applicable to the former producer under this section. If a producer fails to provide matching funds for a proposed expenditure within six months after the commissioner approves release of the funds, the funds ~~are available for release to another producer in proportion to the distribution provided and under the conditions of this section may be released by the commissioner for deposit in the taconite area environmental protection fund created in section 298.223.~~ Any portion of the fund which is not released by the commissioner within one year of its deposit in the fund shall be ~~divided between~~ distributed to the taconite environmental protection fund ~~created in section 298.223 and the Douglas J. Johnson economic protection trust fund created in section 298.292 for placement in their respective special accounts. Two thirds of the unreleased funds shall be distributed to the taconite environmental protection fund and one third to the Douglas J. Johnson economic protection trust fund.~~

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

Page 211, after line 10, insert:

"Sec. 15. Minnesota Statutes 2016, section 298.28, subdivision 9a, is amended to read:

Subd. 9a. **Taconite economic development fund.** (a) 25.1 cents per ton for distributions in 2002 and thereafter must be paid to the taconite economic development fund. No distribution shall be made under this paragraph in 2004 or any subsequent year in which total industry production falls below 30 million tons. Distribution shall only

be made to a Minnesota taconite pellet producer's fund under section 298.227 if the producer timely pays its tax under section 298.24 by the dates provided under section 298.27, or pursuant to the due dates provided by an administrative agreement with the commissioner.

(b) An amount equal to 50 percent of the tax under section 298.24 for concentrate sold in the form of pellet chips and fines not exceeding 5/16 inch in size and not including crushed pellets shall be paid to the taconite economic development fund. The amount paid shall not exceed \$700,000 annually for all ~~companies~~ Minnesota taconite pellet producers. If the initial amount to be paid to the fund exceeds this amount, each ~~company's~~ Minnesota taconite pellet producer's payment shall be prorated so the total does not exceed \$700,000.

EFFECTIVE DATE. This section is effective retroactively from December 31, 2016."

Page 217, after line 17, insert:

"EFFECTIVE DATE. This section is effective the day following final enactment and applies retroactively."

Page 217, before line 18, insert:

"Sec. 27. **TRANSFER 2018 DISTRIBUTION ONLY.**

For the 2018 distribution, the fund established under Minnesota Statutes, section 298.28, subdivision 7, shall receive ten cents per ton of any excess of the balance remaining after distribution of amounts required under Minnesota Statutes, section 298.28, subdivision 6.

EFFECTIVE DATE. This section is effective for the 2018 distribution, and the transfer must be made within ten days of the August 2018 payment."

Renumber the sections in sequence

Correct the title numbers accordingly

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 3138 and 4385 were read for the second time.

CALL OF THE HOUSE LIFTED

Peppin moved that the call of the House be lifted. The motion prevailed and it was so ordered.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Freiberg; Davids; Lohmer; Uglem; Bennett; Fischer; Johnson, C.; Carlson, A.; Liebling; Poppe; Rosenthal; Urdahl; Rarick; Baker; Youakim; Mariani and Hausman introduced:

H. F. No. 4465, A bill for an act relating to human rights; clarifying the definition of sexual harassment; amending Minnesota Statutes 2016, section 363A.03, subdivision 43.

The bill was read for the first time and referred to the Committee on Civil Law and Data Practices Policy.

Loonan introduced:

H. F. No. 4466, A bill for an act relating to commerce; modifying allowable finance charges for loans; amending Minnesota Statutes 2016, section 47.59, subdivisions 3, 6.

The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform.

West and Koegel introduced:

H. F. No. 4467, A bill for an act relating to capital investment; appropriating money for a regional public safety training facility in Anoka County; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Public Safety and Security Policy and Finance.

Dehn, R., introduced:

H. F. No. 4468, A bill for an act relating to taxation; creating a Minneapolis Housing Restoration Tax Increment Financing District.

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. 3841, A bill for an act relating to local government; increasing the contract ranges in the Uniform Municipal Contracting Law; amending Minnesota Statutes 2016, section 471.345, subdivisions 3, 4.

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. 2629 and 3525.

CAL R. LUDEMAN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2629, A bill for an act relating to workforce development; modifying job training program requirements; amending Minnesota Statutes 2016, section 116J.8747, subdivisions 2, 4.

The bill was read for the first time.

Neu moved that S. F. No. 2629 and H. F. No. 2937, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 3525, A bill for an act relating to local government; exempting the Metropolitan Airports Commission from political subdivision compensation limit; amending Minnesota Statutes 2016, section 473.606, subdivision 5.

The bill was read for the first time.

O'Driscoll moved that S. F. No. 3525 and H. F. No. 3395, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER PURSUANT TO RULE 1.15(c)

A message from the Senate has been received requesting concurrence by the House to amendments adopted by the Senate to the following House File:

H. F. No. 3755.

Peppin moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by Speaker pro tempore Albright.

Hamilton was excused between the hours of 1:55 p.m. and 2:25 p.m.

CALENDAR FOR THE DAY

H. F. No. 2908, A bill for an act relating to transportation; designating a bridge on marked U.S. Highway 52 in Rosemount as Warrant Officer Dennis A. Groth Memorial Bridge; amending Minnesota Statutes 2016, section 161.14, by adding a subdivision.

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 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

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 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 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Albright	Anderson, S.	Bahr, C.	Bennett	Bly	Christensen
Allen	Anselmo	Baker	Bernardy	Carlson, A.	Clark
Anderson, P.	Backer	Barr, R.	Bliss	Carlson, L.	Considine

Daniels	Grossell	Kiel	Mariani	Omar	Schomacker
Davids	Gruenhagen	Knobloch	Marquart	O'Neill	Schultz
Davnie	Gunther	Koegel	Masin	Pelowski	Scott
Dean, M.	Haley	Koznick	Maye Quade	Peppin	Smith
Dehn, R.	Halverson	Kresha	McDonald	Petersburg	Sundin
Dettmer	Hansen	Kunesh-Podein	Metsa	Peterson	Swedzinski
Drazkowski	Hausman	Layman	Miller	Pierson	Theis
Ecklund	Heintzeman	Lee	Moran	Pinto	Torkelson
Erickson	Hertaus	Lesch	Munson	Poppe	Uglen
Fabian	Hilstrom	Liebling	Murphy, E.	Poston	Urdahl
Fenton	Hoppe	Lien	Murphy, M.	Pryor	Vogel
Fischer	Hornstein	Loeffler	Nash	Pugh	Wagenius
Flanagan	Hortman	Lohmer	Nelson	Quam	Ward
Franke	Howe	Loon	Neu	Rarick	West
Franson	Jessup	Loonan	Newberger	Rosenthal	Whelan
Freiberg	Johnson, B.	Lucero	Nornes	Runbeck	Wills
Garofalo	Johnson, C.	Lueck	O'Driscoll	Sandstede	Youakim
Green	Jurgens	Mahoney	Olson	Sauke	Spk. Daudt

The bill was passed and its title agreed to.

H. F. No. 4328 was reported to the House.

Loon moved to amend H. F. No. 4328, the second engrossment, as follows:

Page 81, line 6, after "(f)" insert "A decision by the Professional Educator Licensing and Standards Board to refuse to issue, refuse to renew, suspend, or revoke a license must be reversed if the decision is based on a background check and the teacher or license applicant is not the subject of the background check."

The motion prevailed and the amendment was adopted.

Loon moved to amend H. F. No. 4328, the second engrossment, as amended, as follows:

Page 147, line 15, strike "and"

Page 147, line 16, strike the period and insert "; and"

Page 147, after line 16, insert:

"(9) \$519,000 in fiscal year 2019 and later is for prekindergarten administration."

The motion prevailed and the amendment was adopted.

Bly moved to amend H. F. No. 4328, the second engrossment, as amended, as follows:

Page 124, after line 25, insert:

"Sec. 2. **COMMISSIONER OF EDUCATION; WORKING GROUP.**

The commissioner of education must convene a working group of interested stakeholders including but not limited to, a designee each from the Perpich Center for Arts Education; the Minnesota State Academies for the Deaf and Blind; The Children's Cabinet; and the Minnesota State Interagency Committee to develop uniform definitions of the following types of students:

(1) gifted student;

(2) talented student;

(3) twice-exceptional student;

(4) print disabled student;

(5) reading disabled student; and

(6) a section 504 student.

The purpose of the definitions is to enable school districts and the state to keep a record of the programs offered for the students. The commissioner must report the findings of the working group to the legislative committees having jurisdiction over early childhood through grade 12 education by January 18, 2019."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Hilstrom was excused between the hours of 3:00 p.m. and 3:15 p.m.

Erickson moved to amend H. F. No. 4328, the second engrossment, as amended, as follows:

Page 118, after line 8, insert:

"Sec. 29. **TIERED LICENSURE RULES.**

By July 1, 2018, the Professional Educator Licensing and Standards Board may adopt the proposed rules regarding teaching licenses under rule draft R-4369, as published on April 14, 2018, as temporary rules that must expire upon adoption of final rules. The good cause exemption provided in Minnesota Statutes, section 14.388, subdivision 1, clause (3), applies to the adoption of rules required by this section.

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

Renumber the sections in sequence and correct the internal references

Erickson moved to amend the Erickson amendment to H. F. No. 4328, the second engrossment, as amended, as follows:

Page 1, line 4, before "By" insert "(a)" and delete "may" and insert "must"

Page 1, delete line 5 and insert "in rule sections 30 to 48"

Page 1, line 6, delete "April 14, 2018," and after "upon" insert "the earlier of either the" and delete "final rules" and insert "rule draft R-4534 or January 1, 2019"

Page 1, after line 8, insert:

"(b) Sections 30 to 48 expire upon the earlier of either the adoption of rule draft R-4534 or January 1, 2019."

Page 1, after line 9, insert:

"Sec. 30. **DEFINITIONS AND GENERAL RULES FOR TEACHING LICENSES.**

Subdivision 1. Definitions. (a) For the purposes of sections 30 to 39, the terms in this subdivision have the meanings given them.

(b) "Assignment" means the course or courses taught in a school for which students are granted credit.

(c) "Board" means the Professional Educator Licensing and Standards Board.

(d) "District" means a school district or a charter school.

(e) "Field specific methods" means differentiated instructional strategies targeting content and pedagogy for a singular licensure area to enable student learning.

(f) "Good cause" means an applicant is unable to meet the requirements of a higher licensure tier due to the lack of a reasonable path to a higher licensure tier or the path to a higher licensure tier causes an undue burden on the applicant, as approved or denied by the board.

(g) "Innovative program" means a school within a district that is either a state-approved area learning center or alternative learning program or provides a school board resolution designating the school as an innovative program, including the reason for the designation.

(h) "Licensure area" or "licensure field" means the content taught for which standards have been adopted in Minnesota Rules.

(i) "Professional license from another state" means a teaching license from a state other than Minnesota that allows the individual to be a teacher of record.

(j) "Related services teacher" means a teacher who holds a license issued by the board consistent with Minnesota Statutes, section 122A.06, subdivision 2, and who meets the requirements for a license issued pursuant to sections 42 to 46 and Minnesota Rules, parts 8710.6000 to 8710.6400.

(k) "Student teaching" means a minimum of 12 weeks when an individual enrolled in a teacher preparation program assumes teacher responsibilities while working with a cooperating teacher who holds a Tier 3 or 4 license or a professional license from another state in the subject area and a provider supervisor to practice and demonstrate

the necessary development of the individual's knowledge, skills, and dispositions to become a teacher. A student teaching experience includes observation, feedback, and evaluation from the cooperating teacher and provider supervisor.

(l) "Teacher of record" means an individual who is responsible for the planning, instruction, and assessment of students in a classroom and authorized to grant students credit for meeting standards attributed to the content taught, or is part of a co-teaching assignment.

(m) "Teacher preparation program" means a program approved by the board or the state where the program resides that trains candidates in educational pedagogy and content-specific pedagogy for any subset of the scope of licensure for students from birth to 21 years of age.

(n) "Teaching license" or "teacher license" means a license that permits an individual to be teacher of record. This includes Tier 1, Tier 2, Tier 3, and Tier 4 licenses issued under sections 31 to 34.

Subd. 2. **Teaching licenses, in general.** (a) Teaching licenses must be granted by the board to applicants who meet all requirements of applicable statutes and rules.

(b) An applicant must qualify separately for each licensure area for which an application is made.

(c) A license becomes valid on the date issued by the board and expires on June 30 of the expiration year. A Tier 1 or Tier 2 license, out-of-field permission, or innovative program permission can be used until September 1 after the date of expiration if the placement is in a summer school program at the district aligned to the license or is part of a year-round school at the district aligned to the licensure area.

(d) The board must request a criminal history background check be performed by the Bureau of Criminal Apprehension consistent with Minnesota Statutes, section 122A.18, subdivision 8, upon an individual applying for a teaching license or substitute license for the first time. Upon renewal of a teaching license, permission, or substitute license, the board must perform a new background check on the license holder that includes a review for national arrests, charges, and convictions if a background check has not been completed on the license holder within the last five years.

Subd. 3. **Addition to a Tier 3 or 4 license.** When a licensure area is added to a Tier 3 or 4 license issued under sections 33 and 34, the expiration date is the date previously established for the Tier 3 or 4 license in effect.

Subd. 4. **Movement between tiers.** Teachers may apply to obtain a license in a higher licensure tier at any time after the requirements for the higher tier have been met. The teacher must be granted the license under a higher tier upon review and approval by the board pursuant to the rules established for the license sought. Applicants may obtain a license in a lower licensure tier only if they hold a Tier 2 license in one licensure field and a district requests to hire the applicant for a different licensure field in which the applicant does not meet the requirements for a Tier 2 license. A teacher may simultaneously hold a Tier 1 and a Tier 2 license under this subdivision.

Subd. 5. **Multiple expiration dates.** If a license holder has completed and verified the renewal requirements for a currently held Tier 3 or 4 license issued under sections 33 and 34, the license holder may renew a currently held Tier 3 or 4 license up to one year before the expiration date for the purpose of consolidating multiple expiration dates of any Tier 3 or 4 licenses held into one expiration date. The consolidation of multiple expiration dates must be consolidated within a single tier.

Subd. 6. **Appeal.** An applicant who is denied a teaching license by the board or who is issued a license under a different licensure tier than what was sought may appeal the board's decision under Minnesota Rules, part 8710.0900 and Minnesota Statutes, chapter 14, and Minnesota Statutes, section 122A.188.

Subd. 7. **Licenses issued in error.** A license issued in error to a person who does not qualify for the license must be corrected without charge to the license holder, and the corrections must be made without a hearing under Minnesota Rules, part 8710.0900, and Minnesota Statutes, chapter 14. A license issued in error is not valid.

Subd. 8. **Report.** The board must issue an annual report by September 1 that summarizes the previous fiscal year's Tier 1, 2, 3, and 4 licenses and out-of-field and innovative program permissions, organized by licensure field, race and ethnicity, and district.

Subd. 9. **Fees.** An applicant must pay an application fee for the review of the license pursuant to Minnesota Statutes, section 122A.21. A district must pay an application fee for the review of a permission as set by the board.

Sec. 31. **TIER 1 LICENSE.**

Subdivision 1. **Purpose.** If a district is unable to fill an open position with a teacher holding a Tier 2, 3, or 4 license, a Tier 1 license must be issued, consistent with this section, to an applicant who does not hold a Tier 2, 3, or 4 license on behalf of a district request except as provided in section 30, subdivision 4. A Tier 1 license authorizes the license holder to teach within the requesting district and the specific licensure field in the application.

Subd. 2. **Requirements.** (a) The board must issue a Tier 1 license to an applicant upon request by the designated administrator of the hiring district. The applicant must initiate the application process and meet the requirements of this subdivision.

(b) The applicant must:

(1) hold the minimum of a bachelor's degree from a college or university located in the United States that is regionally accredited by the Higher Learning Commission or by the regional association for accreditation of colleges and secondary schools, as verified by a college transcript;

(2) hold a credential from outside the United States that is equivalent to a bachelor's degree, as verified by a credential evaluation completed by a credential evaluator approved by the National Association of Credential Evaluation Services or other board-approved credential evaluation service; or

(3) for applicants in career and technical education fields and career pathway courses of study, have one of the following:

(i) five years of relevant work experience aligned to the assignment;

(ii) an associate's degree aligned to the assignment; or

(iii) a professional certification aligned to the assignment.

(c) The hiring district must show the position was posted for at least 15 days on the board-approved statewide job board.

(d) The hiring district must affirm the applicant:

(1) will participate in a mentorship program, as available;

(2) will participate in an evaluation aligned to the district's teacher development and evaluation model under Minnesota Statutes, section 122A.40, subdivision 8, or 122A.41, subdivision 5, or, if the statutory models are not practicable, to another identified district-aligned evaluation; and

(3) has the necessary skills and knowledge to teach in the content field aligned to the assignment.

(e) A committee of board staff designated by the board must review applications that meet board criteria for an emergency placement under this subdivision within two business days. The committee may immediately issue an interim permission for a qualified Tier 1 license based on board-adopted minimum qualifications criteria pending review by the board. The interim permission expires at the first possible review by the full board. The board must review applications after the position has been posted on the board-approved statewide job board for 15 days.

Subd. 3. **Duration.** A Tier 1 license is valid for up to one year and expires on June 30 of the expiration year.

Subd. 4. **Position change.** If a Tier 1 license holder moves to another licensure area within a district or to another district, prior to the expiration of the Tier 1 license, the license holder must initiate a new application, including paying the application fee, and the hiring district must meet the requirements under subdivision 2 for the new position. The applicant is not required to complete a new background check by the board. The Tier 1 license issued by the board under this subdivision is considered a new license, not a renewal.

Sec. 32. **TIER 2 LICENSE.**

Subdivision 1. **Purpose.** A Tier 2 license must be issued, consistent with this part, to an applicant on behalf of a district request. A Tier 2 license authorizes the license holder to teach within the requesting district and the specific licensure field in the application.

Subd. 2. **Requirements.** (a) The board must issue a Tier 2 license to an applicant upon request by the designated administrator of the hiring district. The applicant must initiate the application process and must meet the requirements of this subdivision.

(b) The applicant must:

(1) hold the minimum of a bachelor's degree from a college or university located in the United States that is regionally accredited by the Higher Learning Commission or by the regional association for accreditation of colleges and secondary schools, as verified by a college transcript;

(2) hold a credential from outside the United States that is equivalent to a bachelor's degree, as verified by a credential evaluation completed by a credential evaluator approved by the National Association of Credential Evaluation Services or other board-approved credential evaluation service; or

(3) for applicants in career and technical education fields and career pathway courses of study, have one of the following:

(i) five years of relevant work experience aligned to the assignment;

(ii) an associate's degree aligned to the assignment; or

(iii) a professional certification aligned to the assignment.

(c) The applicant must:

(1) be enrolled in a board-approved teacher preparation program aligned to the licensure field;

(2) hold a master's degree, or equivalent, aligned to the assignment from a college or university located in the United States that is regionally accredited by the Higher Learning Commission or by the regional association for accreditation of colleges and secondary schools, as verified by a college transcript; or

(3) show completion of two of the following:

(i) at least eight upper division or graduate-level credits aligned to the assignment;

(ii) field-specific methods in a state-approved teacher preparation program aligned to the assignment;

(iii) at least two years of experience teaching as the teacher of record aligned to the assignment;

(iv) board-adopted pedagogy and content examinations with passing scores aligned to the licensure area. Any licensure area that does not have a board-approved content examination is exempt from the content examination requirement; or

(v) a state-approved teacher preparation program aligned to the licensure area.

(d) The hiring district must affirm the applicant will participate in mentorship as available and evaluation aligned to the district's teacher development and evaluation model under Minnesota Statutes, section 122A.40, subdivision 8, or 122A.41, subdivision 5, or, if the statutory models are not practicable, to another identified district-aligned evaluation.

Subd. 3. Duration. A Tier 2 license is valid for up to two years and expires on June 30 of the expiration year.

Subd. 4. Position change. If a Tier 2 license holder moves to another licensure area within a district or to another district, prior to the expiration of the Tier 2 license, the license holder must initiate a new application, including paying the application fee, and the hiring district must meet the requirements under subdivision 2 for the new position. The applicant is not required to complete a new background check by the board. The Tier 2 license issued by the board under this subdivision is considered a new license, not a renewal.

Sec. 33. TIER 3 LICENSE.

Subdivision 1. Purpose. A Tier 3 license must be issued to an applicant, consistent with this part, aligned to the scope and field of the applicant's training and experience. A Tier 3 license authorizes the license holder to teach within the specific licensure field for which board rules exist.

Subd. 2. Requirements. (a) The board must issue a Tier 3 license if the applicant meets all of the requirements of this subdivision.

(b) The applicant must:

(1) hold the minimum of a bachelor's degree from a college or university located in the United States that is regionally accredited by the Higher Learning Commission or by the regional association for accreditation of colleges and secondary schools, as verified by a college transcript;

(2) hold a credential from outside the United States that is equivalent to a bachelor's degree, as verified by a credential evaluation completed by a credential evaluator approved by the National Association of Credential Evaluation Services or other board-approved credential evaluation service; or

(3) for applicants in career and technical education fields and career pathway courses of study, have one of the following:

(i) five years of relevant work experience aligned to the licensure area sought;

(ii) an associate's degree aligned to the licensure area sought; or

(iii) a professional certification aligned to the licensure area sought from an approved certifying organization.

(c) The applicant must obtain passing scores on the board-approved pedagogy and content examinations aligned to the licensure area sought. Any licensure area that does not have a board-approved content examination is exempt from the content examination requirement.

(d) The applicant must show one of the following:

(1) completion of a board-approved conventional, nonconventional, or alternative teacher preparation program aligned to the licensure area sought. The board must accept certifications in related services positions under sections 41 to 45 and Minnesota Rules, parts 8710.6000 to 8710.6400, in lieu of completion of a board-approved teacher preparation program;

(2) completion of a preparation program approved in another state aligned to the licensure area sought that included field-specific student teaching equivalent to field-specific student teaching in Minnesota-approved teacher preparation programs. The applicant is exempt from field-specific student teaching if the applicant has at least two years of field-specific experience teaching as the teacher of record in the licensure area sought;

(3) recommendation for licensure via portfolio application aligned to the licensure area sought;

(4) holds or held a professional license from another state in good standing aligned to the licensure area sought with at least two years of experience teaching as the teacher of record aligned to the licensure area sought; or

(5) has at least three years of experience teaching as the teacher of record aligned to the licensure area sought under a Tier 2 license and presents evidence of summative teacher evaluations that did not result in placing or otherwise keeping the teacher on an improvement process aligned to the district's teacher development and evaluation plan.

Subd. 3. **Duration.** A Tier 3 license is valid for up to three years and expires on June 30 of the expiration year.

Subd. 4. **Restrictions.** (a) An applicant whose content training or experience does not align to a currently approved Minnesota license, but for which past rules have been adopted, and who meets all other requirements of subdivision 2, must be issued a Tier 3 license restricted to the scope and licensure area of the applicant's content training or experience.

(b) Applicants with content training and experience within two grade levels of a currently approved Minnesota licensure scope must be granted the full scope of the Minnesota license.

(c) Applicants who meet the requirements of subdivision 2, paragraphs (b) and (c), from a Montessori Accreditation Council for Teacher Education accredited training center must be issued a Tier 3 license restricted to a Montessori setting and aligned to the scope of training.

Sec. 34. **TIER 4 LICENSE.**

Subdivision 1. **Purpose.** A Tier 4 license authorizes the license holder, consistent with this part, to teach in the field and scope aligned to the license holder's preparation. A Tier 4 license indicates the license holder has had at least three years of experience in Minnesota within the field and scope of licensure and completed the professional development requirements mandated by statute.

Subd. 2. **Requirements.** (a) The board must issue a Tier 4 license if the applicant meets all of the requirements of this subdivision.

(b) The applicant must:

(1) hold the minimum of a bachelor's degree from a college or university located in the United States that is regionally accredited by the Higher Learning Commission or by the regional association for accreditation of colleges and secondary schools, as verified by a college transcript;

(2) hold a credential from outside the United States that is equivalent to a bachelor's degree, as verified by a credential evaluation completed by a credential evaluator approved by the National Association of Credential Evaluation Services or other board-approved credential evaluation service; or

(3) for applicants in career and technical education fields and career pathway courses of study, have one of the following:

(i) five years of relevant work experience aligned to the licensure area sought;

(ii) an associate's degree aligned to the licensure area sought; or

(iii) a professional certification aligned to the licensure area sought from an approved certifying organization.

(c) The applicant must have completed one of the following:

(1) a board-approved conventional, nonconventional, or alternative teacher preparation program aligned to the licensure area sought. The board must accept certifications in related services positions under sections 41 to 45 and Minnesota Rules, parts 8710.6000 to 8710.6400, in lieu of completion of a board-approved teacher preparation program; or

(2) a preparation program approved in another state aligned to the licensure area sought that included field-specific student teaching equivalent to field-specific student teaching in Minnesota-approved teacher preparation programs. The applicant is exempt from field-specific student teaching if the applicant has at least two years of field-specific experience teaching as the teacher of record.

(d) The applicant must obtain passing scores on the board-approved skills, pedagogy, and content examinations aligned to the licensure area sought. Any licensure area that does not have a board-approved content examination is exempt from the content examination requirement.

(e) The applicant must have at least three years of experience teaching in Minnesota as the teacher of record.

(f) The applicant's most recent summative evaluation must not have resulted in placing or otherwise keeping the teacher in an improvement process aligned to the district's teacher development and evaluation plan.

(g) The applicant must have participated in mentorship and evaluation aligned to the district's teacher development and evaluation model under Minnesota Statutes, section 122A.40, subdivision 8, or 122A.41, subdivision 5, or, if the statutory models are not practicable, to another identified district-aligned evaluation.

Subd. 3. **Adding a Tier 4 license.** To add an additional Tier 4 license, the applicant must show evidence of meeting the requirements of subdivision 2, paragraph (d), and section 33, subdivision 2, paragraph (d), clause (1), (2), or (3), in the licensure area sought. An applicant may add a teachers of science endorsement by meeting the requirements of Minnesota Rules, part 8710.4770.

Subd. 4. **Duration.** A Tier 4 license is valid for up to five years and expires on June 30 of the expiration year.

Subd. 5. **Restrictions.** (a) An applicant whose content training or experience does not align to a currently approved Minnesota license, but for which past rules have been adopted, and who meets all other requirements of this part must be issued a Tier 4 license restricted to the scope and licensure area of the applicant's content training or experience.

(b) Applicants with content training and experience within two grade levels of a currently approved Minnesota licensure scope must be granted the full scope of the Minnesota license.

Sec. 35. OUT-OF-FIELD PERMISSION.

Subdivision 1. **Purpose.** An out-of-field permission authorizes a teacher holding a Tier 3 or 4 license, consistent with this part, to teach in a field not aligned with the Tier 3 or 4 license.

Subd. 2. **Requirements.** (a) The board must issue an out-of-field permission upon request by the designated administrator of the hiring district. The applicant must initiate the application process, and the hiring district must show:

(1) the applicant holds a valid Tier 3 or 4 license;

(2) the applicant holds a license other than for a related services position under sections 41 to 45 and Minnesota Rules, parts 8710.6000 to 8710.6400;

(3) the applicant approves the request; and

(4) the position was posted for at least 15 days on the board-approved statewide job board.

(b) A committee of board staff designated by the board must review applications requesting emergency placements under this subdivision within two business days. The committee may immediately issue an out-of-field permission based on board-adopted criteria pending review by the board. The board must review applications after the position has been posted on the board-approved statewide job board for 15 days.

Subd. 3. **Duration.** An out-of-field permission is valid for up to one year and expires on June 30 of the expiration year.

Subd. 4. **Limitations and exceptions.** (a) An individual cannot hold an out-of-field permission to work in a related services position.

(b) An out-of-field permission is limited to the licensure area and the district for which it was granted.

(c) An out-of-field permission granted for a summer school only position may be renewed an unlimited number of times.

Sec. 36. **INNOVATIVE PROGRAM PERMISSION.**

Subdivision 1. **Purpose.** An innovative program permission authorizes a licensed teacher, consistent with this part, to teach multiple fields within an established innovative program.

Subd. 2. **Requirements.** The board must issue an innovative program permission upon request by the designated administrator of the hiring district. The applicant must initiate the application process, and the hiring district must show:

- (1) the applicant holds a Tier 3 or 4 license; and
- (2) the teaching assignment is within an innovative program.

Subd. 3. **Duration.** An innovative program permission is valid for up to one year and expires on June 30 of the expiration year.

Subd. 4. **Renewal.** An innovative program permission may be renewed an unlimited number of times.

Sec. 37. **SHORT-CALL SUBSTITUTE LICENSE.**

Subdivision 1. **Purpose.** A short-call substitute license authorizes the license holder to replace the same teacher of record for no more than 15 consecutive school days.

Subd. 2. **Requirements.** The board must issue a short-call substitute license to an applicant who meets the requirements of this subdivision. The applicant must:

(1) hold the minimum of a bachelor's degree from a college or university located in the United States that is regionally accredited by the Higher Learning Commission or by the regional association for accreditation of colleges and secondary schools, as verified by a college transcript;

(2) hold a credential from outside the United States that is equivalent to a bachelor's degree, as verified by a credential evaluation completed by a credential evaluator approved by the National Association of Credential Evaluation Services or other board-approved credential evaluation service;

(3) for applicants in career and technical education fields and career pathway courses of study, have one of the following:

- (i) five years of relevant work experience aligned to the assignment;
- (ii) an associate's degree aligned to the assignment; or
- (iii) a professional certification aligned to the assignment from an approved certifying organization; or

(iv) be enrolled in and making meaningful progress, as defined by the provider, in a board-approved teacher preparation program and have successfully completed student teaching to be employed as a short-call substitute teacher.

Subd. 3. **Duration.** A short-call substitute license is valid for up to three years and expires on June 30 of the expiration year.

Subd. 4. **Renewal.** An applicant must reapply for a short-call substitute license upon its expiration.

Sec. 38. **LIFETIME SUBSTITUTE LICENSE.**

Subdivision 1. **Purpose.** A lifetime substitute license is issued, consistent with this section, to a retired teacher and authorizes the license holder to replace a teacher of record who is on an approved leave of absence.

Subd. 2. **Requirements.** The board must issue a lifetime substitute license to an applicant who meets one of the following:

(1) holds or held a Tier 3 or 4 license, a Minnesota five-year standard license or its equivalent, or a professional license from another state and receives a retirement annuity as a result of the person's teaching experience; or

(2) holds or held a Tier 3 or 4 license or a Minnesota five-year standard license or its equivalent, taught for at least three years in an accredited nonpublic school in Minnesota, and receives a retirement annuity as a result of the person's teaching experience.

Subd. 3. **Duration.** A lifetime substitute license does not expire.

Subd. 4. **Limitations.** A teacher holding a lifetime substitute license may replace the same teacher of record on an approved leave of absence for more than 15 consecutive school days if the substitute teacher's previous Tier 3 or 4 license, Minnesota five-year standard license or its equivalent, or professional license from another state is aligned to the assignment.

Sec. 39. **TEACHERS OF READING.**

A candidate for licensure to teach reading to students in kindergarten through grade 12 shall hold or qualify for a teaching license, as defined in section 30, valid for one or more of the following student levels: elementary, middle, or secondary.

Sec. 40. **READING LEADER.**

A candidate for licensure to teach reading to students in kindergarten through grade 12 shall hold or qualify for a teaching license, as defined in section 30, valid for one or more of the following student levels: elementary, middle, or secondary.

Sec. 41. **SPEECH-LANGUAGE PATHOLOGIST.**

Subdivision 1. **Exceptions.** A speech-language pathologist teacher is not required to pass content, pedagogy, or basic skills examinations.

Subd. 2. **Requirements for Tier 2 license.** (a) A Tier 2 license issued under section 32 must be issued to a speech-language pathologist teacher if the requirements of this subdivision are met.

(b) The applicant must:

(1) hold a baccalaureate degree in speech-language pathology or communication disorders; and

(2) be enrolled in a master's degree program. The recommending institution must agree in writing to provide supervision for the speech-language pathologist teacher.

(c) The hiring district must:

(1) request a Tier 2 license from the board; and

(2) affirm the applicant will participate in an evaluation aligned to the district's teacher development and evaluation model under Minnesota Statutes, section 122A.40, subdivision 8, or 122A.41, subdivision 5, or if the statutory models are not practicable, to another identified district-aligned evaluation.

Subd. 3. **Requirements for Tier 3 license.** A Tier 3 license issued under section 33 must be issued to a speech-language pathologist teacher if the applicant provides evidence of:

(1) having completed a master's degree in speech-language pathology from a program accredited by the Council on Academic Affairs of the American Speech-Language-Hearing Association; or

(2) holding a valid certificate of clinical competence from the American Speech-Language-Hearing Association.

Subd. 4. **Requirements for Tier 4 license.** A Tier 4 license issued under section 34 must be issued to a speech-language pathologist teacher if the applicant:

(1) meets all requirements for a Tier 3 license under subdivision 3;

(2) has at least three years of experience as a speech-language pathologist teacher in Minnesota schools; and

(3) was not placed or otherwise kept in an improvement process aligned to the district's teacher development and evaluation plan by the applicant's most recent summative evaluation.

Sec. 42. SCHOOL NURSE.

Subdivision 1. **Exceptions.** A school nurse is not required to pass content, pedagogy, or basic skills examinations.

Subd. 2. **Requirements for Tier 3 license.** A Tier 3 license issued under section 33 must be issued to a school nurse if the applicant:

(1) holds a baccalaureate degree in nursing from a regionally accredited college or university;

(2) is currently registered in Minnesota to practice as a licensed registered nurse under the Board of Nursing; and

(3) is currently registered in Minnesota as a public health nurse under the Board of Nursing.

Subd. 3. **Requirements for Tier 4 license.** A Tier 4 license issued under section 34 must be issued to a school nurse if the applicant:

(1) meets all requirements for a Tier 3 license under subdivision 2;

(2) has at least three years of experience as a school nurse in Minnesota; and

(3) was not placed or otherwise kept in an improvement process aligned to the district's teacher development and evaluation plan by the applicant's most recent summative evaluation.

Subd. 4. **Maintaining board of nursing registration.** In order to retain licensure as a school nurse, current registration as a registered nurse and registration as a public health nurse must be maintained at all times. Lapse of this registration or licensure is grounds for revocation of licensure as a school nurse.

Persons without baccalaureate degrees who hold valid licenses as school nurses may continue to renew their licenses under subdivision 4, provided that requirements for renewal are met. However, if a license is allowed to lapse, persons must meet the licensure requirements in subdivision 2 or 3 in order to receive a current school nurse license.

Sec. 43. **SCHOOL PSYCHOLOGIST.**

Subdivision 1. **Exceptions.** A school psychologist is not required to pass content, pedagogy, or basic skills examinations.

Subd. 2. **Requirements for Tier 2 license.** (a) A Tier 2 license issued under section 32 must be issued to a school psychologist if the requirements of this subdivision are met.

(b) The applicant must:

(1) provide evidence that the applicant has completed a school psychology program not accredited by the National Association of School Psychologists and does not hold a National School Psychologist Certification; or

(2) hold a master's degree or equivalent in a school psychology program and provide verification of completion of at least three years of preparation required for licensure as a school psychologist. The recommending institution must verify completion of at least three years of preparation required for licensure as a school psychologist, affirm that the institution will assist in designing the learning experience, and provide supervision during the learning experience.

(c) The hiring district must:

(1) request a Tier 2 license from the board;

(2) affirm the applicant will participate in an evaluation aligned to the district's teacher development and evaluation model under Minnesota Statutes, section 122A.40, subdivision 8, or 122A.41, subdivision 5, or if the statutory models are not practicable, to another identified district-aligned evaluation; and

(3) if the applicant obtains a Tier 2 license pursuant to paragraph (b), clause (2), assign a school psychologist who holds a Tier 3 or Tier 4 license issued under sections 33 and 34 to supervise the applicant.

Subd. 3. **Tier 2 license duration; renewal.** (a) A Tier 2 license issued under subdivision 2, paragraph (b), clause (1), is valid for up to two years, expires on June 30 of the expiration year, and may be renewed one time pursuant to board rules.

(b) A Tier 2 license issued under subdivision 2, paragraph (b), clause (2), may be used only in the requesting district, is valid for up to one school year, and expires on the June 30 following the date of issuance. The license may be renewed one time upon application to the board if the applicant must complete the equivalent of one school year of internship experience during the following school year. The license shall be revoked by the board if it is demonstrated that the intent and purpose of the licensure have not been fulfilled.

Subd. 4. **Requirements for Tier 3 license.** A Tier 3 license issued under section 33 must be issued to a school psychologist if the applicant has completed a preparation program in school psychology accredited by the National Association of School Psychologists.

Subd. 5. **Requirements for Tier 4 license.** A Tier 4 license issued under section 34 must be issued to a school psychologist if the applicant:

- (1) meets all requirements for a Tier 3 license issued under subdivision 4;
- (2) has at least three years of experience working as a school psychologist in Minnesota; and
- (3) was not placed or otherwise kept in an improvement process aligned to the district's teacher development and evaluation plan by the applicant's most recent summative evaluation.

Sec. 44. **SCHOOL SOCIAL WORKER.**

Subdivision 1. **Exceptions.** A school social worker is not required to pass content, pedagogy, or basic skills examinations.

Subd. 2. **Requirements for Tier 3 license.** A Tier 3 license issued under section 33 must be issued to a school social worker if the applicant:

- (1) holds a baccalaureate or master's degree in social work from a program accredited by the Council on Social Work Education; and
- (2) is currently licensed in Minnesota to practice as a social worker under the Board of Social Work.

Subd. 3. **Requirements for Tier 4 license.** A Tier 4 license issued under section 34 must be issued to a school social worker if the applicant:

- (1) meets all requirements for a Tier 3 license under subdivision 2;
- (2) has at least three years of experience working as a school social worker in Minnesota; and
- (3) was not placed or otherwise kept in an improvement process aligned to the district's teacher development and evaluation plan by the applicant's most recent summative evaluation.

Sec. 45. **SCHOOL COUNSELOR.**

Subdivision 1. **Exceptions.** A school counselor is not required to pass content, pedagogy, or basic skills examinations.

Subd. 2. **Requirements for Tier 2 license.** (a) A Tier 2 license issued under section 32 must be issued to a school counselor if the requirements of this subdivision are met.

(b) The applicant must:

- (1) hold a baccalaureate degree;
- (2) be enrolled in an accredited school counselor education program;

(3) have accumulated no less than 24 semester credit hours in school counseling-specific coursework or content, including introduction to the field, counseling skills, and ethical standards; and

(4) verify to the board in writing a plan of study of full- or part-time enrollment to achieve licensure within three years.

(c) The hiring district must show the position was posted for at least 15 days on the board-approved statewide job board.

(d) The hiring district must:

(1) request a Tier 2 license from the board; and

(2) affirm the applicant will participate in an evaluation aligned to the district's teacher development and evaluation model under Minnesota Statutes, section 122A.40, subdivision 8, or 122A.41, subdivision 5, or if the statutory models are not practicable, to another identified district-aligned evaluation.

(e) Applicants granted a license to practice under this subdivision must obtain approval to practice in writing from the school counseling program in which they are enrolled and must be supervised by a duly licensed school counselor with no less than two years of full-time practice experience.

Subd. 3. Tier 2 license duration. A Tier 2 license issued under subdivision 2 is valid for two years and may be renewed one time.

Subd. 4. Requirements for Tier 3 license. A Tier 3 license issued under section 33 must be issued to a school counselor if the applicant:

(1) holds a master's degree or the equivalent in school counseling from a college or university that is regionally accredited by the association for the accreditation of colleges and secondary schools; and

(2) shows verification of having completed a preparation program approved by the state where the program resides or the Council for the Accreditation of Counseling and Related Educational Services.

Subd. 5. Requirements for Tier 4 license. A Tier 4 license issued under section 34 must be issued to a school counselor if the applicant:

(1) meets all requirements for a Tier 3 license issued under subdivision 4;

(2) has at least three years of experience working as a school counselor in Minnesota; and

(3) was not placed or otherwise kept in an improvement process aligned to the district's teacher development and evaluation plan by the applicant's most recent summative evaluation.

Sec. 46. DUTY OF LICENSEE TO RENEW.

It is the responsibility of the person seeking the renewal of a Tier 3 or 4 teaching license to comply with licensure renewal requirements and to submit the application, appropriate verification, and other supporting materials to the local continuing education/relicensure committee, in accordance with procedures and due dates established by that committee.

Sec. 47. **CAREER PATHWAYS TEACHER.**

Subdivision 1. **Scope of practice.** A career pathways teacher is authorized to teach students the skills and information necessary for a specific career where that career does not necessarily require a four-year degree and in which there are not board rules in place. Such careers include but are not limited to law enforcement, cosmetology, and park services.

Subd. 2. **Licensure requirements.** (a) A candidate for licensure as a career pathways teacher must meet the requirements of this subdivision.

(b) The applicant must have one of the following:

(1) five years of relevant work experience;

(2) at least an associate's degree aligned to the career field; or

(3) a professional certification aligned to the career field from an approved certifying organization.

(c) The applicant must demonstrate to the board the standards of effective practice under Minnesota Rules, part 8710.2000, have been met through standards of effective practice coursework or experiences through a teacher preparation provider.

Sec. 48. **REPEALER.**

(a) Minnesota Rules, parts 8700.7620; 8710.0300, subparts 1, 1a, 2, 2a, 2b, 3, 5, 6, 7, 8, 9, 10, and 11; 8710.1000; 8710.1050; 8710.1250; 8710.1400; and 8710.1410, are repealed.

(b)"

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Erickson amendment, as amended, to H. F. No. 4328, the second engrossment, as amended. The motion prevailed and the amendment, as amended, was adopted.

Mariani moved to amend H. F. No. 4328, the second engrossment, as amended, as follows:

Page 117, after line 27, insert:

"Sec. 28. Laws 2017, First Special Session chapter 5, article 3, section 3, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective July 1, ~~2018~~ 2019.

Sec. 29. Laws 2017, First Special Session chapter 5, article 3, section 4, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective July 1, ~~2018~~ 2019.

Sec. 30. Laws 2017, First Special Session chapter 5, article 3, section 5, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective July 1, ~~2018~~ 2019.

Sec. 31. Laws 2017, First Special Session chapter 5, article 3, section 6, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective July 1, ~~2018~~ 2019.

Sec. 32. Laws 2017, First Special Session chapter 5, article 3, section 7, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective July 1, ~~2018~~ 2019.

Sec. 33. Laws 2017, First Special Session chapter 5, article 3, section 8, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective July 1, ~~2018~~ 2019.

Sec. 34. Laws 2017, First Special Session chapter 5, article 3, section 9, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective July 1, ~~2018~~ 2019.

Sec. 35. Laws 2017, First Special Session chapter 5, article 3, section 10, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective July 1, ~~2018~~ 2019.

Sec. 36. Laws 2017, First Special Session chapter 5, article 3, section 11, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective July 1, ~~2018~~ 2019.

Sec. 37. Laws 2017, First Special Session chapter 5, article 3, section 12, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective July 1, ~~2018~~ 2019.

Sec. 38. Laws 2017, First Special Session chapter 5, article 3, section 13, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective July 1, ~~2018~~ 2019.

Sec. 39. Laws 2017, First Special Session chapter 5, article 3, section 14, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective July 1, ~~2018~~ 2019.

Sec. 40. Laws 2017, First Special Session chapter 5, article 3, section 15, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective July 1, ~~2018~~ 2019.

Sec. 41. Laws 2017, First Special Session chapter 5, article 3, section 16, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective July 1, ~~2018~~ 2019.

Sec. 42. Laws 2017, First Special Session chapter 5, article 3, section 36, is amended to read:

Sec. 36. **REPEALER.**

(a) Minnesota Statutes 2016, sections 122A.14, subdivision 5; and 122A.162, are repealed effective January 1, 2018.

(b) Minnesota Statutes 2016, sections 122A.163; 122A.18, subdivisions 2a, 3, 3a, 4, 4a, 6, 7, and 7b; 122A.21, subdivision 2; 122A.23, subdivisions 1 and 2; 122A.245; and 122A.25, are repealed effective July 1, ~~2018~~ 2019."

Renumber the sections in sequence and correct internal references

The motion did not prevail and the amendment was not adopted.

Sandstede moved to amend H. F. No. 4328, the second engrossment, as amended, as follows:

Page 74, after line 4, insert:

"Subd. 6. **Full-service community schools.** For fiscal year 2020 and later, the annual base budget for full-service community schools is \$2,000,000."

Loon moved to amend the Sandstede amendment to H. F. No. 4328, the second engrossment, as amended, as follows:

Page 1, line 4, after the period, insert "This amount must be designated and used for school support staff providing services to students attending full-service community schools under Minnesota Statutes, section 124D.231. For purposes of this subdivision, school support staff include mental health professionals, licensed school counselors, licensed school psychologists, licensed school nurses, and licensed alcohol and chemical dependency counselors."

A roll call was requested and properly seconded.

Omar was excused between the hours of 3:20 p.m. and 4:25 p.m.

Speaker pro tempore Albright called Garofalo to the Chair.

The question was taken on the Loon amendment to the Sandstede amendment and the roll was called. There were 76 yeas and 50 nays as follows:

Those who voted in the affirmative were:

Albright	Dean, M.	Haley	Layman	O'Driscoll	Smith
Anderson, P.	Dettmer	Hamilton	Lohmer	O'Neill	Swedzinski
Anderson, S.	Drazkowski	Heintzeman	Loon	Peppin	Theis
Anselmo	Erickson	Hertaus	Loonan	Petersburg	Torkelson
Backer	Fabian	Hoppe	Lucero	Peterson	Uglen
Bahr, C.	Fenton	Howe	Lueck	Pierson	Urdahl
Baker	Franke	Jessup	McDonald	Poston	Vogel
Barr, R.	Franson	Johnson, B.	Miller	Pugh	West
Bennett	Garofalo	Jurgens	Munson	Quam	Whelan
Bliss	Green	Kiel	Nash	Rarick	Wills
Christensen	Grossell	Knoblach	Neu	Runbeck	Spk. Daudt
Daniels	Gruenhagen	Koznick	Newberger	Schomacker	
Davids	Gunther	Kresha	Nornes	Scott	

Those who voted in the negative were:

Allen	Ecklund	Hortman	Mahoney	Nelson	Schultz
Bernardy	Fischer	Johnson, C.	Mariani	Olson	Sundin
Bly	Flanagan	Koegel	Marquart	Pelowski	Wagenius
Carlson, A.	Freiberg	Kunesh-Podein	Masin	Pinto	Ward
Carlson, L.	Halverson	Lee	Maye Quade	Poppe	Youakim
Clark	Hansen	Lesch	Metsa	Pryor	
Considine	Hausman	Liebling	Moran	Rosenthal	
Davnie	Hilstrom	Lien	Murphy, E.	Sandstede	
Dehn, R.	Hornstein	Loeffler	Murphy, M.	Sauke	

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Sandstede amendment, as amended, to H. F. No. 4328, the second engrossment, as amended. The motion prevailed and the amendment, as amended, was adopted.

Lucero moved to amend H. F. No. 4328, the second engrossment, as amended.

Loon requested a division of the Lucero amendment to H. F. No. 4328, the second engrossment, as amended.

The first portion of the Lucero amendment to H. F. No. 4328, the second engrossment, as amended, reads as follows:

Page 127, after line 4, insert:

"(e) A technology provider must not sell, share, or disseminate educational data, except as provided by this section or as part of a valid delegation or assignment of its contract with a school district."

The motion prevailed and the first portion of the Lucero amendment was adopted.

Lucero withdrew the second portion of the Lucero amendment to H. F. No. 4328, the second engrossment, as amended.

Howe moved to amend H. F. No. 4328, the second engrossment, as amended.

Howe requested a division of the Howe amendment to H. F. No. 4328, the second engrossment, as amended.

Howe further requested that the second portion of the divided Howe amendment be voted on first.

The second portion of the Howe amendment to H. F. No. 4328, the second engrossment, as amended, reads as follows:

Page 49, after line 7, insert:

"Sec. 14. Minnesota Statutes 2016, section 120B.232, is amended by adding a subdivision to read:

Subd. 3. **Youth membership organization access to schools.** (a) "Character development youth member organization" as used in this section means an organization identified in United States Code, title 36, subtitle II: Patriotic and National Organizations, part B, chapter 301, 309, 311, 709, or 803.

(b) Upon receiving notice in accordance with paragraph (c), a school principal may provide a representative of a character development youth member organization the opportunity to speak to students during the school day to provide students information about how the organization supports citizenship, patriotism, and civic involvement. The principal may limit the opportunity to speak at the school to one school day between September 8 and September 27, and to no more than 30 minutes of instructional time. A representative of a character development youth member organization who speaks to students at the school may provide students with written materials about the organization.

(c) A character development youth member organization that wishes to speak to students at a school must provide written notice to the school principal at least 30 days before the beginning of the school year. If the school principal approves the request, the principal must provide the organization with written approval that includes the date and time the organization will be allowed to address students.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the second portion of the Howe amendment was adopted.

Howe withdrew the first portion of the Howe amendment to H. F. No. 4328, the second engrossment, as amended.

Pryor and Anselmo moved to amend H. F. No. 4328, the second engrossment, as amended, as follows:

Page 11, after line 12, insert:

"Sec. 14. **HOPKINS SCHOOL DISTRICT TRANSFER OF ASSETS; STATE AID PAYMENTS.**

Subdivision 1. **Assets and liabilities of International Spanish Language Academy; transfer to Hopkins school district.** Notwithstanding Minnesota Statutes, sections 124E.25, subdivision 1a, and 317A.701 to 317A.791, and if the school boards of Charter School No. 4167, International Spanish Language Academy, and Independent School District No. 270, Hopkins, after allowing public testimony, adopt a written resolution at a public meeting indicating their intent to combine programming beginning in the 2019-2020 school year, any cash and investment balances remaining after the closure of the International Spanish Language Academy and the satisfaction of the school's creditors shall be transferred to the unreserved balance in the general fund of Independent School District No. 270, Hopkins. A copy of the approved resolution must be filed with the commissioner of education by September 30, 2018.

Subd. 2. **State aid payments.** (a) Notwithstanding any law to the contrary, for fiscal year 2020 and later, the general education aid under Minnesota Statutes, section 126C.13, for Independent School District No. 270, Hopkins, is annually adjusted by the amount calculated under paragraph (b).

(b) The amount of the aid adjustment equals the lesser of:

(1) \$431,000; or

(2) the amount of charter school building lease aid actually received by the International Spanish Language Academy for fiscal year 2019.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Pryor moved to amend the Pryor and Anselmo amendment to H. F. No. 4328, the second engrossment, as amended, as follows:

Page 1, line 24, delete "final enactment" and insert "the day the resolution required under subdivision 1 is filed with the commissioner of education"

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Pryor and Anselmo amendment, as amended, to H. F. No. 4328, the second engrossment, as amended. The motion did not prevail and the amendment, as amended, was not adopted.

Kunesh-Podein moved to amend H. F. No. 4328, the second engrossment, as amended, as follows:

Page 65, after line 8, insert:

"Sec. 26. Minnesota Statutes 2017 Supplement, section 124D.83, subdivision 2, is amended to read:

Subd. 2. **Revenue amount.** An American Indian-controlled tribal contract or grant school that is located on a reservation within the state and that complies with the requirements in subdivision 1 is eligible to receive tribal contract or grant school aid. The amount of aid is derived by:

(1) multiplying the formula allowance under section 126C.10, subdivision 2, less \$170, times the difference between (i) the resident pupil units as defined in section 126C.05, subdivision 6, in average daily membership, excluding section 126C.05, subdivision 13, and (ii) the number of pupils for the current school year, weighted according to section 126C.05, subdivision 1, receiving benefits under section 123B.42 or 123B.44 or for which the school is receiving reimbursement under section 124D.69;

(2) adding to the result in clause (1) an amount equal to the product of the formula allowance under section 126C.10, subdivision 2, less \$300 times the tribal contract compensation revenue pupil units;

(3) subtracting from the result in clause (2) the amount of money allotted to the school by the federal government through Indian School Equalization Program of the Bureau of Indian Affairs, according to Code of Federal Regulations, title 25, part 39, subparts A to E, for the basic program as defined by section 39.11, paragraph (b), for the base rate as applied to kindergarten through twelfth grade, excluding small school adjustments and additional weighting, but not money allotted through subparts F to L for contingency funds, school board training, student training, interim maintenance and minor repair, interim administration cost, prekindergarten, and operation and maintenance, and the amount of money that is received according to section 124D.69;

(4) dividing the result in clause (3) by the sum of the resident pupil units in average daily membership, excluding section 126C.05, subdivision 13, plus the tribal contract compensation revenue pupil units; and

(5) multiplying the sum of the resident pupil units, including section 126C.05, subdivision 13, in average daily membership plus the tribal contract compensation revenue pupil units by the lesser of \$3,230 ~~for fiscal years 2016 to 2019 and \$1,500 for fiscal year 2020 and later~~ or the result in clause (4)."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Erickson moved to amend the Kunes-Podein amendment to H. F. No. 4328, the second engrossment, as amended, as follows:

Page 1, before line 3, insert:

"Sec. 26. Minnesota Statutes 2016, section 124D.83, subdivision 1, is amended to read:

Subdivision 1. **Authorization.** (a) Each year each American Indian-controlled tribal contract or grant school authorized by the United States Code, title 25, section 450f, that is located on a reservation within the state is eligible to receive tribal contract or grant school aid subject to the requirements in paragraphs (b) to (d).

(b) The school must plan, conduct, and administer an education program that complies with the requirements of ~~either this chapter and chapters 120A, 120B, 121A, 122A, 123A, 123B, 125A, 125B, 126C, 127A, 129, and 268A or~~ and Code of Federal Regulations, title 25, sections 31.0 to 45.80.

(c) The school must comply with all other state statutes governing independent school districts or their equivalent in the Code of Federal Regulations, title 25.

(d) The state tribal contract or grant school aid must be used to supplement, and not to replace, the money for American Indian education programs provided by the federal government."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Erickson amendment to the Kunes-Podein amendment and the roll was called. There were 74 yeas and 53 nays as follows:

Those who voted in the affirmative were:

Albright	Dettmer	Hamilton	Lohmer	O'Neill	Swedzinski
Anderson, P.	Drazkowski	Heintzeman	Loon	Peppin	Theis
Anderson, S.	Erickson	Hertaus	Loonan	Petersburg	Torkelson
Anselmo	Fabian	Hoppe	Lucero	Peterson	Uglen
Backer	Fenton	Howe	Lueck	Pierson	Vogel
Bahr, C.	Franke	Jessup	McDonald	Poston	West
Baker	Franson	Johnson, B.	Miller	Pugh	Whelan
Barr, R.	Garofalo	Jurgens	Munson	Quam	Wills
Bennett	Green	Kiel	Nash	Rarick	Spk. Daudt
Christensen	Grossell	Knobloch	Neu	Runbeck	
Daniels	Gruenhagen	Koznick	Newberger	Schomacker	
Davids	Gunther	Kresha	Nornes	Scott	
Dean, M.	Haley	Layman	O'Driscoll	Smith	

Those who voted in the negative were:

Allen	Dehn, R.	Hornstein	Loeffler	Murphy, M.	Sandstede
Bernardy	Ecklund	Hortman	Mahoney	Nelson	Sauke
Bliss	Fischer	Johnson, C.	Mariani	Olson	Schultz
Bly	Flanagan	Koegel	Marquart	Omar	Sundin
Carlson, A.	Freiberg	Kunes-Podein	Masin	Pelowski	Urdahl
Carlson, L.	Halverson	Lee	Maye Quade	Pinto	Wagenius
Clark	Hansen	Lesch	Metsa	Poppe	Ward
Considine	Hausman	Liebling	Moran	Pryor	Youakim
Davnie	Hilstrom	Lien	Murphy, E.	Rosenthal	

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Kunes-Podein amendment, as amended, to H. F. No. 4328, the second engrossment, as amended. The motion prevailed and the amendment, as amended, was adopted.

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

Davnie moved to amend H. F. No. 4328, the second engrossment, as amended, as follows:

Page 134, line 28, strike "fiscal year 2018"

Page 134, line 29, strike "and later" and insert "voluntary prekindergarten under this section or school readiness plus under section 124D.152"

Page 135, line 6, before the period, insert "or section 124D.152, subdivision 2"

Page 135, line 12, after "section" insert "and school readiness plus programs under section 124D.152"

Page 136, line 14, strike "For"

Page 136, strike lines 15 to 17

Page 136, after line 29, insert:

"Sec. 3. Minnesota Statutes 2017 Supplement, section 124D.151, subdivision 6, is amended to read:

Subd. 6. **Participation limits.** (a) Notwithstanding section 126C.05, subdivision 1, paragraph (d), the pupil units for a voluntary prekindergarten program for an eligible school district or charter school must not exceed 60 percent of the kindergarten pupil units for that school district or charter school under section 126C.05, subdivision 1, paragraph (e).

(b) In reviewing applications under subdivision 5, ~~the commissioner must limit the estimated state aid entitlement approved under this section to \$27,092,000 for fiscal year 2017. If the actual state aid entitlement based on final data exceeds the limit in any year, the aid of the participating districts must be prorated so as not to exceed the limit.~~

~~(c) The commissioner must limit the total number of funded participants in the voluntary prekindergarten program under this section to not more than 3,160.~~

~~(d) Notwithstanding paragraph (c),~~ the commissioner must limit the total number of participants in the voluntary prekindergarten and school readiness plus programs to not more than 6,160 participants for fiscal year 2018 and 7,160 participants for fiscal year 2019 and later.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2020 and later."

Page 140, after line 13, insert:

"Sec. 8. Minnesota Statutes 2017 Supplement, section 126C.05, subdivision 1, is amended to read:

Subdivision 1. **Pupil unit.** Pupil units for each Minnesota resident pupil under the age of 21 or who meets the requirements of section 120A.20, subdivision 1, paragraph (c), in average daily membership enrolled in the district of residence, in another district under sections 123A.05 to 123A.08, 124D.03, 124D.08, or 124D.68; in a charter school under chapter 124E; or for whom the resident district pays tuition under section 123A.18, 123A.22, 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04, 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65, shall be counted according to this subdivision.

(a) A prekindergarten pupil with a disability who is enrolled in a program approved by the commissioner and has an individualized education program is counted as the ratio of the number of hours of assessment and education service to 825 times 1.0 with a minimum average daily membership of 0.28, but not more than 1.0 pupil unit.

(b) A prekindergarten pupil who is assessed but determined not to be disabled is counted as the ratio of the number of hours of assessment service to 825 times 1.0.

(c) A kindergarten pupil with a disability who is enrolled in a program approved by the commissioner is counted as the ratio of the number of hours of assessment and education services required in the fiscal year by the pupil's individualized education program to 875, but not more than one.

(d) A prekindergarten pupil who is not included in paragraph (a) or (b) and is enrolled in an approved voluntary prekindergarten program under section 124D.151 is counted as the ratio of the number of hours of instruction to 850 times 1.0, but not more than 0.6 pupil units.

(e) A kindergarten pupil who is not included in paragraph (c) is counted as 1.0 pupil unit if the pupil is enrolled in a free all-day, every day kindergarten program available to all kindergarten pupils at the pupil's school that meets the minimum hours requirement in section 120A.41, or is counted as .55 pupil unit, if the pupil is not enrolled in a free all-day, every day kindergarten program available to all kindergarten pupils at the pupil's school.

(f) A pupil who is in any of grades 1 to 6 is counted as 1.0 pupil unit.

(g) A pupil who is in any of grades 7 to 12 is counted as 1.2 pupil units.

(h) A pupil who is in the postsecondary enrollment options program is counted as 1.2 pupil units.

(i) ~~For fiscal years 2018 and 2019 only,~~ A prekindergarten pupil who:

(1) is not included in paragraph (a), (b), or (d);

(2) is enrolled in a school readiness plus program; and

(3) has one or more of the risk factors specified by the eligibility requirements for a school readiness plus program,

is counted as the ratio of the number of hours of instruction to 850 times 1.0, but not more than 0.6 pupil units. A pupil qualifying under this paragraph must be counted in the same manner as a voluntary prekindergarten student for all general education and other school funding formulas.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2019 and later."

Page 142, after line 27, insert:

"Sec. 13. Laws 2017, First Special Session chapter 5, article 8, section 9, subdivision 5, is amended to read:

Subd. 5. **Application process; priority for high poverty schools.** ~~(a) For 2017-2018 school year, a school district or charter school that did not apply to participate in a voluntary prekindergarten program under Minnesota Statutes, section 124D.151, may apply to the commissioner by July 1, 2017, to participate in a school readiness plus program in the form and manner specified by the commissioner. By June 15, 2017, the commissioner must notify districts and charter schools of the availability of additional money for voluntary prekindergarten and school readiness plus programs. A school district or charter school that previously applied to participate in a voluntary prekindergarten program may amend its application by July 1, 2017, to apply instead for school readiness plus. The commissioner must review all applications for school readiness plus and notify applicant districts and charter schools by August 1, 2017, whether they have been selected for participation.~~

~~(b) For the 2018-2019 school year, a school district or charter school may apply to the commissioner by January 30, 2018, to participate in school readiness plus in the form and manner specified by the commissioner.~~

~~(c) A district or charter school submitting an application under this section 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; (3) the number of children being served that will be new to the program; and (4) a statement of assurances signed by the superintendent or charter school director that the proposed program meets the requirements of subdivision 2.~~

~~(d) The commissioner must award funding for school readiness plus programs across school districts and charter schools in the same manner as for the voluntary prekindergarten program.~~

~~(e) A school site or mixed delivery site approved for aid under this subdivision remains eligible for aid if the site continues to meet program requirements, regardless of changes in the concentration of students eligible for free or reduced price lunches. Applications for school readiness plus must be submitted according to Minnesota Statutes, section 124D.151, subdivision 5.~~

Sec. 14. Laws 2017, First Special Session chapter 5, article 8, section 9, subdivision 6, is amended to read:

Subd. 6. **No supplanting.** For a site first qualifying in fiscal year 2018 or ~~2019~~ later, mixed delivery revenue, including voluntary prekindergarten and school readiness plus program revenue, must be used to supplement not supplant existing state, federal, and local revenue for prekindergarten activities.

Sec. 15. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall codify Laws 2017, First Special Session chapter 5, article 8, section 9, as amended, as Minnesota Statutes, section 124D.152.

Sec. 16. **REPEALER.**

Laws 2017, First Special Session chapter 5, article 8, section 8, the effective date, is repealed."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

Loon moved to amend the Davnie amendment to H. F. No. 4328, the second engrossment, as amended, as follows:

Page 2, after line 6, insert:

"Sec. 4. Minnesota Statutes 2016, section 124D.151, is amended by adding a subdivision to read:

Subd. 7. Parental notice and program choice. (a) At the time a child enrolls in a voluntary prekindergarten or school readiness plus program, the school district or charter school must notify the child's parent that the child may transfer to a qualifying early learning scholarship program at any time.

(b) Notwithstanding any law to the contrary, the parent of a child enrolled in a voluntary prekindergarten program under this section, or a school readiness plus program under section 124D.152, may withdraw the child from either of these programs and enroll the child in a qualifying program under section 124D.165. The Department of Education must calculate the number of hours of instruction provided by the school district or charter school and provide the proportionate remaining portion of the funds to the qualifying early learning scholarship provider. The proportionate allocation of hours must be calculated based on the hours of service provided to the child up to the day the school district or charter school receives written notice from the parent of the parent's intent to transfer the child to a qualified early learning scholarship provider.

EFFECTIVE DATE. This section is effective for fiscal year 2020 and later."

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Davnie amendment, as amended, to H. F. No. 4328, the second engrossment, as amended. The motion prevailed and the amendment, as amended, was adopted.

Murphy, E., was excused between the hours of 5:00 p.m. and 6:55 p.m.

Maye Quade moved to amend H. F. No. 4328, the second engrossment, as amended, as follows:

Page 37, line 7, delete "and"

Page 37, line 9, delete the period and insert "; and"

Page 37, after line 9, insert:

"(4) age-appropriate instruction on consent.

(c) "Consent" as used in this section means affirmative, conscious, and voluntary agreement to engage in sexual activity. It is a responsibility of each person involved in sexual activity to ensure that the other or others consent to engage in the sexual activity. Lack of protest or resistance does not mean consent. Consent must be ongoing throughout a sexual activity and can be revoked at any time. The existence of a dating relationship between the persons involved, or the fact of past sexual relations between them, should never by itself be assumed to be an indicator of consent."

Reletter the paragraphs in sequence

A roll call was requested and properly seconded.

The question was taken on the Maye Quade amendment and the roll was called. There were 44 yeas and 80 nays as follows:

Those who voted in the affirmative were:

Allen	Ecklund	Hornstein	Mahoney	Olson	Sundin
Bernardy	Fischer	Hortman	Mariani	Omar	Wagenius
Bly	Flanagan	Koegel	Masin	Pinto	Ward
Carlson, A.	Freiberg	Kunesh-Podein	Maye Quade	Pryor	Youakim
Carlson, L.	Halverson	Lee	Metsa	Rosenthal	
Clark	Hansen	Lesch	Moran	Sandstede	
Considine	Hausman	Liebling	Murphy, M.	Sauke	
Davnie	Hilstrom	Loeffler	Nelson	Schultz	

Those who voted in the negative were:

Albright	Barr, R.	Detmer	Garofalo	Hertaus	Kiel
Anderson, P.	Bennett	Drazkowski	Green	Hoppe	Knoblach
Anderson, S.	Bliss	Erickson	Grossell	Howe	Koznick
Anselmo	Christensen	Fabian	Gruenhagen	Jessup	Kresha
Backer	Daniels	Fenton	Gunther	Johnson, B.	Layman
Bahr, C.	Dauids	Franke	Haley	Johnson, C.	Lien
Baker	Dean, M.	Franson	Heintzeman	Jurgens	Lohmer

Loon	Munson	Pelowski	Pugh	Swedzinski	Whelan
Loonan	Nash	Peppin	Quam	Theis	Wills
Lucero	Neu	Petersburg	Rarick	Torkelson	Spk. Daudt
Lueck	Newberger	Peterson	Runbeck	Uglen	
Marquart	Nornes	Pierson	Schomacker	Urdahl	
McDonald	O'Driscoll	Poppe	Scott	Vogel	
Miller	O'Neill	Poston	Smith	West	

The motion did not prevail and the amendment was not adopted.

Loon moved to amend H. F. No. 4328, the second engrossment, as amended, as follows:

Page 28, line 8, delete "show" and insert "include"

Page 28, line 9, after "area" insert "and any new staff positions hired."

Dean, M., moved to amend the Loon amendment to H. F. No. 4328, the second engrossment, as amended, as follows:

Page 1, after line 1, insert:

"Page 26, line 25, delete "(a)"

Page 26, strike line 27

Page 26, line 28, delete the new language and strike the old language

Page 26, line 29, delete the new language and strike the semicolon

Renumber the clauses in sequence

Page 27, strike lines 19 to 25"

A roll call was requested and properly seconded.

The question was taken on the Dean, M., amendment to the Loon amendment and the roll was called. There were 0 yeas and 125 nays as follows:

Those who voted in the negative were:

Albright	Barr, R.	Clark	Drazkowski	Franson	Halverson
Allen	Bennett	Considine	Ecklund	Freiberg	Hansen
Anderson, P.	Bernardy	Daniels	Erickson	Garofalo	Hausman
Anderson, S.	Bliss	Dauids	Fabian	Green	Heintzeman
Anselmo	Bly	Davnie	Fenton	Grossell	Hertaus
Backer	Carlson, A.	Dean, M.	Fischer	Gruenhagen	Hilstrom
Bahr, C.	Carlson, L.	Dehn, R.	Flanagan	Gunther	Hoppe
Baker	Christensen	Detmer	Franke	Haley	Hornstein

Hortman	Lee	Masin	O'Driscoll	Pugh	Theis
Howe	Lesch	Maye Quade	Olson	Quam	Torkelson
Jessup	Liebling	McDonald	Omar	Rarick	Uglen
Johnson, B.	Lien	Metsa	O'Neill	Rosenthal	Urdahl
Johnson, C.	Loeffler	Miller	Pelowski	Runbeck	Vogel
Jurgens	Lohmer	Moran	Peppin	Sandstede	Wagenius
Kiel	Loon	Munson	Petersburg	Sauke	Ward
Knoblach	Loonan	Murphy, M.	Peterson	Schomacker	West
Koegel	Lucero	Nash	Pierson	Schultz	Whelan
Koznick	Lueck	Nelson	Pinto	Scott	Wills
Kresha	Mahoney	Neu	Poppe	Smith	Youakim
Kunesh-Podein	Mariani	Newberger	Poston	Sundin	Spk. Daudt
Layman	Marquart	Nornes	Pryor	Swedzinski	

The motion did not prevail and the amendment to the amendment was not adopted.

The question recurred on the Loon amendment to H. F. No. 4328, the second engrossment, as amended. The motion prevailed and the amendment was adopted.

Loon moved to amend H. F. No. 4328, the second engrossment, as amended, as follows:

Page 124, after line 27, insert:

"Section 1. Minnesota Statutes 2017 Supplement, section 121A.335, subdivision 3, is amended to read:

Subd. 3. **Frequency of testing.** (a) The plan under subdivision 2 must include a testing schedule for every building serving prekindergarten through grade 12 students. The schedule must require that each building be tested at least once every five years. A school district must begin testing school buildings by July 1, 2018, and complete testing of all buildings that serve students within five years.

(b) The commissioner of education must, in consultation with the commissioner of health, determine the maximum contaminant level for lead in school drinking water. A school district that finds the presence of lead exceeds the maximum contaminant level in any water source that can provide water for consumption must either remediate that water source and immediately shut off the water source until the source is remediated, or make the water source unavailable.

Sec. 2. Minnesota Statutes 2017 Supplement, section 121A.335, subdivision 5, is amended to read:

Subd. 5. **Reporting.** A school district that has tested its buildings for the presence of lead shall make the results of the testing available to the public for review and must notify parents of the availability of the information. If a test conducted under subdivision 3, paragraph (a), reveals the presence of lead exceeds the maximum contaminant level, the school district must immediately directly notify parents of the test result and any steps taken to remediate the water source, or make the water source unavailable."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Newberger moved to amend H. F. No. 4328, the second engrossment, as amended, as follows:

Page 58, line 13, after the period, insert "Notwithstanding any law to the contrary, a school board may adopt a written resolution limiting race and ethnicity reporting under this section to only the categories required by federal law."

Page 60, line 29, before the period, insert "and whether the school board has adopted a resolution limiting its data disaggregation under this section to the categories required by federal law"

Newberger moved to amend the Newberger amendment to H. F. No. 4328, the second engrossment, as amended, as follows:

Page 1, line 3, after "may" insert ", after taking public testimony at a public meeting."

The motion prevailed and the amendment to the amendment was adopted.

Newberger withdrew the Newberger amendment, as amended, to H. F. No. 4328, the second engrossment, as amended.

Speaker pro tempore Garofalo called Albright to the Chair.

Lohmer and Moran were excused for the remainder of today's session.

H. F. No. 4328, A bill for an act relating to education; providing for the financing of early childhood through higher education, 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; state agencies; making forecast adjustments; modifying certain higher education policy provisions; making clarifying changes to loan forgiveness and research grant programs; and modifying the regent candidate selection process; requiring reports; appropriating money; amending Minnesota Statutes 2016, sections 120A.20, subdivision 2; 120A.22, subdivision 12; 120B.021, by adding a subdivision; 120B.024, subdivision 1; 120B.11, subdivisions 1, 1a, 2, 5, 9; 120B.12, as amended; 120B.232, by adding a subdivision; 120B.299, subdivision 10; 120B.30, subdivisions 1a, 3; 120B.36, subdivision 2; 121A.39; 121A.41, by adding a subdivision; 121A.45, subdivision 1; 121A.46, by adding subdivisions; 121A.47, subdivisions 2, 14; 121A.53, subdivision 1; 121A.55; 121A.61, subdivision 2; 121A.67, by adding a subdivision; 122A.42; 122A.71, subdivision 2; 123B.14, subdivision 7; 123B.41, subdivision 5; 123B.52, subdivision 6; 123B.595, as amended; 123B.61; 124D.09, subdivision 4; 124D.111; 124D.151, subdivision 2, by adding a subdivision; 124D.162; 124D.78, subdivision 2; 124D.83, subdivision 1; 124D.98; 124E.03, subdivision 5; 125A.76, subdivision 1; 125B.07, subdivision 6; 126C.15, subdivision 5, by adding a subdivision; 126C.44; 127A.41, as amended; 127A.45, subdivisions 11, 16; 127A.70, subdivision 2; 134.355, subdivision 10; 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; 171.02, subdivision 2a; 205A.07, subdivision 2; 245C.02, by adding a subdivision; 245C.12; 299C.17; 471.59, subdivision 1; 475.58, subdivision 4; 609.095; 626.556, subdivision 10; 631.40, subdivision 1a; Minnesota Statutes 2017 Supplement, sections 120B.021, subdivision 1; 120B.122, subdivision 1; 120B.125; 120B.30, subdivision 1; 120B.35, subdivision 3; 120B.36, subdivision 1; 121A.335, subdivisions 3, 5; 122A.09, subdivision 2, by adding a subdivision; 122A.18, subdivision 8; 122A.187, subdivision 3, by adding a subdivision; 122A.20,

subdivisions 1, 2; 122A.40, subdivision 13; 122A.41, subdivision 6; 123B.03, subdivisions 1, 2; 123B.41, subdivision 2; 123B.52, subdivision 7; 124D.09, subdivision 3; 124D.151, subdivisions 5, 6; 124D.165, subdivisions 2, 3, 4; 124D.549; 124D.83, subdivision 2; 124D.99, subdivision 3; 124E.11; 126C.05, subdivision 1; 136A.1275, subdivisions 2, 3; 136A.1789, subdivision 2; 136A.246, subdivision 4; 136A.646; 136A.822, subdivision 6; 136A.8295, by adding a subdivision; 155A.30, subdivision 12; 171.02, subdivision 2b; 171.3215, subdivisions 2, 3; 475.59, subdivision 1; 609A.03, subdivision 7a; 626.556, subdivisions 2, 3, 10e; Laws 2016, chapter 189, article 25, sections 61; 62, subdivision 15; Laws 2017, chapter 89, article 1, section 2, subdivisions 18, 20, 29, 31, 32, 33, 34; Laws 2017, First Special Session chapter 5, article 1, section 19, subdivisions 2, 3, 4, 5, 6, 7, 9; article 2, sections 56; 57, subdivisions 2, 3, 4, 5, 6, 12, 14, 21, 23, 24, 26; article 4, sections 11; 12, subdivisions 2, as amended, 3, 4, 5; article 5, section 14, subdivisions 2, 3; article 6, section 3, subdivisions 2, 3, 4; article 7, section 2, subdivision 5; article 8, sections 9, subdivisions 2, 5, 6; 10, subdivisions 3, 5a, 6, 12; article 9, section 2, subdivisions 2, 7; article 10, section 6, subdivision 2; article 11, sections 9; 12; 13; proposing coding for new law in Minnesota Statutes, chapters 120B; 121A; 122A; 125A; 125B; 136A; 245C; 299C; repealing Minnesota Statutes 2016, sections 120B.299, subdivisions 7, 8, 9, 11; 136A.15, subdivisions 2, 7; 136A.1701, subdivision 12; Minnesota Statutes 2017 Supplement, section 122A.09, subdivision 1; Laws 2017, First Special Session chapter 5, article 8, section 8; Minnesota Rules, parts 8700.7620; 8710.0300, subparts 1, 1a, 2, 2a, 2b, 3, 5, 6, 7, 8, 9, 10, 11; 8710.1000; 8710.1050; 8710.1250; 8710.1400; 8710.1410; 8710.2100, subparts 1, 2.

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 94 yeas and 29 nays as follows:

Those who voted in the affirmative were:

Albright	Dean, M.	Hansen	Layman	O'Driscoll	Scott
Anderson, P.	Dettmer	Heintzeman	Lee	O'Neill	Smith
Anderson, S.	Erickson	Hertaus	Lien	Pelowski	Sundin
Anselmo	Fabian	Hilstrom	Loon	Peppin	Swedzinski
Backer	Fenton	Hoppe	Loonan	Petersburg	Theis
Bahr, C.	Fischer	Hortman	Lucero	Peterson	Torkelson
Baker	Franke	Howe	Lueck	Pierson	Uglen
Barr, R.	Franson	Jessup	Marquart	Poppe	Urdahl
Bennett	Freiberg	Johnson, B.	Maye Quade	Poston	Vogel
Bernardy	Garofalo	Jurgens	McDonald	Pryor	Ward
Bliss	Green	Kiel	Miller	Pugh	West
Carlson, A.	Grossell	Knoblach	Murphy, M.	Quam	Whelan
Carlson, L.	Gruenhagen	Koegel	Nash	Rarick	Wills
Christensen	Gunther	Koznick	Neu	Rosenthal	Spk. Daudt
Daniels	Haley	Kresha	Newberger	Runbeck	
Davids	Halverson	Kunesh-Podein	Nornes	Schomacker	

Those who voted in the negative were:

Allen	Dehn, R.	Hornstein	Mahoney	Nelson	Sauke
Bly	Drazkowski	Johnson, C.	Mariani	Olson	Schultz
Clark	Ecklund	Lesch	Masin	Omar	Wagenius
Considine	Flanagan	Liebling	Metsa	Pinto	Youakim
Davnie	Hausman	Loeffler	Munson	Sandstede	

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 30, 2018 and established a prefiling requirement for amendments offered to the following bills:

H. F. Nos. 4167 and 4385.

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, May 1, 2018 and established a prefiling requirement for amendments offered to the following bills:

H. F. Nos. 3138 and 2856.

**ANNOUNCEMENT FROM THE COMMITTEE ON
RULES AND LEGISLATIVE ADMINISTRATION**

Pursuant to rules 1.21 and 1.22, the Committee on Rules and Legislative Administration specified Thursday, April 26, 2018 as the date after which the 5:00 p.m. deadlines no longer apply to the designation of bills to be placed on the Calendar for the Day and to the announcement of the intention to request that bills be considered by the House on the Fiscal Calendar.

MOTIONS AND RESOLUTIONS

Applebaum moved that the name of Omar be added as an author on H. F. No. 927. The motion prevailed.

Dean, M., moved that the name of Dettmer be added as an author on H. F. No. 2574. The motion prevailed.

Liebling moved that the name of Omar be added as an author on H. F. No. 2714. The motion prevailed.

Davnie moved that the names of Kunesh-Podein and Mariani be added as authors on H. F. No. 2767. The motion prevailed.

Poppe moved that the name of Flanagan be added as an author on H. F. No. 2896. The motion prevailed.

Kresha moved that the name of Backer be added as an author on H. F. No. 3445. The motion prevailed.

Poppe moved that the name of Flanagan be added as an author on H. F. No. 3515. The motion prevailed.

Koznick moved that the name of Jessup be added as an author on H. F. No. 3795. The motion prevailed.

Anderson, P., moved that the name of Davids be added as an author on H. F. No. 4395. The motion prevailed.

Christensen moved that the name of Daniels be added as an author on H. F. No. 4464. The motion prevailed.

Smith moved that H. F. No. 1609, now on the General Register, be re-referred to the Committee on Ways and Means. The motion prevailed.

ADJOURNMENT

Peppin moved that when the House adjourns today it adjourn until 10:00 a.m., Monday, April 30, 2018. The motion prevailed.

Peppin moved that the House adjourn. The motion prevailed, and Speaker pro tempore Albright declared the House stands adjourned until 10:00 a.m., Monday, April 30, 2018.

PATRICK D. MURPHY, Chief Clerk, House of Representatives

