

SENATE
STATE OF MINNESOTA
NINETIETH SESSION

S.F. No. 3656

(SENATE AUTHORS: ROSEN)

DATE	D-PG	OFFICIAL STATUS
03/21/2018	6863	Introduction and first reading Referred to Finance
04/25/2018	7895a	Comm report: To pass as amended
	8372	Second reading
04/26/2018	8386a	Special Order: Amended
	8459	Third reading Passed

1.1 A bill for an act

1.2 relating to state government; appropriating money for agriculture, rural

1.3 development, housing, state government, public safety, transportation, environment,

1.4 natural resources, energy, jobs, economic development, higher education,

1.5 prekindergarten through grade 12 education, health, and human services; modifying

1.6 agriculture, rural development, and housing provisions; specifying conditions of

1.7 legislative ratification of proposed collective bargaining agreements; requiring

1.8 proposed changes to state employee group insurance to be submitted separately

1.9 to Legislative Coordinating Commission; requiring certain information about

1.10 collective bargaining agreements and compensation plans be submitted to

1.11 Legislative Coordinating Commission; creating transition period for Legislative

1.12 Budget Office to take responsibility for coordinating fiscal notes and local impact

1.13 notes; establishing Legislative Budget Office Oversight Commission; modifying

1.14 the effective date of certain provisions governing preparation of fiscal notes;

1.15 abolishing Office of MN.IT Services; establishing division of information

1.16 technology within Department of Administration; permitting agencies more

1.17 flexibility in contracting for information technology projects; requiring agencies

1.18 to determine impact of proposed rule on cost of residential construction or

1.19 remodeling; requiring notice to applicable legislative committees; precluding

1.20 adoption of residential construction rules having certain cost until after next

1.21 legislative session; exempting hair braiders from cosmetology registration

1.22 requirements; prohibiting exclusive representative from charging fair share fee to

1.23 nonmembers; investigating possible registration or voting by ineligible voters and

1.24 reporting to law enforcement; increasing penalties for child pornography offenses;

1.25 requiring reports on court-imposed stays of sentence or adjudication for sex

1.26 offenses; restricting grounds that permit reunification of parents and children after

1.27 parent sexually abuses child; increasing maximum penalty for certain invasion of

1.28 privacy crimes involving minors; requiring predatory offender registration for

1.29 certain invasion of privacy crimes involving minors; requiring collection of

1.30 information on connection between pornography and sex trafficking; expanding

1.31 authorized prostitution penalty assessment to include additional crimes; expanding

1.32 criminal sexual conduct offenses for persons in current or recent positions of

1.33 authority over juveniles and for peace officers who engage in sexual activity with

1.34 those in custody; extending sunset date for court technology fund; expanding list

1.35 of prior offenses that support a conviction of first-degree driving while impaired;

1.36 prohibiting Department of Human Rights from using federal funds to expand

1.37 program; modifying various provisions governing transportation and public safety

1.38 policy and finance; modifying Metropolitan Council budgeting requirements;

1.39 modifying environment and natural resources provisions; adding to and deleting

2.1 from state parks, recreation areas, and forests; modifying drainage law; creating
 2.2 accounts; providing for disposition of certain receipts; modifying renewable
 2.3 development account utility annual contribution; modifying solar energy incentive
 2.4 program; establishing pension rate base; establishing criteria for utility cost recovery
 2.5 of energy storage system pilot projects; establishing utility stakeholder group;
 2.6 requiring investor-owned utilities to include in integrated resource plans an
 2.7 assessment of energy storage systems; establishing solar energy grant program for
 2.8 school districts; extending expiration date for an assessment; requiring creation of
 2.9 an excavation notice system contact information database; requiring cost-benefit
 2.10 analysis of energy storage systems; modifying job training program requirements;
 2.11 limiting use of funds in Douglas J. Johnson economic protection trust fund;
 2.12 modifying youth skills training program; modifying accessibility requirements for
 2.13 public buildings; modifying fees for manufactured home installers; adopting
 2.14 recommendations of Workers' Compensation Advisory Council; adjusting basis
 2.15 for determining salary for judges of Workers' Compensation Court of Appeals;
 2.16 adopting recommendations of Unemployment Insurance Advisory Council;
 2.17 modifying certain higher education policy provisions; making clarifying and
 2.18 technical changes to loan forgiveness and research grant programs; providing for
 2.19 school safety, general education, education excellence, teachers, special education,
 2.20 facilities and technology, libraries, early education, and state agencies; making
 2.21 forecast adjustments; modifying provisions governing children and families,
 2.22 licensing, state-operated services, chemical and mental health, community supports
 2.23 and continuing care, and health care; modifying Department of Human Services
 2.24 administrative funds transfer; establishing Minnesota Health Policy Commission;
 2.25 repealing preferred incontinence program in medical assistance; increasing
 2.26 reimbursement rates for doula services; modifying telemedicine service limits;
 2.27 modifying EPSDT screening payments; modifying capitation payment delay;
 2.28 modifying provisions relating to wells and borings; adding security screening
 2.29 systems to ionizing radiation-producing equipment regulation; authorizing statewide
 2.30 tobacco cessation services; establishing an opioid reduction pilot program;
 2.31 establishing a low-value health services study; requiring coverage of 3D
 2.32 mammograms; requiring disclosure of facility fees; establishing a step therapy
 2.33 override process; requiring the synchronization of prescription refills; prohibiting
 2.34 a health plan company from preventing a pharmacist from informing a patient of
 2.35 a price differential; converting allied health professionals to a birth month renewal
 2.36 cycle; modifying temporary license suspensions and background checks for
 2.37 health-related professions; requiring a prescriber to access the prescription
 2.38 monitoring program before prescribing certain controlled substances; authorizing
 2.39 the Board of Pharmacy to impose a fee from a prescriber or pharmacist accessing
 2.40 prescription monitoring data through a service offered by the board's vendor;
 2.41 requiring administrative changes at the Office of Health Facility Complaints;
 2.42 providing access to information and data sharing; making technical changes;
 2.43 requiring rulemaking; requiring reports; amending Minnesota Statutes 2016,
 2.44 sections 3.3005, subdivision 8; 3.855, subdivisions 1a, 2, by adding a subdivision;
 2.45 10A.01, subdivision 35; 13.64, by adding a subdivision; 16A.103, subdivisions 1,
 2.46 1b, by adding a subdivision; 16A.88, subdivision 2; 16A.97; 16E.01, subdivision
 2.47 1; 16E.015, by adding a subdivision; 16E.016; 16E.02; 16E.055; 16E.14; 16E.18,
 2.48 subdivisions 4, 6; 16E.21, subdivision 3; 17.117, subdivisions 1, 4; 17.494; 17.4982,
 2.49 by adding subdivisions; 18.83, subdivision 7; 18C.425, subdivision 6; 18C.80,
 2.50 subdivision 2; 21.89, subdivision 2; 41A.16, subdivisions 1, 2; 41A.17, subdivision
 2.51 1; 62A.30, by adding a subdivision; 80E.13; 84.0895, subdivision 2; 84.86,
 2.52 subdivision 1; 86B.005, subdivision 8a; 86B.532, subdivision 1; 88.10, by adding
 2.53 a subdivision; 88.75, subdivision 1; 89.551; 92.50, by adding a subdivision; 94.10,
 2.54 subdivision 2; 97A.051, subdivision 2; 97A.433, subdivisions 4, 5; 97B.015,
 2.55 subdivision 6; 97B.1055; 97C.345, subdivision 3a; 103B.3369, subdivisions 5, 9;
 2.56 103B.801, subdivisions 2, 5; 103E.021, subdivision 6; 103E.071; 103E.351,
 2.57 subdivision 1; 103F.361, subdivision 2; 103F.363, subdivision 1; 103F.365, by
 2.58 adding a subdivision; 103F.371; 103F.373, subdivisions 1, 3, 4; 103G.2242,

3.1 subdivision 14; 103H.275, subdivision 1; 103I.205, subdivision 9; 103I.301,
 3.2 subdivision 6; 114D.15, subdivisions 7, 11, 13, by adding subdivisions; 114D.20,
 3.3 subdivisions 2, 3, 5, 7, by adding subdivisions; 114D.26; 114D.35, subdivisions
 3.4 1, 3; 115.03, subdivision 5, by adding a subdivision; 115.035; 115A.51; 115A.94,
 3.5 subdivisions 2, 4a, 4b, 4c, 4d, 5, by adding subdivisions; 116.07, subdivision 2,
 3.6 by adding a subdivision; 116.155, subdivision 1, by adding a subdivision; 116.993,
 3.7 subdivisions 2, 6; 116J.8747, subdivisions 2, 4; 119B.011, subdivision 19, by
 3.8 adding a subdivision; 119B.02, subdivision 7; 119B.03, subdivision 9; 120A.20,
 3.9 subdivision 2; 122A.63, subdivisions 1, 4, 5, 6, by adding a subdivision; 123B.595,
 3.10 by adding a subdivision; 123B.61; 124D.09, subdivisions 4, 22; 124D.151,
 3.11 subdivisions 2, 3; 124E.20, subdivision 1; 125B.26, subdivision 4, by adding a
 3.12 subdivision; 126C.10, subdivisions 2e, 24; 126C.17, subdivisions 1, 2, 5, 6, 7, 7a;
 3.13 126C.40, subdivision 1; 126C.44; 127A.70, subdivision 2; 135A.15, subdivision
 3.14 2; 136A.15, subdivision 8; 136A.16, subdivisions 1, 2, 5, 8, 9; 136A.162;
 3.15 136A.1701, subdivision 7; 136A.1791, subdivision 8; 136A.1795, subdivision 2;
 3.16 136A.64, subdivision 1; 136A.822, subdivision 10; 136A.901, subdivision 1;
 3.17 144.121, subdivision 1a, by adding a subdivision; 144A.53, subdivision 2; 147.012;
 3.18 147.02, by adding a subdivision; 147A.06; 147A.07; 147B.02, subdivision 9, by
 3.19 adding a subdivision; 147C.15, subdivision 7, by adding a subdivision; 147D.17,
 3.20 subdivision 6, by adding a subdivision; 147D.27, by adding a subdivision; 147E.15,
 3.21 subdivision 5, by adding a subdivision; 147E.40, subdivision 1; 147F.07,
 3.22 subdivision 5, by adding subdivisions; 147F.17, subdivision 1; 148.7815,
 3.23 subdivision 1; 151.065, by adding a subdivision; 151.214; 151.71, by adding a
 3.24 subdivision; 152.126, subdivisions 6, 10; 155A.25, subdivision 1a; 155A.28, by
 3.25 adding a subdivision; 161.088, subdivision 2; 161.115, subdivision 111; 161.14,
 3.26 by adding subdivisions; 161.32, subdivision 2; 168.013, subdivision 6; 168.101,
 3.27 subdivision 2a; 168.127, subdivisions 4, 6; 168.27, by adding subdivisions; 168.301,
 3.28 subdivision 3; 168.326; 168.33, subdivision 8a, by adding a subdivision; 168.346,
 3.29 subdivision 1; 168A.05, by adding a subdivision; 168A.12, subdivision 2;
 3.30 168A.151, subdivision 1; 168A.17, by adding a subdivision; 168A.29, subdivision
 3.31 1; 169.011, subdivision 60; 169.14, subdivision 5; 169.18, subdivisions 10, 11,
 3.32 12; 169.20, by adding a subdivision; 169.26, subdivision 1; 169.28; 169.29; 169.71,
 3.33 subdivision 4; 169.81, subdivision 5, by adding a subdivision; 169.8261, subdivision
 3.34 2; 169.974, subdivision 2; 169A.24, subdivision 1; 174.12, subdivision 8; 174.37,
 3.35 subdivision 6; 174.66; 175A.05; 176.231, subdivision 9; 179A.06, subdivision 3;
 3.36 201.022, by adding subdivisions; 205A.07, subdivision 2; 214.075, subdivisions
 3.37 1, 4, 5, 6; 214.077; 214.10, subdivision 8; 216B.16, by adding a subdivision;
 3.38 216B.1645, by adding a subdivision; 216B.2422, subdivision 1, by adding a
 3.39 subdivision; 216D.03, by adding a subdivision; 216G.01, subdivision 3; 221.031,
 3.40 subdivision 2d; 221.0314, subdivision 9; 221.036, subdivisions 1, 3; 221.122,
 3.41 subdivision 1; 221.161, subdivision 1, by adding a subdivision; 221.171, subdivision
 3.42 1; 243.166, subdivision 1b; 244.052, subdivision 4; 245.4889, by adding a
 3.43 subdivision; 245A.175; 245C.14; 245C.15, by adding a subdivision; 245C.22, by
 3.44 adding a subdivision; 245C.24, by adding a subdivision; 245D.071, subdivision
 3.45 5; 245D.091, subdivisions 2, 3, 4; 254A.035, subdivision 2; 254B.02, subdivision
 3.46 1; 254B.06, subdivision 1; 256.01, by adding a subdivision; 256B.04, subdivision
 3.47 14; 256B.0625, subdivision 58, by adding subdivisions; 256B.0659, subdivisions
 3.48 3a, 11, 21, 24, 28, by adding a subdivision; 256B.0915, subdivision 6; 256B.092,
 3.49 subdivisions 1b, 1g; 256B.4914, subdivision 4; 256I.04, by adding subdivisions;
 3.50 256K.45, subdivision 2; 256M.41, subdivision 3, by adding a subdivision; 256N.24,
 3.51 by adding a subdivision; 260.012; 260.835, subdivision 2; 268.035, subdivisions
 3.52 4, 12; 268.044, subdivisions 2, 3; 268.047, subdivision 3; 268.051, subdivisions
 3.53 2a, 3; 268.053, subdivision 1; 268.057, subdivision 5; 268.059; 268.066; 268.067;
 3.54 268.069, subdivision 1; 268.085, subdivisions 3, 3a; 268.095, subdivision 6a;
 3.55 268.105, subdivision 6; 268.145, subdivision 1; 299A.01, by adding a subdivision;
 3.56 299A.705; 299A.707, by adding a subdivision; 299A.785, subdivision 1; 326B.106,
 3.57 subdivision 9; 326B.815, subdivision 1; 327.31, by adding a subdivision; 327B.041;
 3.58 327C.095, subdivisions 4, 6, 12, 13, by adding a subdivision; 349A.05; 357.021,

4.1 subdivision 2b; 360.013, by adding a subdivision; 360.017, subdivision 1; 360.021,
 4.2 subdivision 1; 360.062; 360.063, subdivisions 1, 3; 360.064, subdivision 1; 360.065,
 4.3 subdivision 1; 360.066, subdivision 1; 360.067, by adding a subdivision; 360.071,
 4.4 subdivision 2; 360.305, subdivision 6; 394.22, by adding a subdivision; 394.23;
 4.5 394.231; 394.25, subdivision 3; 462.352, by adding a subdivision; 462.355,
 4.6 subdivision 1; 462.357, subdivision 9, by adding a subdivision; 462A.33,
 4.7 subdivisions 1, 2; 462A.37, subdivisions 1, 2; 473.13, subdivisions 1, 4, by adding
 4.8 subdivisions; 473.146, subdivisions 1, 3; 473.3994, by adding a subdivision;
 4.9 473.606, subdivision 5; 473.8441, subdivision 4; 474A.02, by adding subdivisions;
 4.10 474A.03, subdivision 1; 474A.04, subdivision 1a; 474A.047, subdivision 2;
 4.11 474A.061, subdivisions 1, 2a, 2b, 2c, 4, by adding subdivisions; 474A.062;
 4.12 474A.091, subdivisions 1, 2, 3, 5, 6, by adding a subdivision; 474A.131,
 4.13 subdivisions 1, 1b, 2; 474A.14; 475.58, subdivision 4; 574.26, subdivision 1a;
 4.14 609.3241; 609.341, subdivision 10; 609.342, subdivision 1; 609.343, subdivision
 4.15 1; 609.344, subdivision 1; 609.345, subdivision 1; 609.746, subdivision 1; 617.246,
 4.16 subdivisions 2, 3, 4, 7; 617.247, subdivisions 3, 4, 9; 626.556, by adding a
 4.17 subdivision; Minnesota Statutes 2017 Supplement, sections 3.8853, subdivisions
 4.18 1, 2, by adding subdivisions; 3.972, subdivision 4; 3.98, subdivisions 1, 4; 15A.083,
 4.19 subdivision 7; 16A.152, subdivision 2; 16E.0466, subdivision 1; 18C.70,
 4.20 subdivision 5; 18C.71, subdivision 4; 84.01, subdivision 6; 84.925, subdivision 1;
 4.21 84.9256, subdivision 1; 84D.03, subdivisions 3, 4; 84D.108, subdivisions 2b, 2c;
 4.22 85.0146, subdivision 1; 89.17; 97A.075, subdivision 1; 103G.222, subdivision 3;
 4.23 103G.2242, subdivision 1; 103I.005, subdivisions 2, 8a, 17a; 103I.205, subdivisions
 4.24 1, 4; 103I.208, subdivision 1; 103I.235, subdivision 3; 103I.601, subdivision 4;
 4.25 116.0714; 116C.779, subdivision 1; 116C.7792; 119B.011, subdivision 20;
 4.26 119B.025, subdivision 1; 119B.06, subdivision 1; 119B.09, subdivision 1;
 4.27 119B.095, subdivision 2; 119B.13, subdivision 1; 122A.187, by adding a
 4.28 subdivision; 123B.03, subdivision 1; 124D.151, subdivisions 5, 6; 124D.68,
 4.29 subdivision 2; 124E.03, subdivision 2; 136A.1275, subdivisions 2, 3; 136A.1789,
 4.30 subdivision 2; 136A.646; 136A.672, by adding a subdivision; 136A.822,
 4.31 subdivision 6; 136A.8295, by adding a subdivision; 147.01, subdivision 7; 147A.28;
 4.32 147B.08; 147C.40; 152.105, subdivision 2; 161.088, subdivision 5; 168.013,
 4.33 subdivision 1a; 169.18, subdivision 7; 169.829, subdivision 4; 175.46, subdivision
 4.34 13; 216B.1691, subdivision 2f; 216B.241, subdivision 1d; 216B.62, subdivision
 4.35 3b; 245.4889, subdivision 1; 245A.03, subdivision 7; 245A.06, subdivision 8;
 4.36 245A.11, subdivision 2a; 245C.16, subdivision 1; 245D.03, subdivision 1;
 4.37 256B.0625, subdivisions 3b, 17; 256B.0911, subdivisions 1a, 3a, 3f, 5; 256B.49,
 4.38 subdivision 13; 256B.4914, subdivisions 2, 3, 5, 10, 10a; 256I.03, subdivision 8;
 4.39 256I.04, subdivision 2b; 256I.05, subdivision 3; 268.035, subdivisions 15, 20;
 4.40 268.046, subdivision 1; 268.07, subdivision 1; 268.085, subdivision 13a; 268.095,
 4.41 subdivision 6; 268.18, subdivisions 2b, 5; 298.292, subdivision 2; 364.09;
 4.42 462A.2035, subdivisions 1, 1b; 473.4051, subdivision 2; 473.4485, subdivision
 4.43 2; 475.59, subdivision 1; 477A.03, subdivision 2b; Laws 2010, chapter 361, article
 4.44 4, section 78; Laws 2014, chapter 312, article 27, section 76; Laws 2015, First
 4.45 Special Session chapter 4, article 4, section 146, as amended; Laws 2016, chapter
 4.46 189, article 3, sections 3, subdivision 5; 48; Laws 2017, chapter 88, article 1,
 4.47 section 2, subdivisions 2, 4; Laws 2017, chapter 89, article 1, section 2, subdivisions
 4.48 18, 20, 29, 31, 32, 33, 34, 40; Laws 2017, chapter 94, article 1, sections 2,
 4.49 subdivisions 2, 3; 4, subdivision 5; 7, subdivision 7; 9; Laws 2017, First Special
 4.50 Session chapter 1, article 4, section 31; Laws 2017, First Special Session chapter
 4.51 3, article 1, section 4, subdivisions 1, 2, 4; Laws 2017, First Special Session chapter
 4.52 4, article 1, section 10, subdivision 1; article 2, sections 1; 3; 9; 58; Laws 2017,
 4.53 First Special Session chapter 5, article 1, section 19, subdivisions 2, 3, 4, 5, 6, 7,
 4.54 9; article 2, sections 56; 57, subdivisions 2, 3, 4, 5, 6, 12, 21, 22, 23, 26, 34; article
 4.55 4, section 12, subdivisions 2, as amended, 3, 4, 5; article 5, section 14, subdivisions
 4.56 2, 3, 4; article 6, section 3, subdivisions 2, 3, 4; article 8, sections 9, subdivision
 4.57 6; 10, subdivisions 5a, 6, 12; article 9, section 2, subdivision 2; article 10, section
 4.58 6, subdivision 2; article 11, sections 9, subdivision 2; 12; Laws 2017, First Special

5.1 Session chapter 6, article 1, section 52; article 3, section 49; article 4, section 61;
 5.2 article 10, section 144; proposing coding for new law in Minnesota Statutes,
 5.3 chapters 3; 11A; 14; 16A; 17; 62J; 62Q; 97A; 103B; 103F; 115; 115B; 120B;
 5.4 123B; 124D; 136A; 144; 147A; 147B; 147C; 147D; 147E; 147F; 161; 168A; 176;
 5.5 216C; 246; 256B; 260C; 299A; 327; 349A; 360; 383A; 609; repealing Minnesota
 5.6 Statutes 2016, sections 16A.98; 16E.145; 122A.63, subdivisions 7, 8; 126C.16,
 5.7 subdivisions 1, 3; 126C.17, subdivision 9a; 136A.15, subdivisions 2, 7; 136A.1701,
 5.8 subdivision 12; 155A.28, subdivisions 1, 3, 4; 168.013, subdivision 21; 214.075,
 5.9 subdivision 8; 221.161, subdivisions 2, 3, 4; 256B.0625, subdivision 18b;
 5.10 256B.0705; 268.053, subdivisions 4, 5; 349A.16; 360.063, subdivision 4; 360.065,
 5.11 subdivision 2; 360.066, subdivisions 1a, 1b; Minnesota Statutes 2017 Supplement,
 5.12 section 256B.0625, subdivision 31c; Laws 2008, chapter 368, article 1, section
 5.13 21, subdivision 2; Laws 2016, chapter 189, article 25, section 62, subdivision 16;
 5.14 Laws 2017, First Special Session chapter 4, article 2, section 59; Minnesota Rules,
 5.15 part 5600.0605, subparts 5, 8.

5.16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

5.17 **ARTICLE 1**

5.18 **STATE GOVERNMENT**

5.19 Section 1. Minnesota Statutes 2016, section 3.855, subdivision 1a, is amended to read:

5.20 Subd. 1a. **Definitions.** (a) "Commission" means the Legislative Coordinating Commission
 5.21 or a legislative commission established by the coordinating commission, as provided in
 5.22 section 3.305, subdivision 6, to exercise the powers and discharge the duties of the
 5.23 coordinating commission under this section or other law requiring action by the coordinating
 5.24 commission on matters of public employment or compensation.

5.25 (b) "Ratification" must be by law. If a law makes ratification contingent upon the
 5.26 fulfillment of an express condition, or has an effective date contingent upon the fulfillment
 5.27 of an express condition, then ratification occurs on the date that the express condition has
 5.28 been fulfilled or on the effective date, whichever is later. An express condition may include
 5.29 the enactment of a law. The commissioner of management and budget shall determine
 5.30 whether an express condition has been fulfilled.

5.31 Sec. 2. Minnesota Statutes 2016, section 3.855, subdivision 2, is amended to read:

5.32 Subd. 2. **State employee negotiations.** (a) The commissioner of management and budget
 5.33 shall regularly advise the commission on the progress of collective bargaining activities
 5.34 with state employees under the state Public Employment Labor Relations Act. During
 5.35 negotiations, the commission may make recommendations to the commissioner as it deems
 5.36 appropriate but no recommendation shall impose any obligation or grant any right or privilege
 5.37 to the parties.

6.1 (b) The commissioner shall submit to the chair of the commission any negotiated
6.2 collective bargaining agreements, arbitration awards, compensation plans, or salaries for
6.3 legislative approval or disapproval. Negotiated agreements shall be submitted within five
6.4 days of the date of approval by the commissioner or the date of approval by the affected
6.5 state employees, whichever occurs later. Arbitration awards shall be submitted within five
6.6 days of their receipt by the commissioner. If the commission disapproves a collective
6.7 bargaining agreement, award, compensation plan, or salary, the commission shall specify
6.8 in writing to the parties those portions with which it disagrees and its reasons. If the
6.9 commission approves a collective bargaining agreement, award, compensation plan, or
6.10 salary, it shall submit the matter to the legislature to be accepted or rejected under this
6.11 section.

6.12 (c) The commissioner shall submit to the chair of the commission any negotiated or
6.13 otherwise proposed changes affecting the provision of insurance to state employees, including
6.14 any changes to coverage and costs. Any changes must be submitted to the commission
6.15 within five days of approval of the commissioner and at least 45 days before submitting a
6.16 collective bargaining agreement or compensation plan that incorporates the proposed changes
6.17 to the insurance program. If the commission disapproves changes to the state employee
6.18 insurance program, the commission shall specify in writing to the commissioner those
6.19 portions with which it disagrees and its reasons. The commissioner must not submit to the
6.20 commission any collective bargaining agreement or compensation plan that includes any
6.21 changes to state employee insurance previously disapproved by the commission unless the
6.22 agreement or plan incorporates changes identified by the commission or otherwise addresses
6.23 the commission's objections to the changes to the insurance program. The requirements in
6.24 this paragraph do not apply to the premiums for insurance that are determined solely by the
6.25 commissioner of management and budget and are not negotiated with representatives of
6.26 employees.

6.27 ~~(e)~~ (d) When the legislature is not in session, the commission may give interim approval
6.28 to a negotiated collective bargaining agreement, salary, compensation plan, or arbitration
6.29 award. When the legislature is not in session, failure of the commission to disapprove a
6.30 collective bargaining agreement or arbitration award within 30 days constitutes approval.
6.31 The commission shall submit the negotiated collective bargaining agreements, salaries,
6.32 compensation plans, or arbitration awards for which it has provided approval to the entire
6.33 legislature for ratification at a special legislative session called to consider them or at its
6.34 next regular legislative session as provided in this section. Approval or disapproval by the
6.35 commission is not binding on the legislature.

7.1 ~~(d)~~ (e) When the legislature is not in session, the proposed collective bargaining
 7.2 agreement, arbitration decision, salary, or compensation plan must be implemented upon
 7.3 its approval by the commission, and state employees covered by the proposed agreement
 7.4 or arbitration decision do not have the right to strike while the interim approval is in effect.
 7.5 Wages and economic fringe benefit increases provided for in the agreement or arbitration
 7.6 decision paid in accordance with the interim approval by the commission are not affected,
 7.7 but the wages or benefit increases must cease to be paid or provided effective upon the
 7.8 rejection of the agreement, arbitration decision, salary, or compensation plan, or upon
 7.9 adjournment of the legislature without acting on it.

7.10 Sec. 3. Minnesota Statutes 2016, section 3.855, is amended by adding a subdivision to
 7.11 read:

7.12 Subd. 5. **Information required.** The commissioner of management and budget must
 7.13 submit to the Legislative Coordinating Commission the following information with the
 7.14 submission of a collective bargaining agreement or compensation plan under subdivisions
 7.15 2 and 3:

7.16 (1) for each agency and for each proposed agreement, a comparison of biennial
 7.17 compensation costs under the current agreement or plan to the projected biennial
 7.18 compensation costs under the proposed agreement or plan, paid with funds appropriated
 7.19 from the general fund;

7.20 (2) for each agency and for each proposed agreement and plan, a comparison of biennial
 7.21 compensation costs under the current agreement or plan to the projected compensation costs
 7.22 under the proposed agreement or plan, paid with funds appropriated from each fund other
 7.23 than the general fund;

7.24 (3) for each agency and for each proposed agreement and plan, an identification of the
 7.25 amount of the additional biennial compensation costs that are attributable to salary and
 7.26 wages and to the cost of nonsalary and nonwage benefits; and

7.27 (4) for each agency, for each of clauses (1) to (3), the impact of the aggregate of all
 7.28 agreements and plans being submitted to the commission.

7.29 Sec. 4. Minnesota Statutes 2017 Supplement, section 3.8853, subdivision 1, is amended
 7.30 to read:

7.31 Subdivision 1. **Establishment; duties.** The Legislative Budget Office is established
 7.32 ~~under control of the Legislative Coordinating Commission~~ to provide the house of

8.1 representatives and senate with nonpartisan, accurate, and timely information on the fiscal
8.2 impact of proposed legislation, without regard to political factors.

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

8.4 Sec. 5. Minnesota Statutes 2017 Supplement, section 3.8853, subdivision 2, is amended
8.5 to read:

8.6 Subd. 2. **Director; staff.** ~~The Legislative Coordinating Commission~~ Legislative Budget
8.7 Office Oversight Commission must appoint a director ~~who~~ and establish the director's duties.
8.8 The director may hire staff necessary to do the work of the office. The director serves in
8.9 the unclassified service for a term of six years and may not be removed during a term except
8.10 for cause after a public hearing.

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

8.12 Sec. 6. Minnesota Statutes 2017 Supplement, section 3.8853, is amended by adding a
8.13 subdivision to read:

8.14 Subd. 3. **Uniform procedures.** The director of the Legislative Budget Office must adopt
8.15 uniform procedures governing the timely preparation of fiscal notes as required by this
8.16 section and section 3.98. The procedures are not effective until they are approved by the
8.17 oversight commission. Upon approval, the procedures must be published in the State Register
8.18 and on the office's Web site.

8.19 **EFFECTIVE DATE.** This section is effective January 8, 2019, provided that the uniform
8.20 procedures may be approved by the oversight commission as early as July 1, 2018.

8.21 Sec. 7. Minnesota Statutes 2017 Supplement, section 3.8853, is amended by adding a
8.22 subdivision to read:

8.23 Subd. 4. **Access to data; treatment.** Upon request of the director of the Legislative
8.24 Budget Office, the head or chief administrative officer of each department or agency of
8.25 state government, including the Supreme Court, must promptly supply data that are used
8.26 to prepare a fiscal note, including data that are not public data under section 13.64. Not
8.27 public data supplied under this subdivision may only be used by the Legislative Budget
8.28 Office to review a department or agency's work in preparing a fiscal note and may not be
8.29 used or disseminated for any other purpose, including use by or dissemination to a legislator
8.30 or to any officer, department, agency, or committee within the legislative branch. Violation
8.31 of this paragraph by the director or other staff of the Legislative Budget Office is cause for

9.1 removal, suspension without pay, or immediate dismissal at the direction of the oversight
 9.2 commission.

9.3 **EFFECTIVE DATE.** This section is effective January 8, 2019.

9.4 Sec. 8. Minnesota Statutes 2017 Supplement, section 3.8853, is amended by adding a
 9.5 subdivision to read:

9.6 Subd. 4a. **Fiscal note delivery and posting.** The director of the Legislative Budget
 9.7 Office must deliver a completed fiscal note to the legislative committee chair who made
 9.8 the request, and to the chief author of the legislation to which it relates. Within 24 hours of
 9.9 completion of a fiscal note, the director of the Legislative Budget Office must post a
 9.10 completed fiscal note on the office's public Web site. This subdivision does not apply to an
 9.11 unofficial fiscal note that is not public data under section 13.64, subdivision 3.

9.12 **EFFECTIVE DATE.** This section is effective January 6, 2020.

9.13 Sec. 9. **[3.8854] LEGISLATIVE BUDGET OFFICE OVERSIGHT COMMISSION.**

9.14 (a) The Legislative Budget Office Oversight Commission consists of:

9.15 (1) two members of the senate appointed by the senate majority leader;

9.16 (2) two members of the senate appointed by the senate minority leader;

9.17 (3) two members of the house of representatives appointed by the speaker of the house;

9.18 and

9.19 (4) two members of the house of representatives appointed by the minority leader.

9.20 The director of the Legislative Budget Office is the executive secretary of the commission.

9.21 The chief nonpartisan fiscal analyst of the house of representatives, the lead nonpartisan
 9.22 fiscal analyst of the senate, the state budget director, and the legislative auditor are ex-officio,
 9.23 nonvoting members of the commission.

9.24 (b) Members serve at the pleasure of the appointing authority, or until they are not
 9.25 members of the legislative body from which they were appointed. Appointing authorities
 9.26 shall fill vacancies on the commission within 30 days of a vacancy being created.

9.27 (c) The commission shall meet in January of each odd-numbered year to elect its chair
 9.28 and vice-chair. They shall serve until successors are elected. The chair and vice-chair shall
 9.29 alternate biennially between the senate and the house of representatives. The commission
 9.30 shall meet at the call of the chair. The members shall serve without compensation but may

10.1 be reimbursed for their reasonable expenses consistent with the rules of the legislature
 10.2 governing expense reimbursement.

10.3 (d) The commission shall review the work of the Legislative Budget Office and make
 10.4 recommendations, as the commission determines necessary, to improve the office's ability
 10.5 to fulfill its duties, and shall perform other functions as directed by this section.

10.6 **Sec. 10. [3.9736] EVALUATION OF INFORMATION TECHNOLOGY PROJECTS.**

10.7 Subdivision 1. **Definition.** For purposes of this section, "information technology project"
 10.8 means a project performed by the Division of Information Technology under a service-level
 10.9 agreement for a state agency.

10.10 Subd. 2. **Selection of project for review; schedule for evaluation; report.** Annually,
 10.11 the legislative auditor may submit to the Legislative Audit Commission a list of three to
 10.12 five information technology projects proposed for review. In selecting projects to include
 10.13 on the list, the legislative auditor may consider the cost of the project to the state, the impact
 10.14 of the project on state agencies and public users, and the legislature's interest in ensuring
 10.15 that state agencies meet the needs of the public. The legislative auditor may include
 10.16 completed projects and ongoing projects and shall give particular consideration to forensic
 10.17 review of high-profile problematic projects from which recommendations may be developed
 10.18 to prevent problems on future projects. Annually, the Legislative Audit Commission may
 10.19 select at least one information technology project for the legislative auditor's evaluation.
 10.20 The legislative auditor may evaluate the selected information technology project according
 10.21 to an evaluation plan established under subdivision 3 and submit a written report to the
 10.22 Legislative Audit Commission.

10.23 Subd. 3. **Evaluation plan.** The Legislative Audit Commission may establish an evaluation
 10.24 plan that identifies elements the legislative auditor must include in an evaluation of an
 10.25 information technology project. The Legislative Audit Commission may modify the
 10.26 evaluation plan as needed.

10.27 **Sec. 11. Minnesota Statutes 2017 Supplement, section 3.98, subdivision 1, is amended to**
 10.28 **read:**

10.29 **Subdivision 1. **Preparation; duties.** (a) The head or chief administrative officer of each**
 10.30 **department or agency of the state government, including the Supreme Court, shall cooperate**
 10.31 **with the Legislative Budget Office and the Legislative Budget Office must prepare a fiscal**
 10.32 **note at the request of the chair of the standing committee to which a bill has been referred,**

11.1 or the chair of the house of representatives Ways and Means Committee, or the chair of the
11.2 senate Committee on Finance.

11.3 ~~(b) Upon request of the Legislative Budget Office, the head or chief administrative~~
11.4 ~~officer of each department or agency of state government, including the Supreme Court,~~
11.5 ~~must promptly supply all information necessary for the Legislative Budget Office to prepare~~
11.6 ~~an accurate and timely fiscal note.~~

11.7 ~~(c) The Legislative Budget Office may adopt standards and guidelines governing timing~~
11.8 ~~of responses to requests for information and governing access to data, consistent with laws~~
11.9 ~~governing access to data. Agencies must comply with these standards and guidelines and~~
11.10 ~~the Legislative Budget Office must publish them on the office's Web site.~~

11.11 ~~(d) For purposes of this subdivision, "Supreme Court" includes all agencies, committees,~~
11.12 ~~and commissions supervised or appointed by the state Supreme Court or the state court~~
11.13 ~~administrator.~~

11.14 Sec. 12. Minnesota Statutes 2017 Supplement, section 3.98, subdivision 1, as amended
11.15 by article 1, section 11, is amended to read:

11.16 Subdivision 1. **Preparation.** The head or chief administrative officer of each department
11.17 or agency of the state government, including the Supreme Court, shall, in consultation with
11.18 the Legislative Budget Office and consistent with the standards, guidelines, and procedures
11.19 adopted under section 3.8853, prepare a fiscal note at the request of the chair of the standing
11.20 committee to which a bill has been referred, or the chair of the house of representatives
11.21 Ways and Means Committee, or the chair of the senate Committee on Finance.

11.22 For purposes of this subdivision, "Supreme Court" includes all agencies, committees,
11.23 and commissions supervised or appointed by the state Supreme Court or the state court
11.24 administrator.

11.25 **EFFECTIVE DATE.** This section is effective January 6, 2020.

11.26 Sec. 13. Minnesota Statutes 2017 Supplement, section 3.98, subdivision 4, is amended to
11.27 read:

11.28 Subd. 4. **Uniform procedure.** The ~~Legislative Budget Office~~ commissioner of
11.29 management and budget shall prescribe a uniform procedure to govern the departments and
11.30 agencies of the state in complying with the requirements of this section.

12.1 **EFFECTIVE DATE.** This section is effective the day following final enactment and
12.2 supersedes the amendment under Laws 2017, First Special Session chapter 4, article 2,
12.3 section 8.

12.4 Sec. 14. Minnesota Statutes 2016, section 10A.01, subdivision 35, is amended to read:

12.5 Subd. 35. **Public official.** "Public official" means any:

12.6 (1) member of the legislature;

12.7 (2) individual employed by the legislature as secretary of the senate, legislative auditor,
12.8 director of the Legislative Budget Office, chief clerk of the house of representatives, revisor
12.9 of statutes, or researcher, legislative analyst, fiscal analyst, or attorney in the Office of
12.10 Senate Counsel, Research, and Fiscal Analysis, House Research, or the House Fiscal Analysis
12.11 Department;

12.12 (3) constitutional officer in the executive branch and the officer's chief administrative
12.13 deputy;

12.14 (4) solicitor general or deputy, assistant, or special assistant attorney general;

12.15 (5) commissioner, deputy commissioner, or assistant commissioner of any state
12.16 department or agency as listed in section 15.01 or 15.06, or the state chief information
12.17 officer;

12.18 (6) member, chief administrative officer, or deputy chief administrative officer of a state
12.19 board or commission that has either the power to adopt, amend, or repeal rules under chapter
12.20 14, or the power to adjudicate contested cases or appeals under chapter 14;

12.21 (7) individual employed in the executive branch who is authorized to adopt, amend, or
12.22 repeal rules under chapter 14 or adjudicate contested cases under chapter 14;

12.23 (8) executive director of the State Board of Investment;

12.24 (9) deputy of any official listed in clauses (7) and (8);

12.25 (10) judge of the Workers' Compensation Court of Appeals;

12.26 (11) administrative law judge or compensation judge in the State Office of Administrative
12.27 Hearings or unemployment law judge in the Department of Employment and Economic
12.28 Development;

12.29 (12) member, regional administrator, division director, general counsel, or operations
12.30 manager of the Metropolitan Council;

12.31 (13) member or chief administrator of a metropolitan agency;

13.1 (14) director of the Division of Alcohol and Gambling Enforcement in the Department
13.2 of Public Safety;

13.3 (15) member or executive director of the Higher Education Facilities Authority;

13.4 (16) member of the board of directors or president of Enterprise Minnesota, Inc.;

13.5 (17) member of the board of directors or executive director of the Minnesota State High
13.6 School League;

13.7 (18) member of the Minnesota Ballpark Authority established in section 473.755;

13.8 (19) citizen member of the Legislative-Citizen Commission on Minnesota Resources;

13.9 (20) manager of a watershed district, or member of a watershed management organization
13.10 as defined under section 103B.205, subdivision 13;

13.11 (21) supervisor of a soil and water conservation district;

13.12 (22) director of Explore Minnesota Tourism;

13.13 (23) citizen member of the Lessard-Sams Outdoor Heritage Council established in section
13.14 97A.056;

13.15 (24) citizen member of the Clean Water Council established in section 114D.30;

13.16 (25) member or chief executive of the Minnesota Sports Facilities Authority established
13.17 in section 473J.07;

13.18 (26) district court judge, appeals court judge, or Supreme Court justice;

13.19 (27) county commissioner;

13.20 (28) member of the Greater Minnesota Regional Parks and Trails Commission; or

13.21 (29) member of the Destination Medical Center Corporation established in section
13.22 469.41.

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

13.24 Sec. 15. Minnesota Statutes 2016, section 13.64, is amended by adding a subdivision to
13.25 read:

13.26 **Subd. 4. Fiscal note data must be shared with Legislative Budget Office.** A head or
13.27 chief administrative officer of a department or agency of the state government, including
13.28 the Supreme Court, must provide data that are used to prepare a fiscal note, including data
13.29 that are not public data under this section to the director of the Legislative Budget Office
13.30 upon the director's request and consistent with section 3.8853, subdivision 4. The data must

14.1 be supplied according to any procedures adopted under section 3.8853, subdivision 3,
 14.2 including any procedures governing timeliness. Notwithstanding section 13.05, subdivision
 14.3 9, a responsible authority may not require the Legislative Budget Office to pay a cost for
 14.4 supplying data requested under this subdivision.

14.5 **EFFECTIVE DATE.** This section is effective January 8, 2019.

14.6 Sec. 16. **[14.1275] RULES IMPACTING RESIDENTIAL CONSTRUCTION OR**
 14.7 **REMODELING; LEGISLATIVE NOTICE AND REVIEW.**

14.8 Subdivision 1. **Definition.** As used in this section, "residential construction" means the
 14.9 new construction or remodeling of any building subject to the Minnesota Residential Code.

14.10 Subd. 2. **Impact on housing; agency determination.** (a) An agency must determine if
 14.11 implementation of a proposed rule, or any portion of a proposed rule, will, on average,
 14.12 increase the cost of residential construction by \$1,000 or more per unit, and whether the
 14.13 proposed rule meets the state regulatory policy objectives described in section 14.002. In
 14.14 calculating the cost of implementing a proposed rule, the agency may consider the impact
 14.15 of other related proposed rules on the overall cost of residential construction. If applicable,
 14.16 the agency may include offsetting savings that may be achieved through implementation
 14.17 of related proposed rules in its calculation under this subdivision.

14.18 (b) The agency must make the determination required by paragraph (a) before the close
 14.19 of the hearing record, or before the agency submits the record to the administrative law
 14.20 judge if there is no hearing. Upon request of a party affected by the proposed rule, the
 14.21 administrative law judge must review and approve or disapprove an agency's determination
 14.22 under this subdivision.

14.23 Subd. 3. **Notice to legislature; legislative review.** If the agency determines that the
 14.24 impact of a proposed rule meets or exceeds the cost threshold provided in subdivision 2, or
 14.25 if the administrative law judge separately confirms the cost of any portion of a rule exceeds
 14.26 the cost threshold provided in subdivision 2, the agency must notify, in writing, the chair
 14.27 and ranking minority members of the policy committees of the house of representatives and
 14.28 the senate with jurisdiction over the subject matter of the proposed rule within ten days of
 14.29 the determination. The agency shall not adopt the proposed rule until after the adjournment
 14.30 of the next session of the legislature convened on or after the date that notice required in
 14.31 this subdivision is given to the chairs and ranking minority members.

14.32 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to
 14.33 administrative rules for which a request for comment is published on or after that date.

15.1 Sec. 17. [16A.104] FEDERAL FUNDS REPORT.

15.2 The commissioner must report to the chairs and ranking minority members of the house
 15.3 of representatives Ways and Means and senate Finance Committee on receipt of federal
 15.4 funds by the state. The report must be submitted with the governor's detailed operating
 15.5 budget in accordance with section 16A.11, subdivision 1, in an odd-numbered year and
 15.6 within ten days prior to the start of the regular session in accordance with section 3.3005,
 15.7 subdivision 2, in an even-numbered year. The report must include the total amount of federal
 15.8 funds received by the state in the fiscal year ending the prior June 30 and the total amount
 15.9 of federal funds anticipated to be received by the state in the current fiscal year. For each
 15.10 category of federal funding, the report must list:

15.11 (1) the name of the federal grant or federal funding source, the federal agency providing
 15.12 the funding, a federal identification number, a description of the purpose of the federal
 15.13 funding, and an electronic address at which additional relevant documents related to the
 15.14 grant or funding program may be found;

15.15 (2) the amount of federal funding the state received through that grant or source in the
 15.16 fiscal year ending the prior June 30 and the total amount of federal funds anticipated to be
 15.17 received by the state in the current fiscal year;

15.18 (3) if there is a federal maintenance-of-effort requirement associated with the funding;

15.19 (4) the number of full-time equivalent state employees assigned to implement the federal
 15.20 funding's purpose;

15.21 (5) the amount of funds spent, as a match or otherwise, in conjunction with receipt of
 15.22 the federal funding in the fiscal year ending the prior June 30, and the amount of funds
 15.23 anticipated to be spent in the current fiscal year, listing state and nonstate sources of spent
 15.24 funds separately; and

15.25 (6) the maximum amount of the federal funds that may be used for indirect costs
 15.26 associated with implementing the funds' purpose.

15.27 Sec. 18. Minnesota Statutes 2016, section 16E.01, subdivision 1, is amended to read:

15.28 Subdivision 1. ~~Creation; chief information officer.~~ The Office of MN.IT Services
 15.29 Division of Information Technology, referred to in this chapter as the "~~office,~~" "division,"
 15.30 ~~is an agency in the executive branch headed by a~~ under the supervision of the commissioner;
 15.31 ~~who also is the state chief information officer~~ of administration. The appointment of the
 15.32 commissioner is subject to the advice and consent of the senate under section 15.066.

16.1 Sec. 19. Minnesota Statutes 2016, section 16E.015, is amended by adding a subdivision
16.2 to read:

16.3 Subd. 2a. **Commissioner.** "Commissioner" means the commissioner of administration.

16.4 Sec. 20. Minnesota Statutes 2016, section 16E.016, is amended to read:

16.5 **16E.016 RESPONSIBILITY FOR INFORMATION TECHNOLOGY SERVICES**
16.6 **AND EQUIPMENT.**

16.7 (a) The chief information officer is responsible for providing or entering into managed
16.8 services contracts for the provision, improvement, and development of the following
16.9 information technology systems and services to state agencies:

16.10 (1) state data centers;

16.11 (2) mainframes including system software;

16.12 (3) servers including system software;

16.13 ~~(4) desktops including system software;~~

16.14 ~~(5) laptop computers including system software;~~

16.15 ~~(6)~~ (4) a data network including system software;

16.16 ~~(7) database, (5) electronic mail, office systems, reporting, and other standard software~~
16.17 ~~tools;~~

16.18 ~~(8) business application software and related technical support services;~~

16.19 ~~(9)~~ (6) help desk for the components listed in clauses (1) to ~~(8)~~ (5);

16.20 ~~(10)~~ (7) maintenance, problem resolution, and break-fix for the components listed in
16.21 clauses (1) to ~~(8)~~ (5); and

16.22 ~~(11)~~ (8) regular upgrades and replacement for the components listed in clauses (1) to
16.23 ~~(8); and (5).~~

16.24 ~~(12) network-connected output devices.~~

16.25 (b) The chief information officer is responsible for providing or entering into managed
16.26 services contracts for the provision, improvement, and development of the following
16.27 information technology systems and services to a state agency, at the request of the agency:

16.28 (1) desktops including system software;

16.29 (2) laptop computers including system software;

17.1 (3) database, office systems, reporting, and other standard software tools;

17.2 (4) business application software and related technical support services;

17.3 (5) help desk for the components listed in clauses (1) to (4);

17.4 (6) maintenance, problem resolution, and break-fix for the components listed in clauses
17.5 (1) to (4);

17.6 (7) regular upgrades and replacement for the components listed in clauses (1) to (4); and

17.7 (8) network-connected output devices.

17.8 ~~(b)~~ (c) All state agency employees whose work primarily involves functions specified
17.9 in paragraph (a) are employees of the Office of MN.IT Services in the Division of Information
17.10 Technology under the Department of Administration. This includes employees who directly
17.11 perform the functions in paragraph (a), as well as employees whose work primarily involves
17.12 managing, supervising, or providing administrative services or support services to employees
17.13 who directly perform these functions. The chief information officer may assign employees
17.14 of the ~~office~~ division to perform work exclusively for another state agency.

17.15 ~~(e)~~ (d) Subject to sections 16C.08 and 16C.09, the chief information officer may allow
17.16 a state agency to obtain services specified in paragraph (a) through a contract with an outside
17.17 vendor when the chief information officer and the agency head agree that a contract would
17.18 provide best value, as defined in section 16C.02, under the service-level agreement. The
17.19 chief information officer must require that Agency contracts with outside vendors ensure
17.20 that systems and services are compatible with standards established by ~~the Office of MN.IT~~
17.21 ~~Services~~ the Division of Information Technology.

17.22 ~~(d)~~ (e) The Minnesota State Retirement System, the Public Employees Retirement
17.23 Association, the Teachers Retirement Association, the State Board of Investment, the
17.24 Campaign Finance and Public Disclosure Board, the State Lottery, and the Statewide Radio
17.25 Board are not state agencies for purposes of this section.

17.26 **EFFECTIVE DATE.** This section is effective July 1, 2018, and applies to contracts
17.27 entered into on or after that date.

17.28 Sec. 21. Minnesota Statutes 2016, section 16E.02, is amended to read:

17.29 **16E.02 OFFICE OF MN.IT SERVICES DIVISION OF INFORMATION**
17.30 **TECHNOLOGY; STRUCTURE AND PERSONNEL.**

17.31 Subdivision 1. **Office management and structure.** (a) The chief information officer is
17.32 appointed by the ~~governor~~ commissioner, subject to the advice and consent of the senate

18.1 under section 15.066. The chief information officer serves in the unclassified service at the
 18.2 pleasure of the ~~governor~~ commissioner. The chief information officer must have experience
 18.3 leading enterprise-level information technology organizations. The chief information officer
 18.4 is the state's chief information officer and information and telecommunications technology
 18.5 advisor to the governor.

18.6 (b) The chief information officer may appoint other employees of the ~~office~~ division.
 18.7 The staff of the ~~office~~ division must include individuals knowledgeable in information and
 18.8 telecommunications technology systems and services and individuals with specialized
 18.9 training in information security and accessibility.

18.10 (c) The chief information officer may appoint a Webmaster responsible for the supervision
 18.11 and development of state Web sites under the control of the ~~office~~ division. The Webmaster,
 18.12 if appointed, shall ensure that these Web sites are maintained in an easily accessible format
 18.13 that is consistent throughout state government and are consistent with the accessibility
 18.14 standards developed under section 16E.03, subdivision 9. The Webmaster, if appointed,
 18.15 shall provide assistance and guidance consistent with the requirements of this paragraph to
 18.16 other state agencies for the maintenance of other Web sites not under the direct control of
 18.17 the ~~office~~ division.

18.18 Subd. 1a. **Accountability.** The chief information officer reports to the ~~governor~~
 18.19 commissioner. The chief information officer must consult regularly with the commissioners
 18.20 of ~~administration~~, management and budget, human services, revenue, and other
 18.21 commissioners as designated by the governor, on technology projects, standards, and services
 18.22 as well as management of resources and staff utilization.

18.23 Sec. 22. Minnesota Statutes 2017 Supplement, section 16E.0466, subdivision 1, is amended
 18.24 to read:

18.25 Subdivision 1. **Consultation required.** (a) Every state agency with an information or
 18.26 telecommunications project must consult with the ~~Office of MN.IT Services~~ Division of
 18.27 Information Technology to determine the information technology cost of the project if the
 18.28 division is selected by an agency to perform the project. Upon agreement between the
 18.29 commissioner of a particular agency and the chief information officer, the agency must
 18.30 transfer the information technology cost portion of the project to the ~~Office of MN.IT~~
 18.31 ~~Services~~ commissioner of administration. Service level agreements must document all
 18.32 project-related transfers under this section. Those agencies specified in section 16E.016,
 18.33 paragraph ~~(d)~~ (e), are exempt from the requirements of this section.

19.1 (b) Notwithstanding section 16A.28, subdivision 3, any unexpended operating balance
 19.2 appropriated to a state agency may be transferred to the information and telecommunications
 19.3 technology systems and services account for the information technology cost of a specific
 19.4 project, subject to the review of the Legislative Advisory Commission, under section 16E.21,
 19.5 subdivision 3.

19.6 Sec. 23. Minnesota Statutes 2016, section 16E.055, is amended to read:

19.7 **16E.055 ELECTRONIC GOVERNMENT SERVICES.**

19.8 A state agency that implements electronic government services for fees, licenses, sales,
 19.9 or other purposes ~~must~~ may use the single entry site created by the chief information officer
 19.10 for all agencies to use for electronic government services.

19.11 Sec. 24. Minnesota Statutes 2016, section 16E.14, is amended to read:

19.12 **16E.14 ~~MN.IT SERVICES~~ INFORMATION TECHNOLOGY REVOLVING**
 19.13 **FUND.**

19.14 Subdivision 1. **Creation.** The ~~MN.IT services~~ information technology revolving fund
 19.15 is created in the state treasury.

19.16 Subd. 2. **Appropriation and uses of fund.** Money in the ~~MN.IT services~~ information
 19.17 technology revolving fund is appropriated annually to the ~~chief information officer~~
 19.18 commissioner to operate information and telecommunications services, including
 19.19 management, consultation, and design services.

19.20 Subd. 3. **Reimbursements.** Except as specifically provided otherwise by law, each
 19.21 agency shall reimburse the ~~MN.IT services~~ information technology revolving fund for the
 19.22 cost of all services, supplies, materials, labor, and depreciation of equipment, including
 19.23 reasonable overhead costs, which the ~~chief information officer~~ commissioner is authorized
 19.24 and directed to furnish an agency. The ~~chief information officer~~ commissioner shall report
 19.25 the rates to be charged for the revolving fund no later than ~~July 1 each~~ June 1 each
 19.26 even-numbered calendar year to the chair of the committee or division in the senate and
 19.27 house of representatives with primary jurisdiction over the budget of the ~~Office of MN.IT~~
 19.28 ~~Services~~ Division of Information Technology. These rates shall apply for the biennium
 19.29 beginning July 1 of the following calendar year.

19.30 Subd. 4. **Cash flow.** The commissioner of management and budget shall make appropriate
 19.31 transfers to the revolving fund when requested by the chief information officer. The chief
 19.32 information officer may make allotments and encumbrances in anticipation of such transfers.

20.1 In addition, the ~~chief information officer~~ commissioner, with the approval of the
 20.2 commissioner of management and budget, may require an agency to make advance payments
 20.3 to the revolving fund sufficient to cover the ~~office's~~ division's estimated obligation for a
 20.4 period of at least 60 days. All reimbursements and other money received by the ~~chief~~
 20.5 ~~information officer~~ commissioner under this section must be deposited in the ~~MN.IT services~~
 20.6 information technology revolving fund.

20.7 Subd. 5. **Liquidation.** If the ~~MN.IT services~~ information technology revolving fund is
 20.8 abolished or liquidated, the total net profit from the operation of the fund must be distributed
 20.9 to the various funds from which purchases were made. The amount to be distributed to each
 20.10 fund must bear to the net profit the same ratio as the total purchases from each fund bears
 20.11 to the total purchases from all the funds during the same period of time.

20.12 **EFFECTIVE DATE.** This section is effective July 1, 2018. The commissioner shall
 20.13 report rates to be charged for the revolving fund no later than July 1, 2018, for the biennium
 20.14 beginning July 1, 2019.

20.15 Sec. 25. Minnesota Statutes 2016, section 16E.18, subdivision 4, is amended to read:

20.16 Subd. 4. **Program participation.** The chief information officer may ~~require~~ request the
 20.17 participation of state agencies ~~and~~, the commissioner of education, ~~and may request the~~
 20.18 ~~participation of~~ the Board of Regents of the University of Minnesota, and the Board of
 20.19 Trustees of the Minnesota State Colleges and Universities, in the planning and
 20.20 implementation of the network to provide interconnective technologies. The Board of
 20.21 Trustees of the Minnesota State Colleges and Universities may opt out of participation as
 20.22 a subscriber on the network, in whole or in part, if the board is able to secure
 20.23 telecommunications services from another source that ensures it will achieve the policy
 20.24 objectives set forth in subdivision 1.

20.25 Sec. 26. Minnesota Statutes 2016, section 16E.18, subdivision 6, is amended to read:

20.26 Subd. 6. **Rates.** (a) The chief information officer shall establish reimbursement rates in
 20.27 cooperation with the commissioner of management and budget to be billed to participating
 20.28 agencies and educational institutions sufficient to cover the operating, maintenance, and
 20.29 administrative costs of the system.

20.30 (b) An invoice or statement to an agency from the chief information officer must include
 20.31 clear descriptions of the services the Office of MN.IT Services has provided. The invoice
 20.32 or statement must categorize or code services in a manner prescribed by the agency, or the
 20.33 chief information office must provide supplemental information with an invoice or statement

21.1 that categorizes or codes all services reflected on the invoice or statement in a manner
21.2 prescribed by the agency.

21.3 (c) Except as otherwise provided in subdivision 4, a direct appropriation made to an
21.4 educational institution for usage costs associated with the state information infrastructure
21.5 must only be used by the educational institution for payment of usage costs of the network
21.6 as billed by the chief information officer.

21.7 Sec. 27. Minnesota Statutes 2016, section 155A.25, subdivision 1a, is amended to read:

21.8 Subd. 1a. **Schedule.** (a) The schedule for fees and penalties is as provided in this
21.9 subdivision.

21.10 (b) Three-year license fees are as follows:

21.11 (1) \$195 initial practitioner, manager, or instructor license, divided as follows:

21.12 (i) \$155 for each initial license; and

21.13 (ii) \$40 for each initial license application fee;

21.14 (2) \$115 renewal of practitioner license, divided as follows:

21.15 (i) \$100 for each renewal license; and

21.16 (ii) \$15 for each renewal application fee;

21.17 (3) \$145 renewal of manager or instructor license, divided as follows:

21.18 (i) \$130 for each renewal license; and

21.19 (ii) \$15 for each renewal application fee;

21.20 (4) \$350 initial salon license, divided as follows:

21.21 (i) \$250 for each initial license; and

21.22 (ii) \$100 for each initial license application fee;

21.23 (5) \$225 renewal of salon license, divided as follows:

21.24 (i) \$175 for each renewal; and

21.25 (ii) \$50 for each renewal application fee;

21.26 (6) \$4,000 initial school license, divided as follows:

21.27 (i) \$3,000 for each initial license; and

21.28 (ii) \$1,000 for each initial license application fee; and

- 22.1 (7) \$2,500 renewal of school license, divided as follows:
- 22.2 (i) \$2,000 for each renewal; and
- 22.3 (ii) \$500 for each renewal application fee.
- 22.4 (c) Penalties may be assessed in amounts up to the following:
- 22.5 (1) reinspection fee, \$150;
- 22.6 (2) manager and owner with expired practitioner found on inspection, \$150 each;
- 22.7 (3) expired practitioner or instructor found on inspection, \$200;
- 22.8 (4) expired salon found on inspection, \$500;
- 22.9 (5) expired school found on inspection, \$1,000;
- 22.10 (6) failure to display current license, \$100;
- 22.11 (7) failure to dispose of single-use equipment, implements, or materials as provided
- 22.12 under section 155A.355, subdivision 1, \$500;
- 22.13 (8) use of prohibited razor-type callus shavers, rasps, or graters under section 155A.355,
- 22.14 subdivision 2, \$500;
- 22.15 (9) performing nail or cosmetology services in esthetician salon, or performing esthetician
- 22.16 or cosmetology services in a nail salon, \$500;
- 22.17 (10) owner and manager allowing an operator to work as an independent contractor,
- 22.18 \$200;
- 22.19 (11) operator working as an independent contractor, \$100;
- 22.20 (12) refusal or failure to cooperate with an inspection, \$500;
- 22.21 (13) practitioner late renewal fee, \$45; and
- 22.22 (14) salon or school late renewal fee, \$50.
- 22.23 (d) Administrative fees are as follows:
- 22.24 (1) homebound service permit, \$50 three-year fee;
- 22.25 (2) name change, \$20;
- 22.26 (3) certification of licensure, \$30 each;
- 22.27 (4) duplicate license, \$20;
- 22.28 (5) special event permit, \$75 per year;

23.1 ~~(6) registration of hair braiders, \$20 per year;~~

23.2 ~~(7) (6) \$100 for each temporary military license for a cosmetologist, nail technician,~~
 23.3 ~~esthetician, or advanced practice esthetician one-year fee;~~

23.4 ~~(8) (7) expedited initial individual license, \$150;~~

23.5 ~~(9) (8) expedited initial salon license, \$300;~~

23.6 ~~(10) (9) instructor continuing education provider approval, \$150 each year; and~~

23.7 ~~(11) (10) practitioner continuing education provider approval, \$150 each year.~~

23.8 Sec. 28. Minnesota Statutes 2016, section 155A.28, is amended by adding a subdivision
 23.9 to read:

23.10 Subd. 5. **Hair braiders exempt.** The practice of hair braiding is exempt from the
 23.11 requirements of this chapter.

23.12 Sec. 29. Minnesota Statutes 2016, section 179A.06, subdivision 3, is amended to read:

23.13 Subd. 3. **Fair share fee.** An exclusive representative ~~may~~ shall not require employees
 23.14 who are not members of the exclusive representative to contribute a fair share fee for services
 23.15 rendered by the exclusive representative. ~~The fair share fee must be equal to the regular~~
 23.16 ~~membership dues of the exclusive representative, less the cost of benefits financed through~~
 23.17 ~~the dues and available only to members of the exclusive representative. In no event may~~
 23.18 ~~the fair share fee exceed 85 percent of the regular membership dues. The exclusive~~
 23.19 ~~representative shall provide advance written notice of the amount of the fair share fee to~~
 23.20 ~~the employer and to unit employees who will be assessed the fee. The employer shall provide~~
 23.21 ~~the exclusive representative with a list of all unit employees.~~

23.22 A challenge by an employee or by a person aggrieved by the fee must be filed in writing
 23.23 with the commissioner, the public employer, and the exclusive representative within 30
 23.24 days after receipt of the written notice. All challenges must specify those portions of the
 23.25 fee challenged and the reasons for the challenge. The burden of proof relating to the amount
 23.26 of the fair share fee is on the exclusive representative. The commissioner shall hear and
 23.27 decide all issues in these challenges.

23.28 The employer shall deduct the fee from the earnings of the employee and transmit the
 23.29 fee to the exclusive representative 30 days after the written notice was provided. If a challenge
 23.30 is filed, the deductions for a fair share fee must be held in escrow by the employer pending
 23.31 a decision by the commissioner.

24.1 **EFFECTIVE DATE.** This section is effective the day following a decision by the
24.2 United States Supreme Court holding that public employees who are not members of an
24.3 exclusive representative shall not be required to pay fair share fees, but if that decision with
24.4 that holding is issued before July 1, 2018, then the effective date is July 1, 2018.

24.5 Sec. 30. Minnesota Statutes 2016, section 201.022, is amended by adding a subdivision
24.6 to read:

24.7 Subd. 4. **Voter records updated due to voting report.** No later than eight weeks after
24.8 the election, the county auditor must use the statewide voter registration system to produce
24.9 a report that identifies each voter whose record indicates that it was updated due to voting.
24.10 The county auditor must investigate each record that is challenged for a reason related to
24.11 eligibility to determine if the voter appears to have been ineligible to vote. If the county
24.12 auditor determines that a voter appears to have been ineligible to vote and either registered
24.13 to vote or voted in the previous election, the county auditor must notify the law enforcement
24.14 agency or the county attorney as provided in section 201.275.

24.15 Sec. 31. Minnesota Statutes 2016, section 201.022, is amended by adding a subdivision
24.16 to read:

24.17 Subd. 5. **Inactive voter report.** By November 6, 2018, the secretary of state must develop
24.18 a report within the statewide voter registration system that provides information on inactive
24.19 voters who registered on election day and were possibly ineligible. For elections on or after
24.20 November 6, 2018, no later than eight weeks after the election, the county auditor must use
24.21 the statewide voter registration system to produce the report. The county auditor must
24.22 investigate each record to determine if the voter appears to have been ineligible to vote. If
24.23 the county auditor determines that a voter appears to have been ineligible to vote and
24.24 registered to vote in the previous election, the county auditor must notify the law enforcement
24.25 agency or the county attorney as provided in section 201.275.

24.26 Sec. 32. Minnesota Statutes 2017 Supplement, section 477A.03, subdivision 2b, is amended
24.27 to read:

24.28 Subd. 2b. **Counties.** (a) For aids payable in 2018 through 2024, the total aid payable
24.29 under section 477A.0124, subdivision 3, is \$103,795,000, of which \$3,000,000 shall be
24.30 allocated as required under Laws 2014, chapter 150, article 4, section 6. For aids payable
24.31 in 2025 and thereafter, the total aid payable under section 477A.0124, subdivision 3, is
24.32 \$100,795,000. Each calendar year, \$500,000 of this appropriation shall be retained by the
24.33 commissioner of revenue to make reimbursements to the commissioner of management and

25.1 budget for payments made under section 611.27. The reimbursements shall be to defray the
 25.2 additional costs associated with court-ordered counsel under section 611.27. Any retained
 25.3 amounts not used for reimbursement in a year shall be included in the next distribution of
 25.4 county need aid that is certified to the county auditors for the purpose of property tax
 25.5 reduction for the next taxes payable year.

25.6 (b) For aids payable in 2018 and thereafter, the total aid under section 477A.0124,
 25.7 subdivision 4, is \$130,873,444. The commissioner of revenue shall transfer ~~to the~~
 25.8 ~~commissioner of management and budget~~ \$207,000 annually for the cost of preparation of
 25.9 local impact notes as required by section 3.987, ~~and other local government activities to the~~
 25.10 Legislative Coordinating Commission for use by the Legislative Budget Office.

25.11 The commissioner of revenue shall transfer to the commissioner of education \$7,000
 25.12 annually for the cost of preparation of local impact notes for school districts as required by
 25.13 section 3.987. The commissioner of revenue shall deduct the amounts transferred under this
 25.14 paragraph from the appropriation under this paragraph. The amounts transferred are
 25.15 appropriated to the commissioner of management and budget and the commissioner of
 25.16 education respectively.

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

25.18 Sec. 33. Laws 2017, First Special Session chapter 4, article 1, section 10, subdivision 1,
 25.19 is amended to read:

25.20				2,662,000
25.21	Subdivision 1. Total Appropriation	\$	2,642,000	\$
				<u>2,643,000</u>

25.22 The amounts that may be spent for each
 25.23 purpose are specified in the following
 25.24 subdivisions.

25.25 The state chief information officer must
 25.26 prioritize use of appropriations provided by
 25.27 this section to enhance cybersecurity across
 25.28 state government.

25.29 Sec. 34. Laws 2017, First Special Session chapter 4, article 2, section 1, the effective date,
 25.30 is amended to read:

25.31 **EFFECTIVE DATE.** This section is effective ~~January 8, 2019~~ July 1, 2018.

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

26.1 Sec. 35. Laws 2017, First Special Session chapter 4, article 2, section 3, the effective date,
26.2 is amended to read:

26.3 **EFFECTIVE DATE.** Except where otherwise provided by law, this section is effective
26.4 ~~January 8, 2019~~ July 1, 2018.

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

26.6 Sec. 36. Laws 2017, First Special Session chapter 4, article 2, section 9, the effective date,
26.7 is amended to read:

26.8 **EFFECTIVE DATE.** This section is effective ~~January 8, 2019~~ January 6, 2020.

26.9 Sec. 37. Laws 2017, First Special Session chapter 4, article 2, section 58, the effective
26.10 date, is amended to read:

26.11 **EFFECTIVE DATE.** This section is effective ~~January 8, 2019~~ July 1, 2018. The contract
26.12 required under this section must be executed no later than November 1, 2018, and must
26.13 provide for the Legislative Budget Office to have access to the fiscal note tracking system
26.14 from December 15, 2018, to January 5, 2020, and for the transfer of operational control of
26.15 the fiscal note tracking system to the Legislative Budget Office on January 6, 2020.

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

26.17 Sec. 38. **LEGISLATIVE BUDGET OFFICE OVERSIGHT COMMISSION; FIRST**
26.18 **APPOINTMENTS; FIRST CHAIR; FIRST MEETING.**

26.19 Appointments to the Legislative Budget Office Oversight Commission under Minnesota
26.20 Statutes, section 3.8854, must be made by July 1, 2018. The chair of the Legislative
26.21 Coordinating Commission must designate one appointee to convene the commission's first
26.22 meeting. The designated appointee must convene the first meeting no later than July 15,
26.23 2018. The first chair of the Legislative Budget Office Oversight Commission shall be a
26.24 member of the senate and shall serve until the commission elects a chair at a meeting in
26.25 January 2019.

26.26 Sec. 39. **LEGISLATIVE BUDGET OFFICE DELIVERY OF FISCAL NOTES AND**
26.27 **LOCAL IMPACT NOTES BEFORE JANUARY 6, 2020.**

26.28 Subdivision 1. Management and budget responsibility. Until January 6, 2020, the
26.29 responsibilities of the commissioner of management and budget with regard to fiscal notes
26.30 and local impact notes remains the same as on May 1, 2017.

27.1 Subd. 2. **Fiscal note request.** Until January 6, 2020, the commissioner of management
27.2 and budget must submit to the director of the Legislative Budget Office a daily list of all
27.3 new requests for fiscal notes that have been requested since the previous list submitted under
27.4 this subdivision. The commissioner must submit the daily fiscal note list at the end of each
27.5 business day. For fiscal note requests received between the end of the business day on Friday
27.6 and Monday morning, the commissioner shall submit the list on Monday morning.
27.7 Notwithstanding the daily list requirement in this subdivision, when the legislature is not
27.8 in session, the commissioner shall submit a weekly list of all fiscal notes received during
27.9 the previous week.

27.10 Subd. 3. **Local impact note request.** Until January 6, 2020, the commissioner of
27.11 management and budget will forward to the director of the Legislative Budget Office at the
27.12 end of each week a list of all requests for local impact notes that the commissioner has
27.13 received since the previous list submitted under this subdivision.

27.14 Subd. 4. **Legislative Budget Office sampling.** (a) Until January 6, 2020, the director
27.15 of the Legislative Budget Office shall select from among the requests for fiscal notes and
27.16 local impact notes a subset for the Legislative Budget Office to coordinate on a test basis.
27.17 Within 48 hours of receiving a list of requests from the commissioner of management and
27.18 budget, the director shall communicate to the lead nonpartisan fiscal analyst of the senate
27.19 and the chief nonpartisan fiscal analyst of the house of representatives whether the Legislative
27.20 Budget Office will coordinate a fiscal note or local impact note from the listed requests.
27.21 The subset selected by the director must include a cross-section of the jurisdictions of the
27.22 standing committees in the house of representatives and senate and must include a
27.23 representative number of multiagency fiscal notes. During the 2019 legislative session, the
27.24 Legislative Budget Office shall complete coordination of at least 300 fiscal notes and at
27.25 least two local impact notes.

27.26 (b) By June 30, 2019, the director of the Legislative Budget Office shall deliver a
27.27 summary report to the chairs and ranking minority members of the Committee on Finance
27.28 in the senate and the Committee on Ways and Means in the house of representatives and to
27.29 the lead nonpartisan fiscal analyst of the senate and the chief nonpartisan fiscal analyst of
27.30 the house of representatives identifying each fiscal note and local impact note request
27.31 received, the subset selected for coordination, the date the director received a list from the
27.32 commissioner of management and budget identifying the request, and the date of delivery
27.33 of completed notes.

27.34 Subd. 5. **Agency coordination.** (a) Until January 6, 2020, the head or chief administrative
27.35 officer of each department or agency of the state government, including the Supreme Court,

28.1 shall, in consultation with the Legislative Budget Office and consistent with the procedures
 28.2 adopted under Minnesota Statutes, section 3.8853, prepare a fiscal note at the request of the
 28.3 chair of the standing committee to which a bill has been referred, or the chair of the house
 28.4 of representatives Ways and Means Committee, or the chair of the senate Committee on
 28.5 Finance.

28.6 (b) For purposes of this subdivision, "Supreme Court" includes all agencies, committees,
 28.7 and commissions supervised or appointed by the state Supreme Court or the state court
 28.8 administrator.

28.9 Subd. 6. **Delivery of fiscal notes.** Until January 6, 2020, the director of the Legislative
 28.10 Budget Office shall timely deliver completed fiscal notes and local impact notes, each clearly
 28.11 labeled as "LBO-Coordinated Transition-Year Test Note," to the chair of the committee in
 28.12 the house of representatives or the senate who requested the note and to the chief author of
 28.13 the bill to which it relates.

28.14 Subd. 7. **Legislative Budget Office Oversight Commission performance assessment.**
 28.15 By November 1, 2019, the Legislative Budget Office Oversight Commission shall report
 28.16 to the chairs and members of the Committee on Finance in the senate and the Committee
 28.17 on Ways and Means in the house of representatives on the performance of the Legislative
 28.18 Budget Office in coordinating fiscal notes and local impact notes during the 2019 legislative
 28.19 session. The report shall consider the timeliness of the delivery of the notes and the quality
 28.20 of the notes in comparison to the timeliness and quality of the notes coordinated on the same
 28.21 bills by the commissioner of management and budget, and the cost-effectiveness of the
 28.22 work of the Legislative Budget Office.

28.23 **EFFECTIVE DATE.** This section is effective January 8, 2019, and expires on January
 28.24 6, 2020.

28.25 Sec. 40. **OFFICE OF MN.IT SERVICES; TRANSFER.**

28.26 Minnesota Statutes, sections 15.039 and 43A.045, apply to the transfer from the Office
 28.27 of MN.IT Services to the commissioner of administration.

28.28 Sec. 41. **WORLD WAR I PLAQUE AUTHORIZED.**

28.29 The state honors all Minnesota veterans who have honorably and bravely served in the
 28.30 United States armed forces, both at home and abroad, during World War I. The commissioner
 28.31 of administration shall place a memorial plaque in the court of honor on the Capitol grounds
 28.32 to recognize the valiant service of Minnesota veterans who have honorably and bravely

29.1 served in the United States armed forces, both at home and abroad, during World War I.
29.2 This plaque will replace the current plaque honoring veterans who served abroad during
29.3 World War I. The Capitol Area Architectural and Planning Board shall solicit design
29.4 submissions from the public. Each design submission must include a commitment to furnish
29.5 the plaque. The Capitol Area Architectural and Planning Board shall select a design from
29.6 those submitted to use as a basis for final production. The selected design must be approved
29.7 by the commissioner of veterans affairs and must be furnished by the person or group who
29.8 submitted the design.

29.9 **Sec. 42. APPROPRIATION AND TRANSFERS; SECRETARY OF STATE.**

29.10 (a) \$1,534,000 is appropriated in fiscal year 2019 from the account established in
29.11 Minnesota Statutes, section 5.30, pursuant to the Help America Vote Act, to the secretary
29.12 of state for the purposes of modernizing, securing, and updating the statewide voter
29.13 registration system and for cyber security upgrades as authorized by federal law. This is a
29.14 onetime appropriation and is available until June 30, 2022.

29.15 (b) Of the \$207,000 transferred by the commissioner of revenue to the commissioner of
29.16 management and budget as provided in Minnesota Statutes, section 477A.03, subdivision
29.17 2b, paragraph (b), the commissioner of management and budget shall deposit \$150,000 in
29.18 fiscal year 2019 into the account established in Minnesota Statutes, section 5.30, for the
29.19 purposes authorized under the Omnibus Appropriations Act of 2018, Public Law 115-1410,
29.20 and Section 101 of the Help America Vote Act of 2002, Public Law 107-252. This is a
29.21 onetime transfer.

29.22 (c) \$110,000 expended by the secretary of state in fiscal year 2018 for increasing secure
29.23 access to the statewide voter registration system was money appropriated for carrying out
29.24 the purposes authorized under the Omnibus Appropriations Act of 2018, Public Law
29.25 115-1410, and the Help America Vote Act of 2002, Public Law 107-252, section 101, and
29.26 is deemed to be credited towards any match required by those laws.

29.27 **Sec. 43. APPROPRIATION; DEPARTMENT OF HEALTH.**

29.28 \$33,000 is appropriated in fiscal year 2019 from the state government special revenue
29.29 fund to the commissioner of health to perform a cost analysis on rules impacting residential
29.30 construction or remodeling as specified in Minnesota Statutes, section 14.1275. This is a
29.31 onetime appropriation.

31.1 **Subd. 2. Energy Resources** **\$** **-0-** **\$** **2,150,000**

31.2 Appropriations by Fund

31.3		<u>2018</u>	<u>2019</u>
31.4	<u>Special Revenue</u>	<u>-0-</u>	<u>2,150,000</u>

31.5 \$150,000 the second year is from the
 31.6 renewable development account in the special
 31.7 revenue fund established in Minnesota
 31.8 Statutes, section 116C.779, subdivision 1, to
 31.9 conduct an energy storage systems cost-benefit
 31.10 analysis. This is a onetime appropriation.

31.11 Notwithstanding Minnesota Statutes, section
 31.12 116C.779, subdivision 1, paragraph (j),
 31.13 \$2,000,000 in fiscal year 2019 is from the
 31.14 renewable development account under
 31.15 Minnesota Statutes, section 116C.779, for the
 31.16 solar energy grants for school districts under
 31.17 Minnesota Statutes, section 216C.418. This is
 31.18 a onetime appropriation and is available until
 31.19 June 30, 2021. Any unexpended funds
 31.20 remaining after June 30, 2021, cancel to the
 31.21 renewable development account.

31.22 Sec. 3. Laws 2017, chapter 94, article 1, section 7, subdivision 7, is amended to read:

31.23 **Subd. 7. Energy Resources** **4,847,000** **4,847,000**

31.24 Appropriations by Fund

31.25	<u>General</u>	<u>4,247,000</u>	<u>4,247,000</u>
31.26	<u>Special Revenue</u>	<u>600,000</u>	<u>600,000</u>

31.27 (a) \$150,000 each year is to remediate
 31.28 vermiculate insulation from households that
 31.29 are eligible for weatherization assistance under
 31.30 Minnesota's weatherization assistance program
 31.31 state plan under Minnesota Statutes, section
 31.32 216C.264. Remediation must be done in
 31.33 conjunction with federal weatherization
 31.34 assistance program services.

32.1 (b) \$832,000 each year is for energy regulation
32.2 and planning unit staff.

32.3 (c) \$100,000 each year is from the renewable
32.4 development account in the special revenue
32.5 fund established in Minnesota Statutes, section
32.6 116C.779, subdivision 1, to administer the
32.7 "Made in Minnesota" solar energy production
32.8 incentive program in Minnesota Statutes,
32.9 section 216C.417. Any remaining unspent
32.10 funds cancel back to the renewable
32.11 development account at the end of the
32.12 biennium.

32.13 ~~(d) \$500,000 each year is from the renewable~~
32.14 ~~development account in the special revenue~~
32.15 ~~fund established in Minnesota Statutes, section~~
32.16 ~~116C.779, subdivision 1, for costs associated~~
32.17 ~~with any third-party expert evaluation of a~~
32.18 ~~proposal submitted in response to a request~~
32.19 ~~for proposal to the renewable development~~
32.20 ~~advisory group under Minnesota Statutes,~~
32.21 ~~section 116C.779, subdivision 1, paragraph~~
32.22 ~~(1). No portion of this appropriation may be~~
32.23 ~~expended or retained by the commissioner of~~
32.24 ~~commerce. Any funds appropriated under this~~
32.25 ~~paragraph that are unexpended at the end of a~~
32.26 ~~fiscal year cancel to the renewable~~
32.27 ~~development account.~~

32.28 ARTICLE 3

32.29 ENERGY POLICY

32.30 Section 1. Minnesota Statutes 2017 Supplement, section 116C.779, subdivision 1, is
32.31 amended to read:

32.32 Subdivision 1. **Renewable development account.** (a) The renewable development
32.33 account is established as a separate account in the special revenue fund in the state treasury.
32.34 Appropriations and transfers to the account shall be credited to the account. Earnings, such

33.1 as interest, dividends, and any other earnings arising from assets of the account, shall be
 33.2 credited to the account. Funds remaining in the account at the end of a fiscal year are not
 33.3 canceled to the general fund but remain in the account until expended. The account shall
 33.4 be administered by the commissioner of management and budget as provided under this
 33.5 section.

33.6 (b) On July 1, 2017, the public utility that owns the Prairie Island nuclear generating
 33.7 plant must transfer all funds in the renewable development account previously established
 33.8 under this subdivision and managed by the public utility to the renewable development
 33.9 account established in paragraph (a). Funds awarded to grantees in previous grant cycles
 33.10 that have not yet been expended and unencumbered funds required to be paid in calendar
 33.11 year 2017 under paragraphs ~~(f)~~ (e) and ~~(g)~~ (f), and sections 116C.7792 and 216C.41, are
 33.12 not subject to transfer under this paragraph.

33.13 (c) Except as provided in subdivision 1a, beginning January 15, ~~2018~~ 2022, and
 33.14 continuing each January 15 thereafter, the public utility that owns the Prairie Island and
 33.15 Monticello nuclear generating ~~plant~~ plants must transfer to the renewable development
 33.16 account ~~\$500,000 each year for each dry cask containing spent fuel that is located at the~~
 33.17 ~~Prairie Island power plant for~~ \$16,000,000 each year ~~the~~ either plant is in operation, and
 33.18 ~~\$7,500,000 each year the plant is not in operation,~~ if ordered by the commission pursuant
 33.19 to paragraph ~~(i)~~ (h), \$7,500,000 each year the Prairie Island plant is not in operation and
 33.20 \$5,250,000 each year the Monticello plant is not in operation. The fund transfer must be
 33.21 made if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility
 33.22 at Prairie Island or Monticello for any part of a year.

33.23 ~~(d) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing~~
 33.24 ~~each January 15 thereafter, the public utility that owns the Monticello nuclear generating~~
 33.25 ~~plant must transfer to the renewable development account \$350,000 each year for each dry~~
 33.26 ~~cask containing spent fuel that is located at the Monticello nuclear power plant for each~~
 33.27 ~~year the plant is in operation, and \$5,250,000 each year the plant is not in operation if ordered~~
 33.28 ~~by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear~~
 33.29 ~~waste is stored in a dry cask at the independent spent-fuel storage facility at Monticello for~~
 33.30 ~~any part of a year.~~

33.31 ~~(e)~~ (d) Each year, the public utility shall withhold from the funds transferred to the
 33.32 renewable development account under ~~paragraphs~~ paragraph (c) ~~and (d)~~ the amount necessary
 33.33 to pay its obligations under paragraphs (e), (f) ~~and (g)~~, (j), and (n), and sections 116C.7792
 33.34 and 216C.41, for that calendar year.

34.1 ~~(f)~~ (e) If the commission approves a new or amended power purchase agreement, the
 34.2 termination of a power purchase agreement, or the purchase and closure of a facility under
 34.3 section 216B.2424, subdivision 9, with an entity that uses poultry litter to generate electricity,
 34.4 the public utility subject to this section shall enter into a contract with the city in which the
 34.5 poultry litter plant is located to provide grants to the city for the purposes of economic
 34.6 development on the following schedule: \$4,000,000 in fiscal year 2018; \$6,500,000 each
 34.7 fiscal year in 2019 and 2020; and \$3,000,000 in fiscal year 2021. The grants shall be paid
 34.8 by the public utility from funds withheld from the transfer to the renewable development
 34.9 account, as provided in paragraphs (b) and ~~(e)~~ (d).

34.10 ~~(g)~~ (f) If the commission approves a new or amended power purchase agreement, or the
 34.11 termination of a power purchase agreement under section 216B.2424, subdivision 9, with
 34.12 an entity owned or controlled, directly or indirectly, by two municipal utilities located north
 34.13 of Constitutional Route No. 8, that was previously used to meet the biomass mandate in
 34.14 section 216B.2424, the public utility that owns a nuclear generating plant shall enter into a
 34.15 grant contract with such entity to provide \$6,800,000 per year for five years, commencing
 34.16 30 days after the commission approves the new or amended power purchase agreement, or
 34.17 the termination of the power purchase agreement, and on each June 1 thereafter through
 34.18 2021, to assist the transition required by the new, amended, or terminated power purchase
 34.19 agreement. The grant shall be paid by the public utility from funds withheld from the transfer
 34.20 to the renewable development account as provided in paragraphs (b) and ~~(e)~~ (d).

34.21 ~~(h)~~ (g) The collective amount paid under the grant contracts awarded under paragraphs
 34.22 ~~(f)~~ (e) and ~~(g)~~ (f) is limited to the amount deposited into the renewable development account,
 34.23 and its predecessor, the renewable development account, established under this section, that
 34.24 was not required to be deposited into the account under Laws 1994, chapter 641, article 1,
 34.25 section 10.

34.26 ~~(i)~~ (h) After discontinuation of operation of the Prairie Island nuclear plant or the
 34.27 Monticello nuclear plant and each year spent nuclear fuel is stored in dry cask at the
 34.28 discontinued facility, the commission shall require the public utility to pay \$7,500,000 for
 34.29 the discontinued Prairie Island facility and \$5,250,000 for the discontinued Monticello
 34.30 facility for any year in which the commission finds, by the preponderance of the evidence,
 34.31 that the public utility did not make a good faith effort to remove the spent nuclear fuel stored
 34.32 at the facility to a permanent or interim storage site out of the state. This determination shall
 34.33 be made at least every two years.

34.34 ~~(j)~~ (i) The utility shall file annually with the commission a petition for the recovery of
 34.35 all funds required to be transferred or withheld under paragraphs (c), (d), and (h), for the

35.1 next year through a rider mechanism. The commission shall approve a reasonable cost
 35.2 recovery schedule for all such funds.

35.3 (j) On or before January 15 of each year, the utility shall file a petition with the
 35.4 commission setting forth the amounts withheld by the utility in the prior year under paragraph
 35.5 (d) and the amount actually paid in that year for obligations identified in paragraph (d). If
 35.6 the amount actually paid is less than the amount withheld, the utility shall deduct the surplus
 35.7 from the amount withheld for the current year under paragraph (d). If the amount actually
 35.8 paid is more than the amount withheld, the utility shall add the deficit to the amount withheld
 35.9 in the current year under paragraph (d). Any surplus at the end of all programs identified
 35.10 in paragraph (d) shall be returned to the customers of the utility.

35.11 (k) Funds in the account may be expended only for any of the following purposes:

35.12 (1) to stimulate research and development of renewable electric energy technologies;

35.13 (2) to encourage grid modernization, including, but not limited to, projects that implement
 35.14 electricity storage, load control, and smart meter technology; and

35.15 (3) to stimulate other innovative energy projects that reduce demand and increase system
 35.16 efficiency and flexibility.

35.17 Expenditures from the fund must benefit Minnesota ratepayers receiving electric service
 35.18 from the utility that owns a nuclear-powered electric generating plant in this state or the
 35.19 Prairie Island Indian community or its members.

35.20 The utility that owns a nuclear generating plant is eligible to apply for grants under this
 35.21 subdivision.

35.22 ~~(k)~~ (l) For the purposes of paragraph ~~(j)~~ (k), the following terms have the meanings
 35.23 given:

35.24 (1) "renewable" has the meaning given in section 216B.2422, subdivision 1, paragraph
 35.25 (c), clauses (1), (2), (4), and (5); and

35.26 (2) "grid modernization" means:

35.27 (i) enhancing the reliability of the electrical grid;

35.28 (ii) improving the security of the electrical grid against cyberthreats and physical threats;
 35.29 and

35.30 (iii) increasing energy conservation opportunities by facilitating communication between
 35.31 the utility and its customers through the use of two-way meters, control technologies, energy

36.1 storage and microgrids, technologies to enable demand response, and other innovative
36.2 technologies.

36.3 ~~(h)~~ (m) A renewable development account advisory group that includes, among others,
36.4 representatives of the public utility and its ratepayers, and includes at least one representative
36.5 of the Prairie Island Indian community appointed by that community's tribal council, shall
36.6 develop recommendations on account expenditures. Members of the advisory group shall
36.7 be chosen by the public utility unless another method of selection is provided under this
36.8 section. The advisory group must design a request for proposal and evaluate projects
36.9 submitted in response to a request for proposals. The advisory group must utilize an
36.10 independent third-party expert to evaluate proposals submitted in response to a request for
36.11 proposal, including all proposals made by the public utility. A request for proposal for
36.12 research and development under paragraph ~~(j)~~ (k), clause (1), may be limited to or include
36.13 a request to higher education institutions located in Minnesota for multiple projects authorized
36.14 under paragraph ~~(j)~~ (k), clause (1). The request for multiple projects may include a provision
36.15 that exempts the projects from the third-party expert review and instead provides for project
36.16 evaluation and selection by a merit peer review grant system. In the process of determining
36.17 request for proposal scope and subject and in evaluating responses to request for proposals,
36.18 the advisory group must strongly consider, where reasonable, potential benefit to Minnesota
36.19 citizens and businesses and the utility's ratepayers.

36.20 ~~(m)~~ (n) The cost of acquiring the services of the independent third-party expert described
36.21 in paragraph (m) and any other costs incurred in administering the advisory group and its
36.22 actions as required by this section shall be paid from funds withheld by the public utility
36.23 under paragraph (d). The total withheld under this paragraph shall not exceed \$500,000 per
36.24 year.

36.25 (o) The advisory group shall submit funding recommendations to the public utility,
36.26 which has full and sole authority to determine which expenditures shall be submitted by
36.27 the advisory group to the ~~legislature~~ commission. The commission may approve proposed
36.28 expenditures, may disapprove proposed expenditures that it finds not to be in compliance
36.29 with this subdivision or otherwise not in the public interest, and may, if agreed to by the
36.30 public utility, modify proposed expenditures. The commission shall, by order, submit its
36.31 funding recommendations to the legislature as provided under paragraph ~~(n)~~ (m).

36.32 ~~(n)~~ (p) The commission shall present its recommended appropriations from the account
36.33 to the senate and house of representatives committees with jurisdiction over energy policy
36.34 and finance annually by February 15. Expenditures from the account must be appropriated
36.35 by law. In enacting appropriations from the account, the legislature:

37.1 (1) may approve or disapprove, but may not modify, the amount of an appropriation for
37.2 a project recommended by the commission; and

37.3 (2) may not appropriate money for a project the commission has not recommended
37.4 funding.

37.5 ~~(p)~~ (q) A request for proposal for renewable energy generation projects must, when
37.6 feasible and reasonable, give preference to projects that are most cost-effective for a particular
37.7 energy source.

37.8 ~~(p)~~ (r) The advisory group must annually, by February 15, report to the chairs and ranking
37.9 minority members of the legislative committees with jurisdiction over energy policy on:
37.10 (1) projects funded by the account for the prior year and all previous years; (2) cost of
37.11 acquiring the services of an independent third-party expert described in paragraph (n); and
37.12 (3) any other administrative costs incurred by the utility in administering the advisory group.
37.13 The report must, to the extent possible and reasonable, itemize the actual and projected
37.14 financial benefit to the public utility's ratepayers of each project.

37.15 ~~(q)~~ (s) By February 1, 2018, and each February 1 thereafter, the commissioner of
37.16 management and budget shall submit a written report regarding the availability of funds in
37.17 and obligations of the account to the chairs and ranking minority members of the senate
37.18 and house committees with jurisdiction over energy policy and finance, the public utility,
37.19 and the advisory group.

37.20 ~~(r)~~ (t) A project receiving funds from the account must produce a written final report
37.21 that includes sufficient detail for technical readers and a clearly written summary for
37.22 nontechnical readers. The report must include an evaluation of the project's financial,
37.23 environmental, and other benefits to the state and the public utility's ratepayers.

37.24 ~~(s)~~ (u) Final reports, any mid-project status reports, and renewable development account
37.25 financial reports must be posted online on a public Web site designated by the commissioner
37.26 of commerce.

37.27 ~~(t)~~ (v) All final reports must acknowledge that the project was made possible in whole
37.28 or part by the Minnesota renewable development account, noting that the account is financed
37.29 by the public utility's ratepayers.

37.30 ~~(u)~~ (w) Of the amount in the renewable development account, priority must be given to
37.31 making the payments required under section 216C.417.

37.32 **EFFECTIVE DATE.** This section is effective June 1, 2018, except the amendments to
37.33 paragraphs (c) and (d) are effective January 16, 2021.

38.1 Sec. 2. Minnesota Statutes 2017 Supplement, section 116C.7792, is amended to read:

38.2 **116C.7792 SOLAR ENERGY INCENTIVE PROGRAM.**

38.3 The utility subject to section 116C.779 shall operate a program to provide solar energy
 38.4 production incentives for solar energy systems of no more than a total nameplate capacity
 38.5 of ~~20~~ 40 kilowatts direct current or less. The program shall be operated for eight consecutive
 38.6 calendar years commencing in 2014. \$5,000,000 shall be allocated in each of the first four
 38.7 years, \$15,000,000 in the fifth year, \$10,000,000 in each of the sixth and seventh years, and
 38.8 \$5,000,000 in the eighth year from funds withheld from transfer to the renewable
 38.9 development account under section 116C.779, subdivision 1, ~~paragraphs (b) and (e)~~ paragraph
 38.10 (d), and placed in a separate account for the purpose of the solar production incentive
 38.11 program operated by the utility and not for any other program or purpose. Any unspent
 38.12 amount allocated in the fifth year is available until December 31 of the sixth year. Beginning
 38.13 with the allocation in the sixth year and thereafter, any unspent amount remaining at the
 38.14 end of an allocation year must be transferred to the renewable development account.
 38.15 Applications submitted in the fifth year may be amended without reapplication for that
 38.16 portion of a project over a nameplate capacity of 20 kilowatts. The solar system must be
 38.17 sized to less than 120 percent of the customer's on-site annual energy consumption when
 38.18 combined with other distributed generation resources and subscriptions provided under
 38.19 section 216B.1641 associated with the premise. The production incentive must be paid for
 38.20 ten years commencing with the commissioning of the system. The utility must file a plan
 38.21 to operate the program with the commissioner of commerce. The utility may not operate
 38.22 the program until it is approved by the commissioner. A change to the program to include
 38.23 projects up to a nameplate capacity of 40 kilowatts or less does not require the utility to file
 38.24 a plan with the commissioner. Any plan approved by the commissioner of commerce must
 38.25 not provide an increased incentive scale over prior years unless the commissioner
 38.26 demonstrates that changes in the market for solar energy facilities require an increase.

38.27 **EFFECTIVE DATE.** This section is effective June 1, 2018.

38.28 Sec. 3. Minnesota Statutes 2016, section 216B.16, is amended by adding a subdivision to
 38.29 read:

38.30 **Subd. 13b. Pension rate base.** The commission must allow a public utility to include
 38.31 in the rate base and recover from ratepayers the costs incurred to contribute to employee
 38.32 pensions, including (1) accumulated contributions in excess of net periodic benefit costs,
 38.33 and (2) contributions necessary to comply with the federal Pension Protection Act of 2006
 38.34 and other applicable federal and state pension funding requirements. A public utility is

39.1 authorized to track for future recovery any unrecoverable return of pension rate base costs
39.2 and investments at the return on investment level established in the public utility's last
39.3 general rate case that have been incurred during the period between general rate cases.

39.4 Sec. 4. Minnesota Statutes 2016, section 216B.1645, is amended by adding a subdivision
39.5 to read:

39.6 Subd. 2b. **Energy storage system pilot projects.** (a) A public utility may petition the
39.7 commission as provided in subdivision 2a to recover costs associated with the implementation
39.8 of an energy storage system pilot project, provided the following conditions are met:

39.9 (1) the public utility has submitted a report to the commission containing, at a minimum,
39.10 the following information regarding the proposed energy storage system pilot project:

39.11 (i) the storage technology utilized;

39.12 (ii) the energy storage capacity and the duration of output at that capacity;

39.13 (iii) the proposed location;

39.14 (iv) the purchasing and installation costs;

39.15 (v) how the project will interact with existing distributed generation resources on the
39.16 utility's grid; and

39.17 (vi) the goals the project proposes to achieve, including controlling frequency or voltage,
39.18 mitigating transmission congestion, providing emergency power supplies during outages,
39.19 reducing curtailment of existing renewable energy generators, and reducing peak power
39.20 costs;

39.21 (2) the utility has adequately responded to any commission requests for additional
39.22 information regarding the energy storage system pilot project; and

39.23 (3) the commission has determined that the energy storage system pilot project is in the
39.24 public interest.

39.25 (b) The commission may modify a proposed energy storage system pilot project the
39.26 commission approves for rate recovery.

39.27 (c) For the purposes of this subdivision:

39.28 (1) "energy storage system" has the meaning given in section 216B.2422, subdivision
39.29 1, paragraph (f); and

39.30 (2) "pilot project" means a project deployed at a limited number of locations in order to
39.31 assess the technical and economic effectiveness of its operations.

40.1 Sec. 5. Minnesota Statutes 2017 Supplement, section 216B.1691, subdivision 2f, is amended
40.2 to read:

40.3 Subd. 2f. **Solar energy standard.** (a) In addition to the requirements of subdivisions 2a
40.4 and 2b, each public utility shall generate or procure sufficient electricity generated by solar
40.5 energy to serve its retail electricity customers in Minnesota so that by the end of 2020, at
40.6 least 1.5 percent of the utility's total retail electric sales to retail customers in Minnesota is
40.7 generated by solar energy.

40.8 (b) For a public utility with more than 200,000 retail electric customers, at least ten
40.9 percent of the 1.5 percent goal must be met by solar energy generated by or procured from
40.10 solar photovoltaic devices with a nameplate capacity of ~~20~~ 40 kilowatts or less.

40.11 (c) A public utility with between 50,000 and 200,000 retail electric customers:

40.12 (1) must meet at least ten percent of the 1.5 percent goal with solar energy generated by
40.13 or procured from solar photovoltaic devices with a nameplate capacity of 40 kilowatts or
40.14 less; and

40.15 (2) may apply toward the ten percent goal in clause (1) individual customer subscriptions
40.16 of 40 kilowatts or less to a community solar garden program operated by the public utility
40.17 that has been approved by the commission.

40.18 (d) The solar energy standard established in this subdivision is subject to all the provisions
40.19 of this section governing a utility's standard obligation under subdivision 2a.

40.20 (e) It is an energy goal of the state of Minnesota that, by 2030, ten percent of the retail
40.21 electric sales in Minnesota be generated by solar energy.

40.22 (f) For the purposes of calculating the total retail electric sales of a public utility under
40.23 this subdivision, there shall be excluded retail electric sales to customers that are:

40.24 (1) an iron mining extraction and processing facility, including a scam mining facility
40.25 as defined in Minnesota Rules, part 6130.0100, subpart 16; or

40.26 (2) a paper mill, wood products manufacturer, sawmill, or oriented strand board
40.27 manufacturer.

40.28 Those customers may not have included in the rates charged to them by the public utility
40.29 any costs of satisfying the solar standard specified by this subdivision.

40.30 (g) A public utility may not use energy used to satisfy the solar energy standard under
40.31 this subdivision to satisfy its standard obligation under subdivision 2a. A public utility may

41.1 not use energy used to satisfy the standard obligation under subdivision 2a to satisfy the
41.2 solar standard under this subdivision.

41.3 (h) Notwithstanding any law to the contrary, a solar renewable energy credit associated
41.4 with a solar photovoltaic device installed and generating electricity in Minnesota after
41.5 August 1, 2013, but before 2020 may be used to meet the solar energy standard established
41.6 under this subdivision.

41.7 (i) Beginning July 1, 2014, and each July 1 through 2020, each public utility shall file
41.8 a report with the commission reporting its progress in achieving the solar energy standard
41.9 established under this subdivision.

41.10 **EFFECTIVE DATE.** This section is effective June 1, 2018.

41.11 Sec. 6. Minnesota Statutes 2017 Supplement, section 216B.241, subdivision 1d, is amended
41.12 to read:

41.13 Subd. 1d. **Technical assistance.** (a) The commissioner shall evaluate energy conservation
41.14 improvement programs on the basis of cost-effectiveness and the reliability of the
41.15 technologies employed. The commissioner shall, by order, establish, maintain, and update
41.16 energy-savings assumptions that must be used when filing energy conservation improvement
41.17 programs. The commissioner shall establish an inventory of the most effective energy
41.18 conservation programs, techniques, and technologies, and encourage all Minnesota utilities
41.19 to implement them, where appropriate, in their service territories. The commissioner shall
41.20 describe these programs in sufficient detail to provide a utility reasonable guidance
41.21 concerning implementation. The commissioner shall prioritize the opportunities in order of
41.22 potential energy savings and in order of cost-effectiveness. The commissioner may contract
41.23 with a third party to carry out any of the commissioner's duties under this subdivision, and
41.24 to obtain technical assistance to evaluate the effectiveness of any conservation improvement
41.25 program. The commissioner may assess up to \$850,000 annually for the purposes of this
41.26 subdivision. The assessments must be deposited in the state treasury and credited to the
41.27 energy and conservation account created under subdivision 2a. An assessment made under
41.28 this subdivision is not subject to the cap on assessments provided by section 216B.62, or
41.29 any other law.

41.30 (b) Of the assessment authorized under paragraph (a), the commissioner may expend
41.31 ~~up to \$400,000 annually~~ \$800,000 each biennium for the purpose of developing, operating,
41.32 maintaining, and providing technical support for a uniform electronic data reporting and
41.33 tracking system available to all utilities subject to this section, in order to enable accurate

42.1 measurement of the cost and energy savings of the energy conservation improvements
42.2 required by this section. This paragraph expires June 30, ~~2018~~ 2022.

42.3 (c) The commissioner must establish a utility stakeholder group to direct development
42.4 and maintenance of the tracking system available to all utilities. The utility stakeholder
42.5 group will direct 50 percent of the biennium expenditures. The utility stakeholder group
42.6 shall include, but is not limited to, stakeholders representative of the Minnesota Rural
42.7 Electric Association, the Minnesota Municipal Utility Association, investor-owned utilities,
42.8 municipal power agencies, energy conservation organizations, and businesses that work in
42.9 energy efficiency. One of the stakeholder members must serve as chair. The utility
42.10 stakeholder group must develop and submit its work plan to the commissioner. The utility
42.11 stakeholder group shall study alternative tracking system options, which shall be submitted
42.12 with the work plan to the commissioner by January 15, 2020. The utility stakeholder group
42.13 must meet regularly at the call of the chair. Meetings of the utility stakeholder group are
42.14 subject to chapter 13D.

42.15 Sec. 7. Minnesota Statutes 2016, section 216B.2422, subdivision 1, is amended to read:

42.16 Subdivision 1. **Definitions.** (a) For purposes of this section, the terms defined in this
42.17 subdivision have the meanings given them.

42.18 (b) "Utility" means an entity with the capability of generating 100,000 kilowatts or more
42.19 of electric power and serving, either directly or indirectly, the needs of 10,000 retail
42.20 customers in Minnesota. Utility does not include federal power agencies.

42.21 (c) "Renewable energy" means electricity generated through use of any of the following
42.22 resources:

42.23 (1) wind;

42.24 (2) solar;

42.25 (3) geothermal;

42.26 (4) hydro;

42.27 (5) trees or other vegetation;

42.28 (6) landfill gas; or

42.29 (7) predominantly organic components of wastewater effluent, sludge, or related
42.30 by-products from publicly owned treatment works, but not including incineration of
42.31 wastewater sludge.

43.1 (d) "Resource plan" means a set of resource options that a utility could use to meet the
43.2 service needs of its customers over a forecast period, including an explanation of the supply
43.3 and demand circumstances under which, and the extent to which, each resource option
43.4 would be used to meet those service needs. These resource options include using,
43.5 refurbishing, and constructing utility plant and equipment, buying power generated by other
43.6 entities, controlling customer loads, and implementing customer energy conservation.

43.7 (e) "Refurbish" means to rebuild or substantially modify an existing electricity generating
43.8 resource of 30 megawatts or greater.

43.9 (f) "Energy storage system" means commercially available technology capable of
43.10 absorbing and storing energy, and delivering stored energy for use at a later time. For
43.11 purposes of this section, energy storage systems must be from a stationary source. For
43.12 purposes of this section:

43.13 (1) an energy storage system may be:

43.14 (i) either centralized or distributed; or

43.15 (ii) owned by a load-serving entity or local publicly owned electric utility, a customer
43.16 of a load-serving entity or local publicly owned electric utility, a third party, or jointly owned
43.17 by two or more of the entities under this item or any other entity;

43.18 (2) an energy storage system must:

43.19 (i) reduce demand for peak electrical generation;

43.20 (ii) defer or substitute for an investment in generation, transmission, or distribution
43.21 assets; or

43.22 (iii) improve the reliable operation of the electrical transmission or distribution grid;
43.23 and

43.24 (3) an energy storage system must:

43.25 (i) use mechanical, chemical, or thermal processes to store energy that was generated
43.26 at one time for use at a later time;

43.27 (ii) store thermal energy for direct use for heating or cooling at a later time in a manner
43.28 that reduces the demand for electricity at that later time;

43.29 (iii) use mechanical, chemical, or thermal processes to store energy generated from
43.30 renewable resources for use at a later time; or

44.1 (iv) use mechanical, chemical, or thermal processes to store energy generated from
44.2 mechanical processes that would otherwise be wasted for delivery at a later time.

44.3 (g) "Investor-owned utility" means a utility, as defined in paragraph (b), that is owned
44.4 by private persons.

44.5 Sec. 8. Minnesota Statutes 2016, section 216B.2422, is amended by adding a subdivision
44.6 to read:

44.7 Subd. 7. **Energy storage systems assessment.** (a) Each investor-owned utility must
44.8 include as part of an integrated resource plan or plan modification filed by the investor-owned
44.9 utility an assessment of energy storage systems. The assessment must:

44.10 (1) consider energy storage systems as both transmission and distribution-interconnected
44.11 resources;

44.12 (2) analyze energy storage systems both as an alternative for and as an adjunct to
44.13 generation resources for ancillary services and resource adequacy; and

44.14 (3) require that in any prudence determination for a new resource acquisition that resource
44.15 options analysis must include a storage alternative.

44.16 (b) In approving a resource plan, the commission must determine, with respect to the
44.17 assessment required in paragraph (a), whether:

44.18 (1) the utility's forecast requirements are based on substantially accurate data and an
44.19 adequate forecasting method;

44.20 (2) the plan identifies and takes into account any present and projected reductions in
44.21 energy demand that may result from measures to improve energy efficiency in the industrial,
44.22 commercial, residential, and energy-producing sectors of the area being served; and

44.23 (3) the plan includes appropriate and up-to-date methods for modeling resources,
44.24 including the modeling and valuing of flexible operations.

44.25 Sec. 9. Minnesota Statutes 2017 Supplement, section 216B.62, subdivision 3b, is amended
44.26 to read:

44.27 **Subd. 3b. Assessment for department regional and national duties.** In addition to
44.28 other assessments in subdivision 3, the department may assess up to \$500,000 per fiscal
44.29 year for performing its duties under section 216A.07, subdivision 3a. The amount in this
44.30 subdivision shall be assessed to energy utilities in proportion to their respective gross
44.31 operating revenues from retail sales of gas or electric service within the state during the last

45.1 calendar year and shall be deposited into an account in the special revenue fund and is
 45.2 appropriated to the commissioner of commerce for the purposes of section 216A.07,
 45.3 subdivision 3a. An assessment made under this subdivision is not subject to the cap on
 45.4 assessments provided in subdivision 3 or any other law. For the purpose of this subdivision,
 45.5 an "energy utility" means public utilities, generation and transmission cooperative electric
 45.6 associations, and municipal power agencies providing natural gas or electric service in the
 45.7 state. This subdivision expires June 30, ~~2018~~ 2019.

45.8 **Sec. 10. [216C.418] SOLAR ENERGY GRANTS FOR SCHOOL DISTRICTS.**

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

45.11 (b) "Energy storage system" means a commercially available technology capable of (1)
 45.12 absorbing and storing electrical energy, and (2) dispatching stored electrical energy at a
 45.13 later time.

45.14 (c) "Photovoltaic device" has the meaning given in section 216C.06, subdivision 16.

45.15 (d) "School district" means an independent or special school district.

45.16 (e) "Solar energy system" means photovoltaic devices installed alone or in conjunction
 45.17 with a solar thermal system or an energy storage system.

45.18 (f) "Solar thermal system" means a flat plate or evacuated tube with a fixed orientation
 45.19 that collects the sun's radiant energy and transfers it to a storage medium for distribution as
 45.20 energy to heat or cool air or water.

45.21 **Subd. 2. Establishment.** A grant program is established under the Department of
 45.22 Commerce to award grants to school districts to fund the design, purchase, and installation
 45.23 of solar energy systems on school district buildings.

45.24 **Subd. 3. Eligible applicants.** In order to be eligible to receive a grant under this section,
 45.25 a school district must obtain electric service from the public utility that owns a nuclear
 45.26 electric generating facility in Minnesota.

45.27 **Subd. 4. Eligible expenditures.** (a) Grants awarded to a school district under this section:
 45.28 (1) may be used to pay up to 95 percent of the cost of designing, engineering, purchasing,
 45.29 and installing a solar energy system;

45.30 (2) must be used to fund a solar energy system whose capacity matches the electric load
 45.31 of the school district building using the electricity generated, but must not exceed 300
 45.32 kilowatts; and

46.1 (3) must be used to fund a solar energy system placed on, adjacent to, or in proximity
 46.2 to the school district building using the electricity generated.

46.3 (b) A school district that receives a rebate or other financial incentive for a solar energy
 46.4 system under section 116C.7792, or from any utility is not eligible to receive a grant under
 46.5 this section for the same solar energy system.

46.6 Subd. 5. **Application process.** A school district must submit an application to the
 46.7 commissioner on a form prescribed by the commissioner. The commissioner must develop
 46.8 administrative procedures governing the application and grant award process, and must
 46.9 award grants on a first-come, first-served basis.

46.10 Subd. 6. **Geographical distribution of grants.** The commissioner must endeavor to
 46.11 award grants under this section to school districts located throughout the electric service
 46.12 territory of the public utility that owns a nuclear electric generating facility in Minnesota.

46.13 Subd. 7. **Other funds.** A school district may issue debt under section 123B.62 to provide
 46.14 its share of the costs for a solar energy system receiving a grant under this section.

46.15 **EFFECTIVE DATE.** This section is effective June 1, 2018.

46.16 Sec. 11. Minnesota Statutes 2016, section 216D.03, is amended by adding a subdivision
 46.17 to read:

46.18 Subd. 5. **Contact information database.** The notification center must create a database
 46.19 to collect, maintain, and continually update the contact information for each operator in
 46.20 Minnesota. Each operator must furnish the notification center with the operator's telephone
 46.21 number for 24 hours per day and seven days per week response related to each underground
 46.22 facility excavation. The information contained in the database must be made available to
 46.23 an excavator upon request to facilitate damage response or damage prevention related to
 46.24 an excavation.

46.25 Sec. 12. **COST-BENEFIT ANALYSIS OF ENERGY STORAGE SYSTEMS.**

46.26 (a) The commissioner of commerce must contract with an independent consultant selected
 46.27 through a request for proposal process to produce a report analyzing the potential costs and
 46.28 benefits of energy storage systems, as defined in Minnesota Statutes, section 216B.2422,
 46.29 subdivision 1, in Minnesota. In examining the cost-effectiveness of energy storage systems,
 46.30 the study must analyze:

47.1 (1) cost savings to ratepayers from the provision of services, including but not limited
 47.2 to energy price arbitrage, ancillary services, resource adequacy, and transmission and
 47.3 distribution asset deferral or substitution;

47.4 (2) direct-cost savings to customers that deploy energy storage systems;

47.5 (3) an improved ability to integrate renewable resources;

47.6 (4) improved reliability and power quality;

47.7 (5) the effect on retail electric rates over the useful life of a given energy storage system
 47.8 compared to the impact on retail electric rates using a nonenergy storage system alternative
 47.9 over the useful life of the nonenergy storage system alternative;

47.10 (6) reduced greenhouse gas emissions; and

47.11 (7) any other value reasonably related to the application of energy storage system
 47.12 technology.

47.13 (b) By April 1, 2019, the commissioner of commerce shall submit the study to the chairs
 47.14 and ranking minority members of the legislative committees with jurisdiction over energy
 47.15 policy and finance.

47.16 **ARTICLE 4**

47.17 **JOBS AND ECONOMIC GROWTH**

47.18 Section 1. **APPROPRIATIONS.**

47.19 The sums shown in the columns marked "Appropriations" are added to the appropriations
 47.20 in Laws 2017, chapter 94, or appropriated to the agencies and for the purposes specified in
 47.21 this article. The appropriations are from the general fund, or another named fund, and are
 47.22 available for the fiscal year indicated for each purpose. The figures "2018" and "2019" used
 47.23 in this article mean that the addition to the appropriations listed under them are available
 47.24 for the fiscal year ending June 30, 2018, or June 30, 2019, respectively. "The first year" is
 47.25 fiscal year 2018. "The second year" is fiscal year 2019. Appropriations for fiscal year 2018
 47.26 are effective June 1, 2018.

47.27 **APPROPRIATIONS**

47.28 **Available for the Year**

47.29 **Ending June 30**

47.30 **2018**

2019

47.31 **Sec. 2. DEPARTMENT OF EMPLOYMENT**
 47.32 **AND ECONOMIC DEVELOPMENT**

48.1	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>17,025,000</u>
48.2	<u>The amounts that may be spent for each</u>				
48.3	<u>purpose are specified in the following</u>				
48.4	<u>subdivisions.</u>				
48.5	<u>Appropriations by Fund</u>				
48.6		<u>2018</u>	<u>2019</u>		
48.7	<u>General</u>	<u>-0-</u>	<u>17,000,000</u>		
48.8	<u>Workforce</u>				
48.9	<u>Development</u>	<u>-0-</u>	<u>25,000</u>		
48.10	<u>Subd. 2. Business and Community Development</u>			<u>-0-</u>	<u>2,000,000</u>
48.11	<u>\$2,000,000 in fiscal year 2019 is for the</u>				
48.12	<u>redevelopment grant and demolition loan</u>				
48.13	<u>programs under Minnesota Statutes, sections</u>				
48.14	<u>116J.571 to 116J.5764. This is a onetime</u>				
48.15	<u>appropriation.</u>				
48.16	<u>Subd. 3. Broadband Development</u>			<u>-0-</u>	<u>15,000,000</u>
48.17	<u>\$15,000,000 in fiscal year 2019 is for deposit</u>				
48.18	<u>in the border-to-border broadband fund</u>				
48.19	<u>account in the special revenue fund established</u>				
48.20	<u>under Minnesota Statutes, section 116J.396.</u>				
48.21	<u>This is a onetime appropriation.</u>				
48.22	<u>Subd. 4. Workforce Development</u>			<u>-0-</u>	<u>25,000</u>
48.23	<u>\$25,000 in fiscal year 2019 is from the</u>				
48.24	<u>workforce development fund for a grant to the</u>				
48.25	<u>Cook County Higher Education Board to</u>				
48.26	<u>provide educational programming and</u>				
48.27	<u>academic support services to remote regions</u>				
48.28	<u>in northeastern Minnesota. This is a onetime</u>				
48.29	<u>appropriation and is in addition to other funds</u>				
48.30	<u>previously appropriated to the board.</u>				
48.31	<u>Sec. 3. WORKERS' COMPENSATION COURT</u>				
48.32	<u>OF APPEALS</u>	<u>\$</u>		<u>0</u>	<u>\$</u>
48.33	<u>This appropriation is from the workers'</u>				
48.34	<u>compensation fund.</u>				

49.1 **ARTICLE 5**

49.2 **ECONOMIC DEVELOPMENT POLICY**

49.3 Section 1. Minnesota Statutes 2016, section 116J.8747, subdivision 2, is amended to read:

49.4 Subd. 2. **Qualified job training program.** To qualify for grants under this section, a
49.5 job training program must satisfy the following requirements:

49.6 (1) the program must be operated by a nonprofit corporation that qualifies under section
49.7 501(c)(3) of the Internal Revenue Code;

49.8 (2) the program must spend, on average, \$15,000 or more per graduate of the program;

49.9 (3) the program must provide education and training in:

49.10 (i) basic skills, such as reading, writing, mathematics, and communications;

49.11 (ii) thinking skills, such as reasoning, creative thinking, decision making, and problem
49.12 solving; and

49.13 (iii) personal qualities, such as responsibility, self-esteem, self-management, honesty,
49.14 and integrity;

49.15 (4) the program may provide income supplements, when needed, to participants for
49.16 housing, counseling, tuition, and other basic needs;

49.17 ~~(5) the program's education and training course must last for an average of at least six~~
49.18 ~~months;~~

49.19 ~~(6)~~ individuals served by the program must:

49.20 ~~(i)~~ be 18 years of age or older; as of the date of enrollment, and

49.21 ~~(ii)~~ have ~~federal adjusted gross~~ household income of no more than \$12,000 per year in
49.22 the calendar year immediately before entering the program that is 100 percent or less of the
49.23 federal poverty guideline for Minnesota, based on family size; and

49.24 ~~(iii)~~ have assets of no more than \$10,000, excluding the value of a homestead; and

49.25 ~~(iv)~~ not have been claimed as a dependent on the federal tax return of another person in
49.26 the previous taxable year; and

49.27 ~~(7)~~ (6) the program must be certified by the commissioner of employment and economic
49.28 development as meeting the requirements of this subdivision.

50.1 Sec. 2. Minnesota Statutes 2016, section 116J.8747, subdivision 4, is amended to read:

50.2 Subd. 4. **Duties of program.** (a) A program certified by the commissioner under
50.3 subdivision 2 must comply with the requirements of this subdivision.

50.4 (b) A program must maintain records for each qualified graduate. The records must
50.5 include information sufficient to verify the graduate's eligibility under this section, identify
50.6 the employer, and describe the job including its compensation rate and benefits.

50.7 (c) A program ~~must report by January 1 of each year to the commissioner. The report~~
50.8 ~~must include, at least, information on:~~ is subject to the reporting requirements under section
50.9 116L.98.

50.10 ~~(1) the number of graduates placed;~~

50.11 ~~(2) demographic information on the graduates;~~

50.12 ~~(3) the type of position in which each graduate is placed, including compensation~~
50.13 ~~information;~~

50.14 ~~(4) the tenure of each graduate at the placed position or in other jobs;~~

50.15 ~~(5) the amount of employer fees paid to the program;~~

50.16 ~~(6) the amount of money raised by the program from other sources; and~~

50.17 ~~(7) the types and sizes of employers with which graduates have been placed and retained.~~

50.18 Sec. 3. Minnesota Statutes 2017 Supplement, section 298.292, subdivision 2, is amended
50.19 to read:

50.20 Subd. 2. **Use of money.** (a) Money in the Douglas J. Johnson economic protection trust
50.21 fund may be used for the following purposes:

50.22 (1) to provide loans, loan guarantees, interest buy-downs and other forms of participation
50.23 with private sources of financing, but a loan to a private enterprise shall be for a principal
50.24 amount not to exceed one-half of the cost of the project for which financing is sought, and
50.25 the rate of interest on a loan to a private enterprise shall be no less than the lesser of eight
50.26 percent or an interest rate three percentage points less than a full faith and credit obligation
50.27 of the United States government of comparable maturity, at the time that the loan is approved;

50.28 (2) to fund reserve accounts established to secure the payment when due of the principal
50.29 of and interest on bonds issued pursuant to section 298.2211;

50.30 (3) to pay in periodic payments or in a lump-sum payment any or all of the interest on
50.31 bonds issued pursuant to chapter 474 for the purpose of constructing, converting, or

51.1 retrofitting heating facilities in connection with district heating systems or systems utilizing
51.2 alternative energy sources;

51.3 (4) to invest in a venture capital fund or enterprise that will provide capital to other
51.4 entities that are engaging in, or that will engage in, projects or programs that have the
51.5 purposes set forth in subdivision 1. No investments may be made in a venture capital fund
51.6 or enterprise unless at least two other unrelated investors make investments of at least
51.7 \$500,000 in the venture capital fund or enterprise, and the investment by the Douglas J.
51.8 Johnson economic protection trust fund may not exceed the amount of the largest investment
51.9 by an unrelated investor in the venture capital fund or enterprise. For purposes of this
51.10 subdivision, an "unrelated investor" is a person or entity that is not related to the entity in
51.11 which the investment is made or to any individual who owns more than 40 percent of the
51.12 value of the entity, in any of the following relationships: spouse, parent, child, sibling,
51.13 employee, or owner of an interest in the entity that exceeds ten percent of the value of all
51.14 interests in it. For purposes of determining the limitations under this clause, the amount of
51.15 investments made by an investor other than the Douglas J. Johnson economic protection
51.16 trust fund is the sum of all investments made in the venture capital fund or enterprise during
51.17 the period beginning one year before the date of the investment by the Douglas J. Johnson
51.18 economic protection trust fund; and

51.19 (5) to purchase forest land in the taconite assistance area defined in section 273.1341 to
51.20 be held and managed as a public trust for the benefit of the area for the purposes authorized
51.21 in section 298.22, subdivision 5a. Property purchased under this section may be sold by the
51.22 commissioner, after consultation with the advisory board. The net proceeds must be deposited
51.23 in the trust fund for the purposes and uses of this section.

51.24 (b) Money from the trust fund shall be expended only in or for the benefit of the taconite
51.25 assistance area defined in section 273.1341.

51.26 (c) Money devoted to the trust fund under this section shall not be expended, appropriated,
51.27 or transferred from the trust fund for any purpose except as provided in this section.

51.28 Sec. 4. Laws 2017, chapter 94, article 1, section 2, subdivision 2, is amended to read:

51.29 Subd. 2. **Business and Community Development** \$ 46,074,000 \$ 40,935,000

51.30 Appropriations by Fund

51.31 General \$43,363,000 \$38,424,000

51.32 Remediation \$700,000 \$700,000

51.33 Workforce
51.34 Development \$1,861,000 \$1,811,000

52.1 Special Revenue \$150,000 -0-

52.2 (a) \$4,195,000 each year is for the Minnesota
52.3 job skills partnership program under
52.4 Minnesota Statutes, sections 116L.01 to
52.5 116L.17. If the appropriation for either year
52.6 is insufficient, the appropriation for the other
52.7 year is available. This appropriation is
52.8 available until spent.

52.9 (b) \$750,000 each year is for grants to the
52.10 Neighborhood Development Center for small
52.11 business programs:

52.12 (1) training, lending, and business services;

52.13 (2) model outreach and training in greater
52.14 Minnesota; and

52.15 (3) development of new business incubators.

52.16 This is a onetime appropriation.

52.17 (c) \$1,175,000 each year is for a grant to the
52.18 Metropolitan Economic Development
52.19 Association (MEDA) for statewide business
52.20 development and assistance services, including
52.21 services to entrepreneurs with businesses that
52.22 have the potential to create job opportunities
52.23 for unemployed and underemployed people,
52.24 with an emphasis on minority-owned
52.25 businesses. This is a onetime appropriation.

52.26 (d) \$125,000 each year is for a grant to the
52.27 White Earth Nation for the White Earth Nation
52.28 Integrated Business Development System to
52.29 provide business assistance with workforce
52.30 development, outreach, technical assistance,
52.31 infrastructure and operational support,
52.32 financing, and other business development
52.33 activities. This is a onetime appropriation.

53.1 (e)(1) \$12,500,000 ~~each~~ the first year is and
53.2 \$10,500,000 the second year are for the
53.3 Minnesota investment fund under Minnesota
53.4 Statutes, section 116J.8731. Of this amount,
53.5 the commissioner of employment and
53.6 economic development may use up to three
53.7 percent for administration and monitoring of
53.8 the program. This appropriation is available
53.9 until spent. In fiscal year 2020 and beyond,
53.10 the base amount is \$12,500,000.

53.11 (2) Of the amount appropriated in fiscal year
53.12 2018, \$4,000,000 is for a loan to construct and
53.13 equip a wholesale electronic component
53.14 distribution center investing a minimum of
53.15 \$200,000,000 and constructing a facility at
53.16 least 700,000 square feet in size. Loan funds
53.17 may be used for purchases of materials,
53.18 supplies, and equipment for the construction
53.19 of the facility and are available from July 1,
53.20 2017, to June 30, 2021. The commissioner of
53.21 employment and economic development shall
53.22 forgive the loan after verification that the
53.23 project has satisfied performance goals and
53.24 contractual obligations as required under
53.25 Minnesota Statutes, section 116J.8731.

53.26 (3) Of the amount appropriated in fiscal year
53.27 2018, \$700,000 is for a loan to extend an
53.28 effluent pipe that will deliver reclaimed water
53.29 to an innovative waste-to-biofuel project
53.30 investing a minimum of \$150,000,000 and
53.31 constructing a facility that is designed to
53.32 process approximately 400,000 tons of waste
53.33 annually. Loan funds are available until June
53.34 30, 2021.

54.1 (4) Of the amount appropriated in fiscal year
54.2 2019, \$1,000,000 is for a grant to the city of
54.3 Minnetonka for a forgivable loan to a
54.4 high-risk, high-return jobs retention and
54.5 creation initiative to be conducted by a local
54.6 business that produces lactic acid/lactate, to
54.7 help grow and expand the bioeconomy in
54.8 Minnesota. The grant under this section is not
54.9 subject to the limitations under Minnesota
54.10 Statutes, section 116J.8731, subdivision 5, or
54.11 the performance goals, contractual obligations,
54.12 and other requirements under sections
54.13 116J.8731, subdivision 7, 116J.993, and
54.14 116J.994. Grant funds are available until June
54.15 30, 2021.

54.16 (5) Of the amount appropriated in fiscal year
54.17 2019, \$1,500,000 is for a loan to a paper mill
54.18 in Duluth to support the operation and
54.19 manufacture of packaging paper grades. The
54.20 company that owns the paper mill must spend
54.21 \$15,000,000 on expansion activities by
54.22 December 31, 2019, in order to be eligible to
54.23 receive funds in this appropriation. This
54.24 appropriation is onetime and may be used for
54.25 the mill's equipment, materials, supplies, and
54.26 other operating expenses. The commissioner
54.27 of employment and economic development
54.28 shall forgive a portion of the loan each year
54.29 after verification that the mill has retained 195
54.30 full-time jobs over a period of five years and
54.31 has satisfied other performance goals and
54.32 contractual obligations as required under
54.33 Minnesota Statutes, section 116J.8731.

54.34 (f) \$8,500,000 each year is for the Minnesota
54.35 job creation fund under Minnesota Statutes,

55.1 section 116J.8748. Of this amount, the
55.2 commissioner of employment and economic
55.3 development may use up to three percent for
55.4 administrative expenses. This appropriation
55.5 is available until expended. In fiscal year 2020
55.6 and beyond, the base amount is \$8,000,000.

55.7 (g) \$1,647,000 each year is for contaminated
55.8 site cleanup and development grants under
55.9 Minnesota Statutes, sections 116J.551 to
55.10 116J.558. This appropriation is available until
55.11 spent. In fiscal year 2020 and beyond, the base
55.12 amount is \$1,772,000.

55.13 (h) \$12,000 each year is for a grant to the
55.14 Upper Minnesota Film Office.

55.15 (i) \$163,000 each year is for the Minnesota
55.16 Film and TV Board. The appropriation in each
55.17 year is available only upon receipt by the
55.18 board of \$1 in matching contributions of
55.19 money or in-kind contributions from nonstate
55.20 sources for every \$3 provided by this
55.21 appropriation, except that each year up to
55.22 \$50,000 is available on July 1 even if the
55.23 required matching contribution has not been
55.24 received by that date.

55.25 (j) \$500,000 each year is from the general fund
55.26 for a grant to the Minnesota Film and TV
55.27 Board for the film production jobs program
55.28 under Minnesota Statutes, section 116U.26.
55.29 This appropriation is available until June 30,
55.30 2021.

55.31 (k) \$139,000 each year is for a grant to the
55.32 Rural Policy and Development Center under
55.33 Minnesota Statutes, section 116J.421.

56.1 (l)(1) \$1,300,000 each year is for the greater
56.2 Minnesota business development public
56.3 infrastructure grant program under Minnesota
56.4 Statutes, section 116J.431. This appropriation
56.5 is available until spent. If the appropriation
56.6 for either year is insufficient, the appropriation
56.7 for the other year is available. In fiscal year
56.8 2020 and beyond, the base amount is
56.9 \$1,787,000. Funds available under this
56.10 paragraph may be used for site preparation of
56.11 property owned and to be used by private
56.12 entities.

56.13 (2) Of the amounts appropriated, \$1,600,000
56.14 in fiscal year 2018 is for a grant to the city of
56.15 Thief River Falls to support utility extensions,
56.16 roads, and other public improvements related
56.17 to the construction of a wholesale electronic
56.18 component distribution center at least 700,000
56.19 square feet in size and investing a minimum
56.20 of \$200,000,000. Notwithstanding Minnesota
56.21 Statutes, section 116J.431, a local match is
56.22 not required. Grant funds are available from
56.23 July 1, 2017, to June 30, 2021.

56.24 (m) \$876,000 the first year and \$500,000 the
56.25 second year are for the Minnesota emerging
56.26 entrepreneur loan program under Minnesota
56.27 Statutes, section 116M.18. Funds available
56.28 under this paragraph are for transfer into the
56.29 emerging entrepreneur program special
56.30 revenue fund account created under Minnesota
56.31 Statutes, chapter 116M, and are available until
56.32 spent. Of this amount, up to four percent is for
56.33 administration and monitoring of the program.
56.34 In fiscal year 2020 and beyond, the base
56.35 amount is \$1,000,000.

57.1 (n) \$875,000 each year is for a grant to
57.2 Enterprise Minnesota, Inc. for the small
57.3 business growth acceleration program under
57.4 Minnesota Statutes, section 116O.115. This
57.5 is a onetime appropriation.

57.6 (o) \$250,000 in fiscal year 2018 is for a grant
57.7 to the Minnesota Design Center at the
57.8 University of Minnesota for the greater
57.9 Minnesota community design pilot project.

57.10 (p) \$275,000 in fiscal year 2018 is from the
57.11 general fund to the commissioner of
57.12 employment and economic development for
57.13 a grant to Community and Economic
57.14 Development Associates (CEDA) for an
57.15 economic development study and analysis of
57.16 the effects of current and projected economic
57.17 growth in southeast Minnesota. CEDA shall
57.18 report on the findings and recommendations
57.19 of the study to the committees of the house of
57.20 representatives and senate with jurisdiction
57.21 over economic development and workforce
57.22 issues by February 15, 2019. All results and
57.23 information gathered from the study shall be
57.24 made available for use by cities in southeast
57.25 Minnesota by March 15, 2019. This
57.26 appropriation is available until June 30, 2020.

57.27 (q) \$2,000,000 in fiscal year 2018 is for a
57.28 grant to Pillsbury United Communities for
57.29 construction and renovation of a building in
57.30 north Minneapolis for use as the "North
57.31 Market" grocery store and wellness center,
57.32 focused on offering healthy food, increasing
57.33 health care access, and providing job creation
57.34 and economic opportunities in one place for
57.35 children and families living in the area. To the

58.1 extent possible, Pillsbury United Communities
58.2 shall employ individuals who reside within a
58.3 five mile radius of the grocery store and
58.4 wellness center. This appropriation is not
58.5 available until at least an equal amount of
58.6 money is committed from nonstate sources.
58.7 This appropriation is available until the project
58.8 is completed or abandoned, subject to
58.9 Minnesota Statutes, section 16A.642.

58.10 (r) \$1,425,000 each year is for the business
58.11 development competitive grant program. Of
58.12 this amount, up to five percent is for
58.13 administration and monitoring of the business
58.14 development competitive grant program. All
58.15 grant awards shall be for two consecutive
58.16 years. Grants shall be awarded in the first year.

58.17 (s) \$875,000 each year is for the host
58.18 community economic development grant
58.19 program established in Minnesota Statutes,
58.20 section 116J.548.

58.21 (t) \$700,000 each year is from the remediation
58.22 fund for contaminated site cleanup and
58.23 development grants under Minnesota Statutes,
58.24 sections 116J.551 to 116J.558. This
58.25 appropriation is available until spent.

58.26 (u) \$161,000 each year is from the workforce
58.27 development fund for a grant to the Rural
58.28 Policy and Development Center. This is a
58.29 onetime appropriation.

58.30 (v) \$300,000 each year is from the workforce
58.31 development fund for a grant to Enterprise
58.32 Minnesota, Inc. This is a onetime
58.33 appropriation.

59.1 (w) \$50,000 in fiscal year 2018 is from the
59.2 workforce development fund for a grant to
59.3 Fighting Chance for behavioral intervention
59.4 programs for at-risk youth.

59.5 (x) \$1,350,000 each year is from the
59.6 workforce development fund for job training
59.7 grants under Minnesota Statutes, section
59.8 116L.42.

59.9 (y)(1) \$519,000 in fiscal year 2018 is for
59.10 grants to local communities to increase the
59.11 supply of quality child care providers in order
59.12 to support economic development. At least 60
59.13 percent of grant funds must go to communities
59.14 located outside of the seven-county
59.15 metropolitan area, as defined under Minnesota
59.16 Statutes, section 473.121, subdivision 2. Grant
59.17 recipients must obtain a 50 percent nonstate
59.18 match to grant funds in either cash or in-kind
59.19 contributions. Grant funds available under this
59.20 paragraph must be used to implement solutions
59.21 to reduce the child care shortage in the state
59.22 including but not limited to funding for child
59.23 care business start-ups or expansions, training,
59.24 facility modifications or improvements
59.25 required for licensing, and assistance with
59.26 licensing and other regulatory requirements.
59.27 In awarding grants, the commissioner must
59.28 give priority to communities that have
59.29 documented a shortage of child care providers
59.30 in the area.

59.31 (2) Within one year of receiving grant funds,
59.32 grant recipients must report to the
59.33 commissioner on the outcomes of the grant
59.34 program including but not limited to the
59.35 number of new providers, the number of

60.1 additional child care provider jobs created, the
60.2 number of additional child care slots, and the
60.3 amount of local funds invested.

60.4 (3) By January 1 of each year, starting in 2019,
60.5 the commissioner must report to the standing
60.6 committees of the legislature having
60.7 jurisdiction over child care and economic
60.8 development on the outcomes of the program
60.9 to date.

60.10 (z) \$319,000 in fiscal year 2018 is from the
60.11 general fund for a grant to the East Phillips
60.12 Improvement Coalition to create the East
60.13 Phillips Neighborhood Institute (EPNI) to
60.14 expand culturally tailored resources that
60.15 address small business growth and create
60.16 green jobs. The grant shall fund the
60.17 collaborative work of Tamales y Bicicletas,
60.18 Little Earth of the United Tribes, a nonprofit
60.19 serving East Africans, and other coalition
60.20 members towards developing EPNI as a
60.21 community space to host activities including,
60.22 but not limited to, creation and expansion of
60.23 small businesses, culturally specific
60.24 entrepreneurial activities, indoor urban
60.25 farming, job training, education, and skills
60.26 development for residents of this low-income,
60.27 environmental justice designated
60.28 neighborhood. Eligible uses for grant funds
60.29 include, but are not limited to, planning and
60.30 start-up costs, staff and consultant costs,
60.31 building improvements, rent, supplies, utilities,
60.32 vehicles, marketing, and program activities.
60.33 The commissioner shall submit a report on
60.34 grant activities and quantifiable outcomes to
60.35 the committees of the house of representatives

61.1 and the senate with jurisdiction over economic
61.2 development by December 15, 2020. This
61.3 appropriation is available until June 30, 2020.

61.4 (aa) \$150,000 the first year is from the
61.5 renewable development account in the special
61.6 revenue fund established in Minnesota
61.7 Statutes, section 116C.779, subdivision 1, to
61.8 conduct the biomass facility closure economic
61.9 impact study.

61.10 (bb)(1)\$300,000 in fiscal year 2018 is for a
61.11 grant to East Side Enterprise Center (ESEC)
61.12 to expand culturally tailored resources that
61.13 address small business growth and job
61.14 creation. This appropriation is available until
61.15 June 30, 2020. The appropriation shall fund
61.16 the work of African Economic Development
61.17 Solutions, the Asian Economic Development
61.18 Association, the Dayton's Bluff Community
61.19 Council, and the Latino Economic
61.20 Development Center in a collaborative
61.21 approach to economic development that is
61.22 effective with smaller, culturally diverse
61.23 communities that seek to increase the
61.24 productivity and success of new immigrant
61.25 and minority populations living and working
61.26 in the community. Programs shall provide
61.27 minority business growth and capacity
61.28 building that generate wealth and jobs creation
61.29 for local residents and business owners on the
61.30 East Side of St. Paul.

61.31 (2) In fiscal year 2019 ESEC shall use funds
61.32 to share its integrated service model and
61.33 evolving collaboration principles with civic
61.34 and economic development leaders in greater
61.35 Minnesota communities which have diverse

62.1 populations similar to the East Side of St. Paul.
62.2 ESEC shall submit a report of activities and
62.3 program outcomes, including quantifiable
62.4 measures of success annually to the house of
62.5 representatives and senate committees with
62.6 jurisdiction over economic development.

62.7 (cc) \$150,000 in fiscal year 2018 is for a grant
62.8 to Mille Lacs County for the purpose of
62.9 reimbursement grants to small resort
62.10 businesses located in the city of Isle with less
62.11 than \$350,000 in annual revenue, at least four
62.12 rental units, which are open during both
62.13 summer and winter months, and whose
62.14 business was adversely impacted by a decline
62.15 in walleye fishing on Lake Mille Lacs.

62.16 (dd)(1) \$250,000 in fiscal year 2018 is for a
62.17 grant to the Small Business Development
62.18 Center hosted at Minnesota State University,
62.19 Mankato, for a collaborative initiative with
62.20 the Regional Center for Entrepreneurial
62.21 Facilitation. Funds available under this section
62.22 must be used to provide entrepreneur and
62.23 small business development direct professional
62.24 business assistance services in the following
62.25 counties in Minnesota: Blue Earth, Brown,
62.26 Faribault, Le Sueur, Martin, Nicollet, Sibley,
62.27 Watonwan, and Waseca. For the purposes of
62.28 this section, "direct professional business
62.29 assistance services" must include, but is not
62.30 limited to, pre-venture assistance for
62.31 individuals considering starting a business.
62.32 This appropriation is not available until the
62.33 commissioner determines that an equal amount
62.34 is committed from nonstate sources. Any

63.1 balance in the first year does not cancel and
63.2 is available for expenditure in the second year.

63.3 (2) Grant recipients shall report to the
63.4 commissioner by February 1 of each year and
63.5 include information on the number of
63.6 customers served in each county; the number
63.7 of businesses started, stabilized, or expanded;
63.8 the number of jobs created and retained; and
63.9 business success rates in each county. By April
63.10 1 of each year, the commissioner shall report
63.11 the information submitted by grant recipients
63.12 to the chairs of the standing committees of the
63.13 house of representatives and the senate having
63.14 jurisdiction over economic development
63.15 issues.

63.16 (ee) \$500,000 in fiscal year 2018 is for the
63.17 central Minnesota opportunity grant program
63.18 established under Minnesota Statutes, section
63.19 116J.9922. This appropriation is available until
63.20 June 30, 2022.

63.21 Sec. 5. Laws 2017, chapter 94, article 1, section 2, subdivision 3, is amended to read:

63.22 Subd. 3. **Workforce Development** \$ 31,498,000 \$ 30,231,000

63.23 Appropriations by Fund			
63.24	General	\$6,239,000	\$5,889,000
63.25	Workforce		
63.26	Development	\$25,259,000	\$24,342,000

63.27 (a) \$500,000 each year is for the
63.28 youth-at-work competitive grant program
63.29 under Minnesota Statutes, section 116L.562.
63.30 Of this amount, up to five percent is for
63.31 administration and monitoring of the youth
63.32 workforce development competitive grant
63.33 program. All grant awards shall be for two
63.34 consecutive years. Grants shall be awarded in

64.1 the first year. In fiscal year 2020 and beyond,
64.2 the base amount is \$750,000.

64.3 (b) \$250,000 each year is for pilot programs
64.4 in the workforce service areas to combine
64.5 career and higher education advising.

64.6 (c) \$500,000 each year is for rural career
64.7 counseling coordinator positions in the
64.8 workforce service areas and for the purposes
64.9 specified in Minnesota Statutes, section
64.10 116L.667. The commissioner of employment
64.11 and economic development, in consultation
64.12 with local workforce investment boards and
64.13 local elected officials in each of the service
64.14 areas receiving funds, shall develop a method
64.15 of distributing funds to provide equitable
64.16 services across workforce service areas.

64.17 (d) \$1,000,000 each year is for a grant to the
64.18 Construction Careers Foundation for the
64.19 construction career pathway initiative to
64.20 provide year-round educational and
64.21 experiential learning opportunities for teens
64.22 and young adults under the age of 21 that lead
64.23 to careers in the construction industry. This is
64.24 a onetime appropriation. Grant funds must be
64.25 used to:

64.26 (1) increase construction industry exposure
64.27 activities for middle school and high school
64.28 youth, parents, and counselors to reach a more
64.29 diverse demographic and broader statewide
64.30 audience. This requirement includes, but is
64.31 not limited to, an expansion of programs to
64.32 provide experience in different crafts to youth
64.33 and young adults throughout the state;

65.1 (2) increase the number of high schools in
65.2 Minnesota offering construction classes during
65.3 the academic year that utilize a multicraft
65.4 curriculum;

65.5 (3) increase the number of summer internship
65.6 opportunities;

65.7 (4) enhance activities to support graduating
65.8 seniors in their efforts to obtain employment
65.9 in the construction industry;

65.10 (5) increase the number of young adults
65.11 employed in the construction industry and
65.12 ensure that they reflect Minnesota's diverse
65.13 workforce; and

65.14 (6) enhance an industrywide marketing
65.15 campaign targeted to youth and young adults
65.16 about the depth and breadth of careers within
65.17 the construction industry.

65.18 Programs and services supported by grant
65.19 funds must give priority to individuals and
65.20 groups that are economically disadvantaged
65.21 or historically underrepresented in the
65.22 construction industry, including but not limited
65.23 to women, veterans, and members of minority
65.24 and immigrant groups.

65.25 (e) \$1,539,000 each year from the general fund
65.26 and \$4,604,000 each year from the workforce
65.27 development fund are for the Pathways to
65.28 Prosperity adult workforce development
65.29 competitive grant program. Of this amount,
65.30 up to four percent is for administration and
65.31 monitoring of the program. When awarding
65.32 grants under this paragraph, the commissioner
65.33 of employment and economic development
65.34 may give preference to any previous grantee

66.1 with demonstrated success in job training and
66.2 placement for hard-to-train individuals. In
66.3 fiscal year 2020 and beyond, the general fund
66.4 base amount for this program is \$4,039,000.

66.5 (f) \$750,000 each year is for a competitive
66.6 grant program to provide grants to
66.7 organizations that provide support services for
66.8 individuals, such as job training, employment
66.9 preparation, internships, job assistance to
66.10 fathers, financial literacy, academic and
66.11 behavioral interventions for low-performing
66.12 students, and youth intervention. Grants made
66.13 under this section must focus on low-income
66.14 communities, young adults from families with
66.15 a history of intergenerational poverty, and
66.16 communities of color. Of this amount, up to
66.17 four percent is for administration and
66.18 monitoring of the program. In fiscal year 2020
66.19 and beyond, the base amount is \$1,000,000.

66.20 (g) \$500,000 each year is for the women and
66.21 high-wage, high-demand, nontraditional jobs
66.22 grant program under Minnesota Statutes,
66.23 section 116L.99. Of this amount, up to five
66.24 percent is for administration and monitoring
66.25 of the program. In fiscal year 2020 and
66.26 beyond, the base amount is \$750,000.

66.27 (h) \$500,000 each year is for a competitive
66.28 grant program for grants to organizations
66.29 providing services to relieve economic
66.30 disparities in the Southeast Asian community
66.31 through workforce recruitment, development,
66.32 job creation, assistance of smaller
66.33 organizations to increase capacity, and
66.34 outreach. Of this amount, up to five percent
66.35 is for administration and monitoring of the

67.1 program. In fiscal year 2020 and beyond, the
67.2 base amount is \$1,000,000.

67.3 (i) \$250,000 each year is for a grant to the
67.4 American Indian Opportunities and
67.5 Industrialization Center, in collaboration with
67.6 the Northwest Indian Community
67.7 Development Center, to reduce academic
67.8 disparities for American Indian students and
67.9 adults. This is a onetime appropriation. The
67.10 grant funds may be used to provide:

67.11 (1) student tutoring and testing support
67.12 services;

67.13 (2) training in information technology;

67.14 (3) assistance in obtaining a GED;

67.15 (4) remedial training leading to enrollment in
67.16 a postsecondary higher education institution;

67.17 (5) real-time work experience in information
67.18 technology fields; and

67.19 (6) contextualized adult basic education.

67.20 After notification to the legislature, the
67.21 commissioner may transfer this appropriation
67.22 to the commissioner of education.

67.23 (j) \$100,000 each year is for the getting to
67.24 work grant program. This is a onetime
67.25 appropriation and is available until June 30,
67.26 2021.

67.27 (k) \$525,000 each year is from the workforce
67.28 development fund for a grant to the YWCA
67.29 of Minneapolis to provide economically
67.30 challenged individuals the job skills training,
67.31 career counseling, and job placement
67.32 assistance necessary to secure a child
67.33 development associate credential and to have

68.1 a career path in early childhood education.

68.2 This is a onetime appropriation.

68.3 (l) \$1,350,000 each year is from the workforce

68.4 development fund for a grant to the Minnesota

68.5 High Tech Association to support

68.6 SciTechsperience, a program that supports

68.7 science, technology, engineering, and math

68.8 (STEM) internship opportunities for two- and

68.9 four-year college students and graduate

68.10 students in their field of study. The internship

68.11 opportunities must match students with paid

68.12 internships within STEM disciplines at small,

68.13 for-profit companies located in Minnesota,

68.14 having fewer than 250 employees worldwide.

68.15 At least 300 students must be matched in the

68.16 first year and at least 350 students must be

68.17 matched in the second year. No more than 15

68.18 percent of the hires may be graduate students.

68.19 Selected hiring companies shall receive from

68.20 the grant 50 percent of the wages paid to the

68.21 intern, capped at \$2,500 per intern. The

68.22 program must work toward increasing the

68.23 participation of women or other underserved

68.24 populations. This is a onetime appropriation.

68.25 (m) \$450,000 each year is from the workforce

68.26 development fund for grants to Minnesota

68.27 Diversified Industries, Inc. to provide

68.28 progressive development and employment

68.29 opportunities for people with disabilities. This

68.30 is a onetime appropriation.

68.31 (n) \$500,000 each year is from the workforce

68.32 development fund for a grant to Resource, Inc.

68.33 to provide low-income individuals career

68.34 education and job skills training that are fully

69.1 integrated with chemical and mental health
69.2 services. This is a onetime appropriation.

69.3 (o) \$750,000 each year is from the workforce
69.4 development fund for a grant to the Minnesota
69.5 Alliance of Boys and Girls Clubs to administer
69.6 a statewide project of youth job skills and
69.7 career development. This project, which may
69.8 have career guidance components including
69.9 health and life skills, is designed to encourage,
69.10 train, and assist youth in early access to
69.11 education and job-seeking skills, work-based
69.12 learning experience including career pathways
69.13 in STEM learning, career exploration and
69.14 matching, and first job placement through
69.15 local community partnerships and on-site job
69.16 opportunities. This grant requires a 25 percent
69.17 match from nonstate resources. This is a
69.18 onetime appropriation.

69.19 (p) \$215,000 each year is from the workforce
69.20 development fund for grants to Big Brothers,
69.21 Big Sisters of the Greater Twin Cities for
69.22 workforce readiness, employment exploration,
69.23 and skills development for youth ages 12 to
69.24 21. The grant must serve youth in the Twin
69.25 Cities, Central Minnesota, and Southern
69.26 Minnesota Big Brothers, Big Sisters chapters.
69.27 This is a onetime appropriation.

69.28 (q) \$250,000 each year is from the workforce
69.29 development fund for a grant to YWCA St.
69.30 Paul to provide job training services and
69.31 workforce development programs and
69.32 services, including job skills training and
69.33 counseling. This is a onetime appropriation.

69.34 (r) \$1,000,000 each year is from the workforce
69.35 development fund for a grant to EMERGE

70.1 Community Development, in collaboration
70.2 with community partners, for services
70.3 targeting Minnesota communities with the
70.4 highest concentrations of African and
70.5 African-American joblessness, based on the
70.6 most recent census tract data, to provide
70.7 employment readiness training, credentialed
70.8 training placement, job placement and
70.9 retention services, supportive services for
70.10 hard-to-employ individuals, and a general
70.11 education development fast track and adult
70.12 diploma program. This is a onetime
70.13 appropriation.

70.14 (s) \$1,000,000 each year is from the workforce
70.15 development fund for a grant to the
70.16 Minneapolis Foundation for a strategic
70.17 intervention program designed to target and
70.18 connect program participants to meaningful,
70.19 sustainable living-wage employment. This is
70.20 a onetime appropriation.

70.21 (t) \$750,000 each year is from the workforce
70.22 development fund for a grant to Latino
70.23 Communities United in Service (CLUES) to
70.24 expand culturally tailored programs that
70.25 address employment and education skill gaps
70.26 for working parents and underserved youth by
70.27 providing new job skills training to stimulate
70.28 higher wages for low-income people, family
70.29 support systems designed to reduce
70.30 intergenerational poverty, and youth
70.31 programming to promote educational
70.32 advancement and career pathways. At least
70.33 50 percent of this amount must be used for
70.34 programming targeted at greater Minnesota.
70.35 This is a onetime appropriation.

71.1 (u) \$600,000 each year is from the workforce
71.2 development fund for a grant to Ujamaa Place
71.3 for job training, employment preparation,
71.4 internships, education, training in the
71.5 construction trades, housing, and
71.6 organizational capacity building. This is a
71.7 onetime appropriation.

71.8 (v) \$1,297,000 in the first year and \$800,000
71.9 in the second year are from the workforce
71.10 development fund for performance grants
71.11 under Minnesota Statutes, section 116J.8747,
71.12 to Twin Cities R!SE to provide training to
71.13 hard-to-train individuals. Of the amounts
71.14 appropriated, \$497,000 in fiscal year 2018 is
71.15 for a grant to Twin Cities R!SE, in
71.16 collaboration with Metro Transit and Hennepin
71.17 Technical College for the Metro Transit
71.18 technician training program. This is a onetime
71.19 appropriation and funds are available until
71.20 June 30, 2020.

71.21 (w) \$230,000 in fiscal year 2018 is from the
71.22 workforce development fund for a grant to the
71.23 Bois Forte Tribal Employment Rights Office
71.24 (TERO) for an American Indian workforce
71.25 development training pilot project. This is a
71.26 onetime appropriation and is available until
71.27 June 30, 2019. Funds appropriated the first
71.28 year are available for use in the second year
71.29 of the biennium.

71.30 (x) \$40,000 in fiscal year 2018 is from the
71.31 workforce development fund for a grant to the
71.32 Cook County Higher Education Board to
71.33 provide educational programming and
71.34 academic support services to remote regions
71.35 in northeastern Minnesota. This appropriation

72.1 is in addition to other funds previously
72.2 appropriated to the board.

72.3 (y) \$250,000 each year is from the workforce
72.4 development fund for a grant to Bridges to
72.5 Healthcare to provide career education,
72.6 wraparound support services, and job skills
72.7 training in high-demand health care fields to
72.8 low-income parents, nonnative speakers of
72.9 English, and other hard-to-train individuals,
72.10 helping families build secure pathways out of
72.11 poverty while also addressing worker
72.12 shortages in one of Minnesota's most
72.13 innovative industries. Funds may be used for
72.14 program expenses, including, but not limited
72.15 to, hiring instructors and navigators; space
72.16 rental; and supportive services to help
72.17 participants attend classes, including assistance
72.18 with course fees, child care, transportation,
72.19 and safe and stable housing. In addition, up to
72.20 five percent of grant funds may be used for
72.21 Bridges to Healthcare's administrative costs.
72.22 This is a onetime appropriation and is
72.23 available until June 30, 2020.

72.24 (z) \$500,000 each year is from the workforce
72.25 development fund for a grant to the Nonprofits
72.26 Assistance Fund to provide capacity-building
72.27 grants to small, culturally specific
72.28 organizations that primarily serve historically
72.29 underserved cultural communities. Grants may
72.30 only be awarded to nonprofit organizations
72.31 that have an annual organizational budget of
72.32 less than \$500,000 and are culturally specific
72.33 organizations that primarily serve historically
72.34 underserved cultural communities. Grant funds
72.35 awarded must be used for:

73.1 (1) organizational infrastructure improvement,
73.2 including developing database management
73.3 systems and financial systems, or other
73.4 administrative needs that increase the
73.5 organization's ability to access new funding
73.6 sources;

73.7 (2) organizational workforce development,
73.8 including hiring culturally competent staff,
73.9 training and skills development, and other
73.10 methods of increasing staff capacity; or

73.11 (3) creation or expansion of partnerships with
73.12 existing organizations that have specialized
73.13 expertise in order to increase the capacity of
73.14 the grantee organization to improve services
73.15 for the community. Of this amount, up to five
73.16 percent may be used by the Nonprofits
73.17 Assistance Fund for administration costs and
73.18 providing technical assistance to potential
73.19 grantees. This is a onetime appropriation.

73.20 (aa) \$4,050,000 each year is from the
73.21 workforce development fund for the
73.22 Minnesota youth program under Minnesota
73.23 Statutes, sections 116L.56 and 116L.561.

73.24 (bb) \$1,000,000 each year is from the
73.25 workforce development fund for the
73.26 youthbuild program under Minnesota Statutes,
73.27 sections 116L.361 to 116L.366.

73.28 (cc) \$3,348,000 each year is from the
73.29 workforce development fund for the "Youth
73.30 at Work" youth workforce development
73.31 competitive grant program. Of this amount,
73.32 up to five percent is for administration and
73.33 monitoring of the youth workforce
73.34 development competitive grant program. All

74.1 grant awards shall be for two consecutive
74.2 years. Grants shall be awarded in the first year.

74.3 (dd) \$500,000 each year is from the workforce
74.4 development fund for the Opportunities
74.5 Industrialization Center programs.

74.6 (ee) \$750,000 each year is from the workforce
74.7 development fund for a grant to Summit
74.8 Academy OIC to expand its contextualized
74.9 GED and employment placement program.
74.10 This is a onetime appropriation.

74.11 (ff) \$500,000 each year is from the workforce
74.12 development fund for a grant to
74.13 Goodwill-Easter Seals Minnesota and its
74.14 partners. The grant shall be used to continue
74.15 the FATHER Project in Rochester, Park
74.16 Rapids, St. Cloud, Minneapolis, and the
74.17 surrounding areas to assist fathers in
74.18 overcoming barriers that prevent fathers from
74.19 supporting their children economically and
74.20 emotionally. This is a onetime appropriation.

74.21 (gg) \$150,000 each year is from the workforce
74.22 development fund for displaced homemaker
74.23 programs under Minnesota Statutes, section
74.24 116L.96. The commissioner shall distribute
74.25 the funds to existing nonprofit and state
74.26 displaced homemaker programs. This is a
74.27 onetime appropriation.

74.28 (hh)(1) \$150,000 in fiscal year 2018 is from
74.29 the workforce development fund for a grant
74.30 to Anoka County to develop and implement
74.31 a pilot program to increase competitive
74.32 employment opportunities for transition-age
74.33 youth ages 18 to 21.

75.1 (2) The competitive employment for
75.2 transition-age youth pilot program shall
75.3 include career guidance components, including
75.4 health and life skills, to encourage, train, and
75.5 assist transition-age youth in job-seeking
75.6 skills, workplace orientation, and job site
75.7 knowledge.

75.8 (3) In operating the pilot program, Anoka
75.9 County shall collaborate with schools,
75.10 disability providers, jobs and training
75.11 organizations, vocational rehabilitation
75.12 providers, and employers to build upon
75.13 opportunities and services, to prepare
75.14 transition-age youth for competitive
75.15 employment, and to enhance employer
75.16 connections that lead to employment for the
75.17 individuals served.

75.18 (4) Grant funds may be used to create an
75.19 on-the-job training incentive to encourage
75.20 employers to hire and train qualifying
75.21 individuals. A participating employer may
75.22 receive up to 50 percent of the wages paid to
75.23 the employee as a cost reimbursement for
75.24 on-the-job training provided.

75.25 (ii) \$500,000 each year is from the workforce
75.26 development fund for rural career counseling
75.27 coordinator positions in the workforce service
75.28 areas and for the purposes specified in
75.29 Minnesota Statutes, section 116L.667. The
75.30 commissioner of employment and economic
75.31 development, in consultation with local
75.32 workforce investment boards and local elected
75.33 officials in each of the service areas receiving
75.34 funds, shall develop a method of distributing

76.1 funds to provide equitable services across
76.2 workforce service areas.

76.3 (jj) In calendar year 2017, the public utility
76.4 subject to Minnesota Statutes, section
76.5 116C.779, must withhold \$1,000,000 from the
76.6 funds required to fulfill its financial
76.7 commitments under Minnesota Statutes,
76.8 section 116C.779, subdivision 1, and pay such
76.9 amounts to the commissioner of employment
76.10 and economic development for deposit in the
76.11 Minnesota 21st century fund under Minnesota
76.12 Statutes, section 116J.423.

76.13 (kk) \$350,000 in fiscal year 2018 is for a grant
76.14 to AccessAbility Incorporated to provide job
76.15 skills training to individuals who have been
76.16 released from incarceration for a felony-level
76.17 offense and are no more than 12 months from
76.18 the date of release. AccessAbility Incorporated
76.19 shall annually report to the commissioner on
76.20 how the money was spent and the results
76.21 achieved. The report must include, at a
76.22 minimum, information and data about the
76.23 number of participants; participant
76.24 homelessness, employment, recidivism, and
76.25 child support compliance; and training
76.26 provided to program participants.

76.27 Sec. 6. Laws 2017, chapter 94, article 1, section 9, is amended to read:

76.28 **Sec. 9. PUBLIC FACILITIES AUTHORITY \$ 1,800,000 \$ -0-**

76.29 (a) \$300,000 in fiscal year 2018 is for a grant
76.30 to the city of New Trier to replace water
76.31 infrastructure under Hogan Avenue, including
76.32 related road reconstruction, and to acquire land
76.33 for predesign, design, and construction of a
76.34 storm water pond that will be colocated with

77.1 the pond of the new subdivision. This
 77.2 appropriation does not require a nonstate
 77.3 contribution.

77.4 (b) \$600,000 in fiscal year 2018 is for a grant
 77.5 to the Ramsey/Washington Recycling and
 77.6 Energy Board to design, construct, and equip
 77.7 capital improvements to the
 77.8 Ramsey/Washington Recycling and Energy
 77.9 Center in Newport.

77.10 (c) \$900,000 in fiscal year 2018 is for a grant
 77.11 to the Clear Lake-Clearwater Sewer Authority
 77.12 to remove and replace the existing wastewater
 77.13 treatment facility. This project is intended to
 77.14 prevent the discharge of phosphorus into the
 77.15 Mississippi River. This appropriation is not
 77.16 available until the commissioner of
 77.17 management and budget determines that at
 77.18 least \$200,000 is committed to the project
 77.19 from nonstate sources and the authority has
 77.20 applied for at least two grants to offset the
 77.21 cost. An amount equal to any grant money
 77.22 received by the authority must be returned to
 77.23 the general fund. This appropriation is
 77.24 available until June 30, 2019.

77.25 ARTICLE 6

77.26 LABOR AND INDUSTRY

77.27 Section 1. Minnesota Statutes 2017 Supplement, section 175.46, subdivision 13, is amended
 77.28 to read:

77.29 Subd. 13. **Grant awards.** (a) The commissioner shall award grants to local partnerships
 77.30 located throughout the state, not to exceed \$100,000 per local partnership grant. The
 77.31 commissioner may use up to five percent of this amount for administration of the grant
 77.32 program.

78.1 (b) A local partnership awarded a grant under this section must use the grant award for
78.2 any of the following implementation and coordination activities:

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

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

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

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

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

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

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

78.19 Sec. 2. Minnesota Statutes 2016, section 326B.106, subdivision 9, is amended to read:

78.20 Subd. 9. **Accessibility.** (a) **Public buildings.** The code must ~~provide for making~~ require
78.21 new public buildings constructed or remodeled after July 1, 1963, and existing public
78.22 buildings when remodeled, to be accessible to and usable by persons with disabilities;
78.23 ~~although this does not require the remodeling of public buildings solely to provide~~
78.24 ~~accessibility and usability to persons with disabilities when remodeling would not otherwise~~
78.25 ~~be undertaken.~~

78.26 (b) **Leased space.** No agency of the state may lease space for agency operations in a
78.27 non-state-owned building unless the building satisfies the requirements of the State Building
78.28 Code for accessibility by persons with disabilities, or is eligible to display the state symbol
78.29 of accessibility. This limitation applies to leases of 30 days or more for space of at least
78.30 1,000 square feet.

78.31 (c) **Meetings or conferences.** Meetings or conferences for the public or for state
78.32 employees which are sponsored in whole or in part by a state agency must be held in

79.1 buildings that meet the State Building Code requirements relating to accessibility for persons
 79.2 with disabilities. This subdivision does not apply to any classes, seminars, or training
 79.3 programs offered by the Minnesota State Colleges and Universities or the University of
 79.4 Minnesota. Meetings or conferences intended for specific individuals none of whom need
 79.5 the accessibility features for persons with disabilities specified in the State Building Code
 79.6 need not comply with this subdivision unless a person with a disability gives reasonable
 79.7 advance notice of an intent to attend the meeting or conference. When sign language
 79.8 interpreters will be provided, meetings or conference sites must be chosen which allow
 79.9 participants who are deaf or hard-of-hearing to see the sign language interpreters clearly.

79.10 (d) **Exemptions.** The commissioner may grant an exemption from the requirements of
 79.11 paragraphs (b) and (c) in advance if an agency has demonstrated that reasonable efforts
 79.12 were made to secure facilities which complied with those requirements and if the selected
 79.13 facilities are the best available for access for persons with disabilities. Exemptions shall be
 79.14 granted using criteria developed by the commissioner in consultation with the Council on
 79.15 Disability.

79.16 (e) **Symbol indicating access.** The wheelchair symbol adopted by Rehabilitation
 79.17 International's Eleventh World Congress is the state symbol indicating buildings, facilities,
 79.18 and grounds which are accessible to and usable by persons with disabilities. In the interests
 79.19 of uniformity, this symbol is the sole symbol for display in or on all public or private
 79.20 buildings, facilities, and grounds which qualify for its use. The secretary of state shall obtain
 79.21 the symbol and keep it on file. No building, facility, or grounds may display the symbol
 79.22 unless it is in compliance with the rules adopted by the commissioner under subdivision 1.
 79.23 Before any rules are proposed for adoption under this paragraph, the commissioner shall
 79.24 consult with the Council on Disability. Rules adopted under this paragraph must be enforced
 79.25 in the same way as other accessibility rules of the State Building Code.

79.26 Sec. 3. Minnesota Statutes 2016, section 326B.815, subdivision 1, is amended to read:

79.27 Subdivision 1. **Fees.** (a) For the purposes of calculating fees under section 326B.092,
 79.28 an initial or renewed residential contractor, residential remodeler, or residential roofer license
 79.29 is a business license. Notwithstanding section 326B.092, the licensing fee for manufactured
 79.30 home installers under section 327B.041 is ~~\$300~~ \$180 for a three-year period.

79.31 (b) All initial and renewal licenses, except for manufactured home installer licenses,
 79.32 shall be effective for two years and shall expire on March 31 of the year after the year in
 79.33 which the application is made.

80.1 (c) The commissioner shall in a manner determined by the commissioner, without the
80.2 need for any rulemaking under chapter 14, phase in the renewal of residential contractor,
80.3 residential remodeler, and residential roofer licenses from one year to two years. By June
80.4 30, 2011, all renewed residential contractor, residential remodeler, and residential roofer
80.5 licenses shall be two-year licenses.

80.6 Sec. 4. Minnesota Statutes 2016, section 327B.041, is amended to read:

80.7 **327B.041 MANUFACTURED HOME INSTALLERS.**

80.8 (a) Manufactured home installers are subject to all of the fees in section 326B.092 and
80.9 the requirements of sections 326B.802 to 326B.885, except for the following:

80.10 (1) manufactured home installers are not subject to the continuing education requirements
80.11 of sections 326B.0981, 326B.099, and 326B.821, but are subject to the continuing education
80.12 requirements established in rules adopted under section 327B.10;

80.13 (2) the examination requirement of section 326B.83, subdivision 3, for manufactured
80.14 home installers shall be satisfied by successful completion of a written examination
80.15 administered and developed specifically for the examination of manufactured home installers.
80.16 The examination must be administered and developed by the commissioner. The
80.17 commissioner and the state building official shall seek advice on the grading, monitoring,
80.18 and updating of examinations from the Minnesota Manufactured Housing Association;

80.19 (3) a local government unit may not place a surcharge on a license fee, and may not
80.20 charge a separate fee to installers;

80.21 (4) a dealer or distributor who does not install or repair manufactured homes is exempt
80.22 from licensure under sections 326B.802 to 326B.885;

80.23 (5) the exemption under section 326B.805, subdivision 6, clause (5), does not apply;
80.24 and

80.25 (6) manufactured home installers are not subject to the contractor recovery fund in
80.26 section 326B.89.

80.27 (b) The commissioner may waive all or part of the requirements for licensure as a
80.28 manufactured home installer for any individual who holds an unexpired license or certificate
80.29 issued by any other state or other United States jurisdiction if the licensing requirements of
80.30 that jurisdiction meet or exceed the corresponding licensing requirements of the department
80.31 and the individual complies with section 326B.092, subdivisions 1 and 3 to 7. ~~For the~~

81.1 ~~purposes of calculating fees under section 326B.092, licensure as a manufactured home~~
 81.2 ~~installer is a business license.~~

81.3 Sec. 5. Laws 2017, chapter 94, article 1, section 4, subdivision 5, is amended to read:

81.4	Subd. 5. General Support	6,239,000	6,539,000
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81.5	Appropriations by Fund
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81.6	Workforce
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81.7	Development Fund	200,000	500,000
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81.8	Workers'
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81.9	Compensation	6,039,000	6,039,000
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81.10 (a) Except as provided in paragraphs (b) and
 81.11 (c), this appropriation is from the workers'
 81.12 compensation fund.

81.13 (b) \$200,000 in fiscal year 2018 is from the
 81.14 workforce development fund for the
 81.15 commissioner of labor and industry to convene
 81.16 and collaborate with stakeholders as provided
 81.17 under Minnesota Statutes, section 175.46,
 81.18 subdivision 3, and to develop youth skills
 81.19 training competencies for approved
 81.20 occupations. This is a onetime appropriation.

81.21 (c) \$500,000 in fiscal year 2019 is from the
 81.22 workforce development fund to administer the
 81.23 youth skills training program under Minnesota
 81.24 Statutes, section 175.46. The commissioner
 81.25 shall award up to five grants each year to local
 81.26 partnerships located throughout the state, not
 81.27 to exceed \$100,000 per local partnership grant.
 81.28 The commissioner may use ~~a portion~~ up to
 81.29 five percent of this appropriation for
 81.30 administration of the grant program. The base
 81.31 amount for this program is ~~\$500,000~~.
 81.32 \$1,000,000 each year beginning in fiscal year
 81.33 2020.

82.1

ARTICLE 7

82.2

WORKERS' COMPENSATION

82.3 Section 1. Minnesota Statutes 2017 Supplement, section 15A.083, subdivision 7, is
82.4 amended to read:

82.5 **Subd. 7. Workers' Compensation Court of Appeals and compensation judges.**

82.6 Salaries of judges of the Workers' Compensation Court of Appeals are ~~98.52~~ 105 percent
82.7 of the salary for ~~district Court~~ workers' compensation judges at the Office of Administrative
82.8 Hearings. The salary of the chief judge of the Workers' Compensation Court of Appeals is
82.9 ~~98.52~~ 107 percent of the salary for a ~~chief district Court judge~~ workers' compensation judges
82.10 at the Office of Administrative Hearings. Salaries of compensation judges are 98.52 percent
82.11 of the salary of district court judges.

82.12 Sec. 2. Minnesota Statutes 2016, section 175A.05, is amended to read:

82.13 **175A.05 QUORUM.**

82.14 **Subdivision 1. Judges' quorum.** A majority of the judges of the Workers' Compensation
82.15 Court of Appeals shall constitute a quorum for the exercise of the powers conferred and the
82.16 duties imposed on the Workers' Compensation Court of Appeals except that all appeals
82.17 shall be heard by no more than a panel of three of the five judges unless the case appealed
82.18 is determined to be of exceptional importance by the chief judge prior to assignment of the
82.19 case to a panel, or by a three-fifths vote of the judges prior to assignment of the case to a
82.20 panel or after the case has been considered by the panel but prior to the service and filing
82.21 of the decision.

82.22 **Subd. 2. Vacancy.** A vacancy shall not impair the ability of the remaining judges of the
82.23 Workers' Compensation Court of Appeals to exercise all the powers and perform all of the
82.24 duties of the Workers' Compensation Court of Appeals.

82.25 **Subd. 3. Retired judges.** If the number of Workers' Compensation Court of Appeals
82.26 judges available to hear a case is insufficient to constitute a quorum, the chief judge of the
82.27 Workers' Compensation Court of Appeals may, with the retired judge's consent, assign a
82.28 judge who is retired from the Workers' Compensation Court of Appeals or the Office of
82.29 Administrative Hearings to hear any case properly assigned to a judge of the Workers'
82.30 Compensation Court of Appeals. The retired judge assigned to the case may act on it with
82.31 the full powers of the judge of the Workers' Compensation Court of Appeals. A retired
82.32 judge performing this service shall receive pay and expenses in the amount and manner

83.1 provided by law for judges serving on the court, less the amount of retirement pay the judge
 83.2 is receiving under chapter 352 or 490.

83.3 **EFFECTIVE DATE.** This section is effective June 1, 2018.

83.4 Sec. 3. Minnesota Statutes 2016, section 176.231, subdivision 9, is amended to read:

83.5 Subd. 9. **Uses ~~which~~ that may be made of reports.** (a) Reports filed with the
 83.6 commissioner under this section may be used in hearings held under this chapter, and for
 83.7 the purpose of state investigations and for statistics. These reports are available to the
 83.8 Department of Revenue for use in enforcing Minnesota income tax and property tax refund
 83.9 laws, and the information shall be protected as provided in chapter 270B.

83.10 (b) The division or Office of Administrative Hearings or Workers' Compensation Court
 83.11 of Appeals may permit the examination of its file by the employer, insurer, employee, or
 83.12 dependent of a deceased employee or any person who furnishes ~~written~~ signed authorization
 83.13 to do so from the employer, insurer, employee, or dependent of a deceased employee.
 83.14 Reports filed under this section and other information the commissioner has regarding
 83.15 injuries or deaths shall be made available to the Workers' Compensation Reinsurance
 83.16 Association for use by the association in carrying out its responsibilities under chapter 79.

83.17 (c) The division may provide the worker identification number assigned under section
 83.18 176.275, subdivision 1, without a written authorization required under paragraph (b) to an:

83.19 (1) attorney who represents one of the persons described in paragraph (b);

83.20 (2) attorney who represents an intervenor or potential intervenor under section 176.361;

83.21 (3) intervenor; or

83.22 (4) employee's assigned qualified rehabilitation consultant under section 176.102.

83.23 **EFFECTIVE DATE.** This section is effective June 1, 2018.

83.24 Sec. 4. **[176.2751] COORDINATION OF THE OFFICE OF ADMINISTRATIVE**
 83.25 **HEARINGS' CASE MANAGEMENT SYSTEM AND THE WORKERS'**
 83.26 **COMPENSATION IMAGING SYSTEM.**

83.27 Subdivision 1. **Definitions.** (a) For purposes of this section, the definitions in this
 83.28 subdivision apply unless otherwise specified.

83.29 (b) "Commissioner" means the commissioner of labor and industry.

83.30 (c) "Department" means the Department of Labor and Industry.

84.1 (d) "Document" includes all data, whether in electronic or paper format, that is filed
84.2 with or issued by the office or department related to a claim-specific dispute resolution
84.3 proceeding under this section.

84.4 (e) "Office" means the Office of Administrative Hearings.

84.5 Subd. 2. **Applicability.** This section governs coordination of the office's case management
84.6 system and the workers' compensation imaging system pending completion of the workers'
84.7 compensation modernization program. This section prevails over any conflicting provision
84.8 in this chapter, Laws 1998, chapter 366, or corresponding rules.

84.9 Subd. 3. **Documents that must be filed with the office.** Except as provided in
84.10 subdivision 4 and section 176.421, all documents that require action by the office under
84.11 this chapter must be filed, electronically or in paper format, with the office as required by
84.12 the chief administrative law judge. Filing a document that initiates or is filed in preparation
84.13 for a proceeding at the office satisfies any requirement under this chapter that the document
84.14 must be filed with the commissioner.

84.15 Subd. 4. **Documents that must be filed with the commissioner.** (a) The following
84.16 documents must be filed directly with the commissioner in the format and manner prescribed
84.17 by the commissioner:

84.18 (1) all requests for an administrative conference under section 176.106, regardless of
84.19 the amount in dispute;

84.20 (2) a motion to intervene in an administrative conference that is pending at the department;

84.21 (3) any other document related to an administrative conference that is pending at the
84.22 department;

84.23 (4) an objection to a penalty assessed by the commissioner or department;

84.24 (5) requests for medical and rehabilitation dispute certification under section 176.081,
84.25 subdivision 1, paragraph (c), including related documents; and

84.26 (6) except as provided in this subdivision or subdivision 3, any other document required
84.27 to be filed with the commissioner.

84.28 (b) The filing requirement in paragraph (a), clause (1), makes no changes to the
84.29 jurisdictional provisions in section 176.106. A claim petition that contains only medical or
84.30 rehabilitation issues, unless primary liability is disputed, is considered to be a request for
84.31 an administrative conference and must be filed with the commissioner.

85.1 (c) The commissioner must refer a timely, unresolved objection to a penalty under
 85.2 paragraph (a), clause (4), to the office within 60 calendar days.

85.3 Subd. 5. **Form revision.** The commissioner must revise dispute resolution forms, in
 85.4 consultation with the chief administrative law judge, to reflect the filing requirements in
 85.5 this section.

85.6 Subd. 6. **Data privacy.** (a) All documents filed with or issued by the department or
 85.7 office under this chapter are private data on individuals and nonpublic data pursuant to
 85.8 chapter 13, except that the documents are available to the following:

85.9 (1) the office;

85.10 (2) the department;

85.11 (3) the employer;

85.12 (4) the insurer;

85.13 (5) the employee;

85.14 (6) the dependent of a deceased employee;

85.15 (7) an intervenor in the dispute;

85.16 (8) the attorney to a party in the dispute;

85.17 (9) a person who furnishes written authorization from the employer, insurer, employee,
 85.18 or dependent of a deceased employee; and

85.19 (10) a person, agency, or other entity allowed access to the documents under this chapter
 85.20 or other law.

85.21 (b) The office and department may post notice of scheduled proceedings on the agencies'
 85.22 Web sites and at their principal places of business in any manner that protects the employee's
 85.23 identifying information.

85.24 **EFFECTIVE DATE.** This section is effective June 1, 2018.

85.25 **ARTICLE 8**

85.26 **UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; POLICY**

85.27 Section 1. Minnesota Statutes 2016, section 268.035, subdivision 12, is amended to read:

85.28 Subd. 12. **Covered employment.** (a) "Covered employment" means ~~the following unless~~
 85.29 ~~excluded as "nonecovered employment" under subdivision 20:~~

86.1 ~~(1)~~ an employee's entire employment during the calendar quarter if:

86.2 ~~(i)~~ (1) 50 percent or more of the employment during the quarter is performed ~~primarily~~
86.3 in Minnesota;

86.4 ~~(ii)~~ (2) 50 percent or more of the employment during the quarter is not performed
86.5 ~~primarily~~ in Minnesota or any other state, or Canada, but some of the employment is
86.6 performed in Minnesota and the ~~base of operations or the place from which the employment~~
86.7 ~~is directed or controlled is in Minnesota; or~~

86.8 ~~(iii)~~ the employment during the quarter is not performed primarily in Minnesota or any
86.9 other state and the base of operations or place from which the employment is directed or
86.10 controlled is not in any state where part of the employment is performed, but the employee's
86.11 residence is in Minnesota during 50 percent or more of the calendar quarter;

86.12 ~~(2) an employee's entire employment during the calendar quarter performed within the~~
86.13 ~~United States or Canada, if:~~

86.14 ~~(i) the employment is not covered employment under the unemployment insurance~~
86.15 ~~program of any other state, federal law, or the law of Canada; and~~

86.16 ~~(ii) the place from which the employment is directed or controlled is in Minnesota;~~

86.17 ~~(3) the employment during the calendar quarter, is performed entirely outside the United~~
86.18 ~~States and Canada, by an employee who is a United States citizen in the employ of an~~
86.19 ~~American employer, if the employer's principal place of business in the United States is~~
86.20 ~~located in Minnesota. For the purposes of this clause, an "American employer," for the~~
86.21 ~~purposes of this clause, means a corporation organized under the laws of any state, an~~
86.22 ~~individual who is a resident of the United States, or a partnership if two-thirds or more of~~
86.23 ~~the partners are residents of the United States, or a trust, if all of the trustees are residents~~
86.24 ~~of the United States is as defined under the Federal Unemployment Tax Act, United States~~
86.25 ~~Code title 26, chapter 23, section 3306, subsection (j)(3); and~~

86.26 ~~(4) all~~ the employment during the calendar quarter is performed by an officer or member
86.27 ~~of the crew of an American vessel on or in connection with the vessel, if the operating on~~
86.28 ~~navigable waters within, or within and without, the United States, and the office from which~~
86.29 ~~the operations of the vessel operating on navigable waters within, or within and without,~~
86.30 ~~the United States are ordinarily and regularly supervised, managed, directed, and controlled~~
86.31 ~~is in Minnesota.~~

86.32 (b) "Covered employment" includes covered agricultural employment under subdivision
86.33 11.

87.1 (c) For the purposes of section 268.095, "covered employment" includes employment
87.2 covered under an unemployment insurance program:

87.3 (1) of any other state; ~~or~~

87.4 (2) established by an act of Congress; or

87.5 (3) the law of Canada.

87.6 (d) The percentage of employment performed under paragraph (a) is determined by the
87.7 amount of hours worked.

87.8 (e) Covered employment does not include any employment defined as "noncovered
87.9 employment" under subdivision 20.

87.10 Sec. 2. Minnesota Statutes 2017 Supplement, section 268.035, subdivision 20, is amended
87.11 to read:

87.12 Subd. 20. **Noncovered employment.** "Noncovered employment" means:

87.13 (1) employment for the United States government or an instrumentality thereof, including
87.14 military service;

87.15 (2) employment for a state, other than Minnesota, or a political subdivision or
87.16 instrumentality thereof;

87.17 (3) employment for a foreign government;

87.18 (4) employment covered under the federal Railroad Unemployment Insurance Act;

87.19 (5) employment for a church or convention or association of churches, or a nonprofit
87.20 organization operated primarily for religious purposes that is operated, supervised, controlled,
87.21 or principally supported by a church or convention or association of churches;

87.22 (6) employment for an elementary or secondary school with a curriculum that includes
87.23 religious education that is operated by a church, a convention or association of churches,
87.24 or a nonprofit organization that is operated, supervised, controlled, or principally supported
87.25 by a church or convention or association of churches;

87.26 (7) employment for Minnesota or a political subdivision, or a nonprofit organization, of
87.27 a duly ordained or licensed minister of a church in the exercise of a ministry or by a member
87.28 of a religious order in the exercise of duties required by the order;

87.29 (8) employment for Minnesota or a political subdivision, or a nonprofit organization, of
87.30 an individual receiving rehabilitation of "sheltered" work in a facility conducted for the
87.31 purpose of carrying out a program of rehabilitation for individuals whose earning capacity

88.1 is impaired by age or physical or mental deficiency or injury or a program providing
88.2 "sheltered" work for individuals who because of an impaired physical or mental capacity
88.3 cannot be readily absorbed in the competitive labor market. This clause applies only to
88.4 services performed in a facility certified by the Rehabilitation Services Branch of the
88.5 department or in a day training or habilitation program licensed by the Department of Human
88.6 Services;

88.7 (9) employment for Minnesota or a political subdivision, or a nonprofit organization, of
88.8 an individual receiving work relief or work training as part of an unemployment work relief
88.9 or work training program financed in whole or in part by any federal agency or an agency
88.10 of a state or political subdivision thereof. This clause does not apply to programs that require
88.11 unemployment benefit coverage for the participants;

88.12 (10) employment for Minnesota or a political subdivision, as an elected official, a member
88.13 of a legislative body, or a member of the judiciary;

88.14 (11) employment as a member of the Minnesota National Guard or Air National Guard;

88.15 (12) employment for Minnesota or a political subdivision, or instrumentality thereof, of
88.16 an individual serving on a temporary basis in case of fire, flood, tornado, or similar
88.17 emergency;

88.18 (13) employment as an election official or election worker for Minnesota or a political
88.19 subdivision, if the compensation for that employment was less than \$1,000 in a calendar
88.20 year;

88.21 (14) employment for Minnesota that is a major policy-making or advisory position in
88.22 the unclassified service;

88.23 (15) employment for Minnesota in an unclassified position established under section
88.24 43A.08, subdivision 1a;

88.25 (16) employment for a political subdivision of Minnesota that is a nontenured major
88.26 policy making or advisory position;

88.27 (17) domestic employment in a private household, local college club, or local chapter
88.28 of a college fraternity or sorority, if the wages paid in any calendar quarter in either the
88.29 current or prior calendar year to all individuals in domestic employment totaled less than
88.30 \$1,000.

88.31 "Domestic employment" includes all service in the operation and maintenance of a
88.32 private household, for a local college club, or local chapter of a college fraternity or sorority
88.33 as distinguished from service as an employee in the pursuit of an employer's trade or business;

89.1 (18) employment of an individual by a son, daughter, or spouse, and employment of a
89.2 child under the age of 18 by the child's father or mother;

89.3 (19) employment of an inmate of a custodial or penal institution;

89.4 (20) employment for a school, college, or university, by a student who is enrolled and
89.5 whose primary relation to the school, college, or university is as a student. This does not
89.6 include an individual whose primary relation to the school, college, or university is as an
89.7 employee who also takes courses;

89.8 (21) employment of an individual who is enrolled as a student in a full-time program at
89.9 a nonprofit or public educational institution that maintains a regular faculty and curriculum
89.10 and has a regularly organized body of students in attendance at the place where its educational
89.11 activities are carried on, taken for credit at the institution, that combines academic instruction
89.12 with work experience, if the employment is an integral part of the program, and the institution
89.13 has so certified to the employer, except that this clause does not apply to employment in a
89.14 program established for or on behalf of an employer or group of employers;

89.15 (22) employment of a foreign college or university student who works on a seasonal or
89.16 temporary basis under the J-1 visa summer work travel program described in Code of Federal
89.17 Regulations, title 22, section 62.32;

89.18 ~~(22)~~ (23) employment of university, college, or professional school students in an
89.19 internship or other training program with the city of St. Paul or the city of Minneapolis
89.20 under Laws 1990, chapter 570, article 6, section 3;

89.21 ~~(23)~~ (24) employment for a hospital by a patient of the hospital. "Hospital" means an
89.22 institution that has been licensed by the Department of Health as a hospital;

89.23 ~~(24)~~ (25) employment as a student nurse for a hospital or a nurses' training school by
89.24 an individual who is enrolled and is regularly attending classes in an accredited nurses'
89.25 training school;

89.26 ~~(25)~~ (26) employment as an intern for a hospital by an individual who has completed a
89.27 four-year course in an accredited medical school;

89.28 ~~(26)~~ (27) employment as an insurance salesperson, by other than a corporate officer, if
89.29 all the wages from the employment is solely by way of commission. The word "insurance"
89.30 includes an annuity and an optional annuity;

89.31 ~~(27)~~ (28) employment as an officer of a township mutual insurance company or farmer's
89.32 mutual insurance company under chapter 67A;

90.1 ~~(28)~~ (29) employment of a corporate officer, if the officer directly or indirectly, including
 90.2 through a subsidiary or holding company, owns 25 percent or more of the employer
 90.3 corporation, and employment of a member of a limited liability company, if the member
 90.4 directly or indirectly, including through a subsidiary or holding company, owns 25 percent
 90.5 or more of the employer limited liability company;

90.6 ~~(29)~~ (30) employment as a real estate salesperson, other than a corporate officer, if all
 90.7 the wages from the employment is solely by way of commission;

90.8 ~~(30)~~ (31) employment as a direct seller as defined in United States Code, title 26, section
 90.9 3508;

90.10 ~~(31)~~ (32) employment of an individual under the age of 18 in the delivery or distribution
 90.11 of newspapers or shopping news, not including delivery or distribution to any point for
 90.12 subsequent delivery or distribution;

90.13 ~~(32)~~ (33) casual employment performed for an individual, other than domestic
 90.14 employment under clause (17), that does not promote or advance that employer's trade or
 90.15 business;

90.16 ~~(33)~~ (34) employment in "agricultural employment" unless it is "covered agricultural
 90.17 employment" under subdivision 11; or

90.18 ~~(34)~~ (35) if employment during one-half or more of any pay period was covered
 90.19 employment, all the employment for the pay period is covered employment; but if during
 90.20 more than one-half of any pay period the employment was noncovered employment, then
 90.21 all of the employment for the pay period is noncovered employment. "Pay period" means
 90.22 a period of not more than a calendar month for which a payment or compensation is ordinarily
 90.23 made to the employee by the employer.

90.24 Sec. 3. Minnesota Statutes 2016, section 268.051, subdivision 2a, is amended to read:

90.25 Subd. 2a. **Unemployment insurance tax ~~limits~~ reduction.** (a) If the balance in the trust
 90.26 fund on December 31 of any calendar year is four percent or more above the amount equal
 90.27 to an average high cost multiple of 1.0, future unemployment taxes payable must be reduced
 90.28 by all amounts above 1.0. The amount of tax reduction for any taxpaying employer is the
 90.29 same percentage of the total amount above 1.0 as the percentage of taxes paid by the
 90.30 employer during the calendar year is of the total amount of taxes that were paid by all
 90.31 ~~nonmaximum experience-rated~~ employers during the year except taxes paid by employers
 90.32 assigned a tax rate equal to the maximum experience rating plus the applicable base tax
 90.33 rate.

91.1 (b) For purposes of this subdivision, "average high cost multiple" has the meaning given
 91.2 in Code of Federal Regulations, title 20, section 606.3, as amended through December 31,
 91.3 2015. An amount equal to an average high cost multiple of 1.0 is a federal measure of
 91.4 adequate reserves in relation to the state's current economy. The commissioner must calculate
 91.5 and publish, as soon as possible following December 31 of any calendar year, the trust fund
 91.6 balance on December 31 along with the amount an average high cost multiple of 1.0 equals.
 91.7 Actual wages paid must be used in the calculation and estimates may not be used.

91.8 (c) The unemployment tax reduction under this subdivision does not apply to employers
 91.9 that were at assigned a tax rate equal to the maximum experience rating plus the applicable
 91.10 base tax rate for the year, nor to high experience rating industry employers under subdivision
 91.11 5, paragraph (b). Computations under paragraph (a) are not subject to the rounding
 91.12 requirement of section 268.034. The refund provisions of section 268.057, subdivision 7,
 91.13 do not apply.

91.14 (d) The unemployment tax reduction under this subdivision applies to taxes ~~paid~~ payable
 91.15 between March 1 and December 15 of the year following the December 31 computation
 91.16 under paragraph (a).

91.17 (e) ~~The amount equal to the average high cost multiple of 1.0 on December 31, 2012,~~
 91.18 ~~must be used for the calculation under paragraph (a) but only for the calculation made on~~
 91.19 ~~December 31, 2015. Notwithstanding paragraph (d), the tax reduction resulting from the~~
 91.20 ~~application of this paragraph applies to unemployment taxes paid between July 1, 2016,~~
 91.21 ~~and June 30, 2017. If there was an experience rating history transfer under subdivision 4,~~
 91.22 ~~the successor employer must receive that portion of the predecessor employer's tax reduction~~
 91.23 ~~equal to that portion of the experience rating history transferred. The predecessor employer~~
 91.24 ~~retains that portion of tax reduction not transferred to the successor. This paragraph applies~~
 91.25 ~~to that portion of the tax reduction that remains unused at the time notice of acquisition is~~
 91.26 ~~provided under subdivision 4, paragraph (e).~~

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

91.28 **ARTICLE 9**

91.29 **UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; INTEREST**

91.30 Section 1. Minnesota Statutes 2016, section 268.057, subdivision 5, is amended to read:

91.31 Subd. 5. **Interest on amounts past due.** If any amounts due from an employer under
 91.32 this chapter or section 116L.20, except late fees under section 268.044, are not received on
 91.33 the date due ~~the unpaid balance bears~~ the commissioner must assess interest on any amount

92.1 that remains unpaid. Interest is assessed at the rate of one percent per month or any part of
 92.2 a month. Interest is not assessed on unpaid interest. Interest collected under this subdivision
 92.3 is credited to the contingent account.

92.4 **EFFECTIVE DATE.** This section is effective October 1, 2019.

92.5 Sec. 2. Minnesota Statutes 2017 Supplement, section 268.18, subdivision 2b, is amended
 92.6 to read:

92.7 Subd. 2b. **Interest.** On any unemployment benefits obtained by misrepresentation, and
 92.8 any penalty amounts assessed under subdivision 2, the commissioner must assess interest
 92.9 ~~at the rate of one percent per month~~ on any amount that remains unpaid beginning 30 calendar
 92.10 days after the date of a determination of overpayment penalty. Interest is assessed at the
 92.11 rate of one percent per month or any part of a month. A determination of overpayment
 92.12 penalty must state that interest will be assessed. Interest is not assessed ~~in the same manner~~
 92.13 ~~as on employer debt under section 268.057, subdivision 5~~ on unpaid interest. Interest
 92.14 ~~payments~~ collected under this subdivision ~~are~~ is credited to the trust fund.

92.15 **EFFECTIVE DATE.** This section is effective October 1, 2019.

92.16 **ARTICLE 10**

92.17 **UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; BASE PERIODS**

92.18 Section 1. Minnesota Statutes 2016, section 268.035, subdivision 4, is amended to read:

92.19 Subd. 4. **Base period.** (a) "Base period," unless otherwise provided in this subdivision,
 92.20 means the most recent four completed calendar quarters before the effective date of an
 92.21 applicant's application for unemployment benefits if the application has an effective date
 92.22 occurring after the month following the most recent completed calendar quarter. The base
 92.23 period under this paragraph is as follows:

92.24	If the application for unemployment	The base period is the prior:
92.25	benefits is effective on or between these	
92.26	dates:	
92.27	February 1 - March 31	January 1 - December 31
92.28	May 1 - June 30	April 1 - March 31
92.29	August 1 - September 30	July 1 - June 30
92.30	November 1 - December 31	October 1 - September 30

92.31 (b) If an application for unemployment benefits has an effective date that is during the
 92.32 month following the most recent completed calendar quarter, then the base period is the
 92.33 first four of the most recent five completed calendar quarters before the effective date of

93.1 an applicant's application for unemployment benefits. The base period under this paragraph
93.2 is as follows:

93.3	If the application for unemployment	The base period is the prior:
93.4	benefits is effective on or between these	
93.5	dates:	
93.6	January 1 - January 31	October 1 - September 30
93.7	April 1 - April 30	January 1 - December 31
93.8	July 1 - July 31	April 1 - March 31
93.9	October 1 - October 31	July 1 - June 30

93.10 (c) Regardless of paragraph (a), a base period of the first four of the most recent five
93.11 completed calendar quarters must be used if the applicant would have more wage credits
93.12 under that base period than under a base period of the four most recent completed calendar
93.13 quarters.

93.14 ~~(d) If the applicant under paragraph (b) has insufficient wage credits to establish a benefit~~
93.15 ~~account, then a base period of the most recent four completed calendar quarters before the~~
93.16 ~~effective date of the applicant's application for unemployment benefits must be used.~~

93.17 ~~(e)~~ (d) If the applicant has insufficient wage credits to establish a benefit account under
93.18 a base period of the four most recent completed calendar quarters, or a base period of the
93.19 first four of the most recent five completed calendar quarters, but during either base period
93.20 the applicant received workers' compensation for temporary disability under chapter 176
93.21 or a similar federal law or similar law of another state, or if the applicant whose own serious
93.22 illness caused a loss of work for which the applicant received compensation for loss of
93.23 wages from some other source, the applicant may request a base period as follows:

93.24 (1) if an applicant was compensated for a loss of work of seven to 13 weeks; during a
93.25 base period referred to in paragraph (a) or (b), then the base period is the first four of the
93.26 most recent six completed calendar quarters before the effective date of the application for
93.27 unemployment benefits;

93.28 (2) if an applicant was compensated for a loss of work of 14 to 26 weeks; during a base
93.29 period referred to in paragraph (a) or (b), then the base period is the first four of the most
93.30 recent seven completed calendar quarters before the effective date of the application for
93.31 unemployment benefits;

93.32 (3) if an applicant was compensated for a loss of work of 27 to 39 weeks; during a base
93.33 period referred to in paragraph (a) or (b), then the base period is the first four of the most
93.34 recent eight completed calendar quarters before the effective date of the application for
93.35 unemployment benefits; and

94.1 (4) if an applicant was compensated for a loss of work of 40 to 52 weeks; during a base
 94.2 period referred to in paragraph (a) or (b), then the base period is the first four of the most
 94.3 recent nine completed calendar quarters before the effective date of the application for
 94.4 unemployment benefits.

94.5 ~~(f)~~ (e) No base period under this subdivision may include wage credits upon which a
 94.6 prior benefit account was established.

94.7 Sec. 2. Minnesota Statutes 2017 Supplement, section 268.07, subdivision 1, is amended
 94.8 to read:

94.9 Subdivision 1. **Application for unemployment benefits; determination of benefit**
 94.10 **account.** (a) An application for unemployment benefits may be filed in person, by mail, or
 94.11 by electronic transmission as the commissioner may require. The applicant must be
 94.12 unemployed at the time the application is filed and must provide all requested information
 94.13 in the manner required. If the applicant is not unemployed at the time of the application or
 94.14 fails to provide all requested information, the communication is not an application for
 94.15 unemployment benefits.

94.16 (b) The commissioner must examine each application for unemployment benefits to
 94.17 determine the base period and the benefit year, and based upon all the covered employment
 94.18 in the base period the commissioner must determine the weekly unemployment benefit
 94.19 amount available, if any, and the maximum amount of unemployment benefits available,
 94.20 if any. The determination, which is a document separate and distinct from a document titled
 94.21 a determination of eligibility or determination of ineligibility issued under section 268.101,
 94.22 must be titled determination of benefit account. A determination of benefit account must
 94.23 be sent to the applicant and all base period employers, by mail or electronic transmission.

94.24 (c) If a base period employer did not provide wage detail information for the applicant
 94.25 as required under section 268.044, ~~or provided erroneous information, or wage detail is not~~
 94.26 ~~yet due and the applicant is using a base period under section 268.035, subdivision 4,~~
 94.27 ~~paragraph (d),~~ the commissioner may accept an applicant certification of wage credits, based
 94.28 upon the applicant's records, and issue a determination of benefit account.

94.29 ~~(d) An employer must provide wage detail information on an applicant within five~~
 94.30 ~~calendar days of request by the commissioner, in a manner and format requested, when:~~

94.31 ~~(1) the applicant is using a base period under section 268.035, subdivision 4, paragraph~~
 94.32 ~~(d); and~~

95.1 ~~(2) wage detail under section 268.044 is not yet required to have been filed by the~~
 95.2 ~~employer.~~

95.3 ~~(e)~~ (d) The commissioner may, at any time within 24 months from the establishment of
 95.4 a benefit account, reconsider any determination of benefit account and make an amended
 95.5 determination if the commissioner finds that the wage credits listed in the determination
 95.6 were incorrect for any reason. An amended determination of benefit account must be
 95.7 promptly sent to the applicant and all base period employers, by mail or electronic
 95.8 transmission. This subdivision does not apply to documents titled determinations of eligibility
 95.9 or determinations of ineligibility issued under section 268.101.

95.10 ~~(f)~~ (e) If an amended determination of benefit account reduces the weekly unemployment
 95.11 benefit amount or maximum amount of unemployment benefits available, any unemployment
 95.12 benefits that have been paid greater than the applicant was entitled is an overpayment of
 95.13 unemployment benefits. A determination or amended determination issued under this section
 95.14 that results in an overpayment of unemployment benefits must set out the amount of the
 95.15 overpayment and the requirement under section 268.18, subdivision 1, that the overpaid
 95.16 unemployment benefits must be repaid.

95.17 **ARTICLE 11**

95.18 **UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; HOUSEKEEPING**

95.19 Section 1. Minnesota Statutes 2017 Supplement, section 268.035, subdivision 15, is
 95.20 amended to read:

95.21 Subd. 15. **Employment.** (a) "Employment" means service performed by:

95.22 (1) an individual who is an employee under the common law of employer-employee and
 95.23 not an independent contractor;

95.24 (2) an officer of a corporation;

95.25 (3) a member of a limited liability company who is an employee under the common law
 95.26 of employer-employee; ~~or~~

95.27 (4) an individual who is an employee under the Federal Insurance Contributions Act,
 95.28 United States Code, title 26, chapter 21, sections 3121 (d)(3)(A) and 3121 (d)(3)(D); or

95.29 ~~(4)~~ (5) product demonstrators in retail stores or other locations to aid in the sale of
 95.30 products. The person that pays the wages is the employer.

95.31 (b) Employment does not include service as a juror.

96.1 (c) Construction industry employment is defined in subdivision 9a. Trucking and
 96.2 messenger/courier industry employment is defined in subdivision 25b. Rules on determining
 96.3 worker employment status are described under Minnesota Rules, chapter 3315.

96.4 Sec. 2. Minnesota Statutes 2016, section 268.044, subdivision 2, is amended to read:

96.5 Subd. 2. **Failure to timely file report; late fees.** (a) Any employer that fails to submit
 96.6 the quarterly wage detail report when due must pay a late fee of \$10 per employee, computed
 96.7 based upon the highest of:

96.8 (1) the number of employees reported on the last wage detail report submitted;

96.9 (2) the number of employees reported in the corresponding quarter of the prior calendar
 96.10 year; or

96.11 (3) if no wage detail report has ever been submitted, the number of employees listed at
 96.12 the time of employer registration.

96.13 The late fee is canceled if the wage detail report is received within 30 calendar days
 96.14 after a demand for the report is sent to the employer by mail or electronic transmission. A
 96.15 late fee assessed an employer may not be canceled more than twice each 12 months. The
 96.16 amount of the late fee assessed may not be less than \$250.

96.17 (b) If the wage detail report is not received in a manner and format prescribed by the
 96.18 commissioner within 30 calendar days after demand is sent under paragraph (a), the late
 96.19 fee assessed under paragraph (a) doubles and a renewed demand notice and notice of the
 96.20 increased late fee will be sent to the employer by mail or electronic transmission.

96.21 (c) Late fees due under this subdivision may be canceled, in whole or in part, under
 96.22 section ~~268.066~~ where good cause for late submission is found by the commissioner 268.067.

96.23 Sec. 3. Minnesota Statutes 2016, section 268.047, subdivision 3, is amended to read:

96.24 Subd. 3. **Exceptions for taxpaying employers.** Unemployment benefits paid will not
 96.25 be used in computing the future tax rate of a taxpaying base period employer when:

96.26 (1) the applicant's wage credits from that employer are less than \$500;

96.27 (2) the applicant quit the employment, unless it was determined under section 268.095,
 96.28 to have been because of a good reason caused by the employer or because the employer
 96.29 notified the applicant of discharge within 30 calendar days. This exception applies ~~only~~ to
 96.30 unemployment benefits paid for periods after the applicant's quitting the employment and,

97.1 if the applicant is rehired by the employer, continues only until the beginning of the week
 97.2 the applicant is rehired; or

97.3 (3) the employer discharged the applicant from employment because of employment
 97.4 misconduct as determined under section 268.095. This exception applies ~~only~~ to
 97.5 unemployment benefits paid for periods after the applicant's discharge from employment
 97.6 and, if the applicant is rehired by the employer, continues only until the beginning of the
 97.7 week the applicant is rehired.

97.8 **EFFECTIVE DATE.** This section is effective October 1, 2019.

97.9 Sec. 4. Minnesota Statutes 2016, section 268.059, is amended to read:

97.10 **268.059 GARNISHMENT FOR DELINQUENT TAXES AND UNEMPLOYMENT**
 97.11 **BENEFIT OVERPAYMENTS.**

97.12 Subdivision 1. **Notice Authority.** ~~The commissioner may give notice to any employer~~
 97.13 ~~that an employee owes any amounts due under this chapter or section 116L.20, and that the~~
 97.14 ~~obligation should be withheld from the employee's wages. The commissioner may proceed~~
 97.15 ~~only if the amount due is uncontested or if the time for any appeal has expired. The~~
 97.16 commissioner may garnish an employee's wages to collect amounts due under this chapter
 97.17 or section 116L.20, as set forth in this section. Chapter 571 does not apply, except as
 97.18 referenced in this section.

97.19 **Subd. 1a. Notice.** The commissioner may not proceed with a garnishment until 30
 97.20 calendar days after sending to the debtor employee, by mail or electronic transmission, a
 97.21 notice of intent to garnish wages and exemption notice. That notice must ~~list~~ include:

97.22 (1) the amount due from the debtor;

97.23 (2) demand for immediate payment; and

97.24 (3) the intention to serve a garnishment notice on the debtor's employer.

97.25 The notice expires 180 calendar days after it has been sent to the debtor provided that
 97.26 the notice may be renewed by sending a new notice that is in accordance with this section.
 97.27 The renewed notice has the effect of reinstating the priority of the original notice. ~~The~~
 97.28 ~~exemption notice must be in substantially the same form as in section 571.72. The exemption~~
 97.29 notice must inform the debtor of the right to claim exemptions contained in section 550.37,
 97.30 subdivision 14. If no claim of exemption is received by the commissioner within 30 calendar
 97.31 days after sending of the notice, the commissioner may proceed with the garnishment. The

98.1 ~~notice to the debtor's employer may be served by mail or electronic transmission and must~~
 98.2 ~~be in substantially the same form as in section 571.75.~~

98.3 Subd. 2. **Employer action.** (a) Thirty calendar days after sending the notice of intent to
 98.4 garnish, the commissioner may send to the debtor's employer, by mail or electronic
 98.5 transmission, a notice of garnishment, including a worksheet for determining the amount
 98.6 to be withheld from wages each pay period. The amount to be withheld from wages is
 98.7 subject to the limitations in section 571.922. Upon receipt of the garnishment notice, the
 98.8 employer must withhold from the ~~earnings~~ wages due or to become due to the employee,
 98.9 the amount ~~shown on the notice plus accrued interest, subject to section 571.922~~ determined
 98.10 by the employer plus accrued interest. The employer must continue to withhold each pay
 98.11 period the amount ~~shown on the notice~~ determined by the employer plus accrued interest
 98.12 until the garnishment notice is released by the commissioner. Upon receipt of notice by the
 98.13 employer, the claim of the commissioner has priority over any subsequent garnishments or
 98.14 wage assignments. The commissioner may ~~arrange between the employer and employee~~
 98.15 ~~for withholding a portion of the total amount due the employee each pay period,~~ agree to
 98.16 accept a withholding amount that is less than the amount determined by the employer on
 98.17 the worksheet until the total amount ~~shown on the notice~~ due plus accrued interest has been
 98.18 withheld.

98.19 (b) ~~The "earnings due" any employee~~ For the purposes of this section, "wages" is as
 98.20 defined in section ~~571.921~~ 268.035, subdivision 29.

98.21 ~~(b)~~ (c) The maximum garnishment allowed for any one pay period must be decreased
 98.22 by any amounts payable under any other garnishment action served before the garnishment
 98.23 notice, and any amounts covered by any irrevocable and previously effective assignment
 98.24 of wages; The employer must give notice to the commissioner of the amounts and the facts
 98.25 relating to the other garnishment or assignment ~~within ten calendar days after the service~~
 98.26 ~~of the garnishment notice~~ on the form worksheet provided by the commissioner.

98.27 ~~(e)~~ (d) Within ten calendar days after the expiration of the pay period, the employer must
 98.28 remit to the commissioner, on a form and in the manner prescribed by the commissioner,
 98.29 the amount withheld during each pay period.

98.30 Subd. 3. **Discharge or discipline prohibited.** (a) If the employee ceases to be employed
 98.31 by the employer before the full amount ~~set forth on the garnishment notice~~ due plus accrued
 98.32 interest has been withheld, the employer must immediately notify the commissioner in
 98.33 writing or by electronic transmission, as prescribed by the commissioner, of the termination
 98.34 date of the employee and the total amount withheld. No employer may discharge or discipline

99.1 any employee because the commissioner has proceeded under this section. If an employer
 99.2 discharges an employee in violation of this section, the employee has the same remedy as
 99.3 provided in section 571.927, subdivision 2.

99.4 (b) This section applies if the employer is the state of Minnesota or any political
 99.5 subdivision.

99.6 (c) The commissioner must refund to the employee any excess amounts withheld from
 99.7 the employee.

99.8 (d) An employer that fails or refuses to comply with this section is jointly and severally
 99.9 liable for the total amount due from the employee. Any amount due from the employer
 99.10 under this paragraph may be collected in the same manner as any other amounts due from
 99.11 an employer under this chapter.

99.12 Sec. 5. Minnesota Statutes 2016, section 268.085, subdivision 3, is amended to read:

99.13 Subd. 3. **Vacation and sick payments that delay unemployment benefits.** (a) An
 99.14 applicant is not eligible to receive unemployment benefits for any week the applicant is
 99.15 receiving, has received, or will receive vacation pay, sick pay, or personal time off pay, also
 99.16 known as "PTO."

99.17 This paragraph ~~only applies upon temporary, indefinite, or seasonal separation and~~ does
 99.18 not apply:

99.19 (1) upon a permanent separation from employment; or

99.20 (2) to payments from a vacation fund administered by a union or a third party not under
 99.21 the control of the employer.

99.22 Payments under this ~~paragraph~~ subdivision are applied to the period immediately
 99.23 following the ~~temporary, indefinite, or seasonal separation.~~ later of the date of separation
 99.24 from employment or the date the applicant first becomes aware that the employer will be
 99.25 making a payment. The date the payment is actually made or received, or that an applicant
 99.26 must agree to a release of claims, does not affect the application of this paragraph.

99.27 (b) This subdivision applies to all the weeks of payment. The weeks of payment is
 99.28 determined as follows:

99.29 (1) if the payments are made periodically, the total of the payments to be received is
 99.30 divided by the applicant's last level of regular weekly pay from the employer; or

99.31 (2) if the payment is made in a lump sum, that sum is divided by the applicant's last level
 99.32 of regular weekly pay from the employer.

100.1 The "last level of regular weekly pay" includes commissions, bonuses, and overtime
100.2 pay if that is part of the applicant's ongoing regular compensation.

100.3 (c) Under this subdivision, if the payment with respect to a week is equal to or more
100.4 than the applicant's weekly unemployment benefit amount, the applicant is ineligible for
100.5 benefits for that week. If the payment with respect to a week is less than the applicant's
100.6 weekly unemployment benefit amount, unemployment benefits are reduced by the amount
100.7 of the payment.

100.8 ~~(b)~~ (d) An applicant is not eligible to receive unemployment benefits for any week the
100.9 applicant is receiving, has received, or will receive severance pay, bonus pay, or any other
100.10 payments paid by an employer because of, upon, or after separation from employment.

100.11 This paragraph only applies if the payment is:

100.12 (1) considered wages under section 268.035, subdivision 29; or

100.13 (2) subject to the Federal Insurance Contributions Act (FICA) tax imposed to fund Social
100.14 Security and Medicare.

100.15 Payments under this paragraph are applied to the period immediately following the later
100.16 of the date of separation from employment or the date the applicant first becomes aware
100.17 that the employer will be making a payment. The date the payment is actually made or
100.18 received, or that an applicant must agree to a release of claims, does not affect the application
100.19 of this paragraph.

100.20 This paragraph does not apply to earnings under subdivision 5, back pay under
100.21 subdivision 6, or vacation pay, sick pay, or personal time off pay under paragraph (a).

100.22 (e) Paragraph (a) applies to all the weeks of payment. The weeks of payment is determined
100.23 in accordance with subdivision 3, paragraph (b).

100.24 (f) Under this subdivision, if the payment with respect to a week is equal to or more than
100.25 the applicant's weekly unemployment benefit amount, the applicant is ineligible for benefits
100.26 for that week. If the payment with respect to a week is less than the applicant's weekly
100.27 unemployment benefit amount, unemployment benefits are reduced by the amount of the
100.28 payment.

100.29 ~~(e)~~ (g) An applicant is not eligible to receive unemployment benefits for any week the
100.30 applicant is receiving, has received, will receive, or has applied for pension, retirement, or
100.31 annuity payments from any plan contributed to by a base period employer including the
100.32 United States government. The base period employer is considered to have contributed to
100.33 the plan if the contribution is excluded from the definition of wages under section 268.035,

101.1 subdivision 29. If the pension, retirement, or annuity payment is paid in a lump sum, an
 101.2 applicant is not considered to have received a payment if:

101.3 (1) the applicant immediately deposits that payment in a qualified pension plan or
 101.4 account; or

101.5 (2) that payment is an early distribution for which the applicant paid an early distribution
 101.6 penalty under the Internal Revenue Code, United States Code, title 26, section 72(t)(1).

101.7 This paragraph does not apply to Social Security benefits under subdivision 4 or 4a.

101.8 ~~(d)~~ (h) This subdivision applies to all the weeks of payment. ~~The number of weeks of~~
 101.9 ~~payment is determined as follows:~~

101.10 ~~(1) if the payments are made periodically, the total of the payments to be received is~~
 101.11 ~~divided by the applicant's last level of regular weekly pay from the employer; or~~

101.12 ~~(2)~~ If the payment is made in a lump sum, that sum is divided by the applicant's last
 101.13 level of regular weekly pay from the employer to determine the weeks of payment.

101.14 For purposes of this ~~paragraph~~ subdivision, the "last level of regular weekly pay" includes
 101.15 commissions, bonuses, and overtime pay if that is part of the applicant's ongoing regular
 101.16 compensation.

101.17 ~~(e)~~ (i) Under this subdivision, if the payment with respect to a week is equal to or more
 101.18 than the applicant's weekly unemployment benefit amount, the applicant is ineligible for
 101.19 benefits for that week. If the payment with respect to a week is less than the applicant's
 101.20 weekly unemployment benefit amount, unemployment benefits are reduced by the amount
 101.21 of the payment.

101.22 Sec. 6. Minnesota Statutes 2016, section 268.085, subdivision 3a, is amended to read:

101.23 Subd. 3a. **Workers' compensation and disability insurance offset.** (a) An applicant
 101.24 is not eligible to receive unemployment benefits for any week in which the applicant is
 101.25 receiving or has received compensation for loss of wages equal to or in excess of the
 101.26 applicant's weekly unemployment benefit amount under:

101.27 (1) the workers' compensation law of this state;

101.28 (2) the workers' compensation law of any other state or similar federal law; or

101.29 (3) any insurance or trust fund paid in whole or in part by an employer.

101.30 (b) This subdivision does not apply to an applicant who has a claim pending for loss of
 101.31 wages under paragraph (a); however, before unemployment benefits may be paid when a

102.1 claim is pending, the issue of the applicant being available for suitable employment, as
 102.2 required under subdivision 1, clause (4), is must be determined under section 268.101,
 102.3 subdivision 2. If the applicant later receives compensation as a result of the pending claim,
 102.4 the applicant is subject to ~~the provisions of~~ paragraph (a) and the unemployment benefits
 102.5 paid are ~~subject to recoupment by the commissioner to the extent that the compensation~~
 102.6 ~~constitutes~~ overpaid unemployment benefits under section 268.18, subdivision 1.

102.7 (c) If the amount of compensation described under paragraph (a) for any week is less
 102.8 than the applicant's weekly unemployment benefit amount, unemployment benefits requested
 102.9 for that week are reduced by the amount of that compensation payment.

102.10 Sec. 7. Minnesota Statutes 2017 Supplement, section 268.085, subdivision 13a, is amended
 102.11 to read:

102.12 Subd. 13a. **Leave of absence.** (a) An applicant on a voluntary leave of absence is
 102.13 ineligible for unemployment benefits for the duration of the leave of absence. An applicant
 102.14 on an involuntary leave of absence is not ineligible under this subdivision.

102.15 A leave of absence is voluntary when work that the applicant can then perform is available
 102.16 with the applicant's employer but the applicant chooses not to work. A medical leave of
 102.17 absence is not presumed to be voluntary.

102.18 (b) A period of vacation requested by the applicant, paid or unpaid, is a voluntary leave
 102.19 of absence. A vacation period assigned by an employer under: (1) a uniform vacation
 102.20 shutdown; (2) a collective bargaining agreement; or (3) an established employer policy, is
 102.21 an involuntary leave of absence.

102.22 (c) A leave of absence is a temporary stopping of work that has been approved by the
 102.23 employer. A ~~voluntary~~ leave of absence is not a quit ~~and an involuntary leave of absence~~
 102.24 ~~is not~~ or a discharge from employment for purposes of Section 268.095 does not apply to
 102.25 a leave of absence.

102.26 (d) An applicant who is on a paid leave of absence, whether the leave of absence is
 102.27 voluntary or involuntary, is ineligible for unemployment benefits for the duration of the
 102.28 leave.

102.29 (e) This subdivision applies to a leave of absence from a base period employer, an
 102.30 employer during the period between the end of the base period and the effective date of the
 102.31 benefit account, or an employer during the benefit year.

103.1 Sec. 8. Minnesota Statutes 2017 Supplement, section 268.095, subdivision 6, is amended
103.2 to read:

103.3 Subd. 6. **Employment misconduct defined.** (a) Employment misconduct means any
103.4 intentional, negligent, or indifferent conduct, on the job or off the job, that ~~displays clearly:~~

103.5 ~~(1) is a serious violation of the standards of behavior the employer has the right to~~
103.6 ~~reasonably expect of the employee; or~~

103.7 ~~(2) a substantial lack of concern for the employment.~~

103.8 (b) Regardless of paragraph (a), the following is not employment misconduct:

103.9 (1) conduct that was a consequence of the applicant's mental illness or impairment;

103.10 (2) conduct that was a consequence of the applicant's inefficiency or inadvertence;

103.11 (3) simple unsatisfactory conduct;

103.12 (4) conduct an average reasonable employee would have engaged in under the
103.13 circumstances;

103.14 (5) conduct that was a consequence of the applicant's inability or incapacity;

103.15 (6) good faith errors in judgment if judgment was required;

103.16 (7) absence because of illness or injury of the applicant, with proper notice to the
103.17 employer;

103.18 (8) absence, with proper notice to the employer, in order to provide necessary care
103.19 because of the illness, injury, or disability of an immediate family member of the applicant;

103.20 (9) conduct that was a consequence of the applicant's chemical dependency, unless the
103.21 applicant was previously diagnosed chemically dependent or had treatment for chemical
103.22 dependency, and since that diagnosis or treatment has failed to make consistent efforts to
103.23 control the chemical dependency; or

103.24 (10) conduct that was a consequence of the applicant, or an immediate family member
103.25 of the applicant, being a victim of domestic abuse, sexual assault, or stalking. For the
103.26 purposes of this subdivision, "domestic abuse," "sexual assault," and "stalking" have the
103.27 meanings given them in subdivision 1.

103.28 (c) Regardless of paragraph (b), clause (9), conduct in violation of sections 169A.20,
103.29 169A.31, 169A.50 to 169A.53, or 171.177 that ~~interferes with or~~ adversely affects the
103.30 employment is employment misconduct.

104.1 (d) If the conduct for which the applicant was discharged involved only a single incident,
 104.2 that is an important fact that must be considered in deciding whether the conduct rises to
 104.3 the level of employment misconduct under paragraph (a). This paragraph does not require
 104.4 that a determination under section 268.101 or decision under section 268.105 contain a
 104.5 specific acknowledgment or explanation that this paragraph was considered.

104.6 (e) The definition of employment misconduct provided by this subdivision is exclusive
 104.7 and no other definition applies.

104.8 Sec. 9. Minnesota Statutes 2016, section 268.095, subdivision 6a, is amended to read:

104.9 Subd. 6a. **Aggravated employment misconduct defined.** (a) ~~For the purpose of this~~
 104.10 ~~section, "aggravated employment misconduct" means:~~

104.11 ~~(1) The commission of any act, on the job or off the job, that would amount to a gross~~
 104.12 ~~misdemeanor or felony is aggravated employment misconduct if the act substantially~~
 104.13 ~~interfered with the employment or had a significant adverse effect on the employment; or~~

104.14 A criminal charge or conviction is not necessary to determine aggravated employment
 104.15 misconduct under this paragraph. If an applicant is convicted of a gross misdemeanor or
 104.16 felony, the applicant is presumed to have committed the act.

104.17 ~~(2) (b) For an employee of a facility as defined in section 626.5572, aggravated~~
 104.18 ~~employment misconduct includes an act of patient or resident abuse, financial exploitation,~~
 104.19 ~~or recurring or serious neglect, as defined in section 626.5572 and applicable rules.~~

104.20 ~~(b) If an applicant is convicted of a gross misdemeanor or felony for the same act for~~
 104.21 ~~which the applicant was discharged, it is aggravated employment misconduct if the act~~
 104.22 ~~substantially interfered with the employment or had a significant adverse effect on the~~
 104.23 ~~employment.~~

104.24 (c) The definition of aggravated employment misconduct provided by this subdivision
 104.25 is exclusive and no other definition applies.

104.26 ARTICLE 12

104.27 UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; TECHNICAL

104.28 Section 1. Minnesota Statutes 2016, section 268.044, subdivision 3, is amended to read:

104.29 Subd. 3. **Missing or erroneous information.** (a) Any employer that submits the wage
 104.30 detail report, but fails to include all required employee information or enters erroneous

105.1 information, is subject to an administrative service fee of \$25 for each employee for whom
105.2 the information is partially missing or erroneous.

105.3 (b) Any employer that submits the wage detail report, but fails to include an employee,
105.4 is subject to an administrative service fee equal to two percent of the total wages for each
105.5 employee for whom the information is completely missing.

105.6 (c) An administrative service fee under this subdivision must be canceled under section
105.7 268.067 if the commissioner determines that the failure or error by the employer occurred
105.8 because of ignorance or inadvertence.

105.9 Sec. 2. Minnesota Statutes 2017 Supplement, section 268.046, subdivision 1, is amended
105.10 to read:

105.11 Subdivision 1. **Tax accounts assigned.** (a) Any person that contracts with a taxpaying
105.12 employer to have that person obtain the taxpaying employer's workforce and provide workers
105.13 to the taxpaying employer for a fee is, as of the effective date of the contract, assigned for
105.14 the duration of the contract the taxpaying employer's account under section 268.045. That
105.15 tax account must be maintained by the person separate and distinct from every other tax
105.16 account held by the person and identified in a manner prescribed by the commissioner. The
105.17 tax account is, for the duration of the contract, considered that person's account for all
105.18 purposes of this chapter. The workers obtained from the taxpaying employer and any other
105.19 workers provided by that person to the taxpaying employer, including officers of the
105.20 taxpaying employer as defined in section 268.035, subdivision 20, clause ~~(28)~~ (29), whose
105.21 wages paid by the person are considered paid in covered employment under section 268.035,
105.22 subdivision 24, for the duration of the contract between the taxpaying employer and the
105.23 person, must, under section 268.044, be reported on the wage detail report under that tax
105.24 account, and that person must pay any taxes due at the tax rate computed for that account
105.25 under section 268.051, subdivision 2.

105.26 (b) Any workers of the taxpaying employer who are not covered by the contract under
105.27 paragraph (a) must be reported by the taxpaying employer as a separate unit on the wage
105.28 detail report under the tax account assigned under paragraph (a). Taxes and any other
105.29 amounts due on the wages reported by the taxpaying employer under this paragraph may
105.30 be paid directly by the taxpaying employer.

105.31 (c) If the taxpaying employer that contracts with a person under paragraph (a) does not
105.32 have a tax account at the time of the execution of the contract, an account must be registered
105.33 for the taxpaying employer under section 268.042 and the new employer tax rate under

106.1 section 268.051, subdivision 5, must be assigned. The tax account is then assigned to the
106.2 person as provided for in paragraph (a).

106.3 (d) A person that contracts with a taxpaying employer under paragraph (a) must, within
106.4 30 calendar days of the execution or termination of a contract, notify the commissioner by
106.5 electronic transmission, in a format prescribed by the commissioner, of that execution or
106.6 termination. The taxpaying employer's name, the account number assigned, and any other
106.7 information required by the commissioner must be provided by that person.

106.8 (e) Any contract subject to paragraph (a) must specifically inform the taxpaying employer
106.9 of the assignment of the tax account under this section and the taxpaying employer's
106.10 obligation under paragraph (b). If there is a termination of the contract, the tax account is,
106.11 as of the date of termination, immediately assigned to the taxpaying employer.

106.12 Sec. 3. Minnesota Statutes 2016, section 268.051, subdivision 3, is amended to read:

106.13 Subd. 3. **Computation of a taxpaying employer's experience rating.** (a) On or before
106.14 each December 15, the commissioner must compute an experience rating for each taxpaying
106.15 employer who has ~~been required to file~~ filed wage detail reports for the ~~12~~ four calendar
106.16 ~~months~~ quarters ending on the prior June 30. The experience rating computed is applicable
106.17 for the following calendar year.

106.18 The experience rating is the ratio obtained by dividing 125 percent of the total
106.19 unemployment benefits required under section 268.047 to be used in computing the
106.20 employer's tax rate during the ~~48~~ 16 calendar ~~months~~ quarters ending on the prior June 30,
106.21 by the employer's total taxable payroll for that same period.

106.22 (b) The experience rating is computed to the nearest one-hundredth of a percent, to a
106.23 maximum of 8.90 percent.

106.24 (c) The use of 125 percent of unemployment benefits paid under paragraph (a), rather
106.25 than 100 percent of the amount of unemployment benefits paid, is done in order for the trust
106.26 fund to recover from all taxpaying employers a portion of the costs of unemployment benefits
106.27 paid that do not affect any individual employer's future experience rating because of the
106.28 reasons set out in subdivision 2, paragraph (f).

106.29 Sec. 4. Minnesota Statutes 2016, section 268.053, subdivision 1, is amended to read:

106.30 Subdivision 1. **Election.** (a) Any nonprofit organization that has employees in covered
106.31 employment must pay taxes on a quarterly basis in accordance with section 268.051 unless

107.1 it elects to make reimbursements to the trust fund the amount of unemployment benefits
107.2 charged to its reimbursable account under section 268.047.

107.3 The organization may elect to make reimbursements for a period of not less than 24
107.4 calendar months beginning with the date that the organization was determined to be an
107.5 employer with covered employment by filing a notice of election not later than 30 calendar
107.6 days after the date of the determination.

107.7 (b) Any nonprofit organization that makes an election will continue to be liable for
107.8 reimbursements until it files a notice terminating its election before the beginning of the
107.9 calendar quarter the termination is to be effective.

107.10 A nonprofit organization that has been making reimbursements that files a notice of
107.11 termination of election must be assigned the new employer tax rate under section 268.051,
107.12 subdivision 5, until it qualifies for an experience rating under section 268.051, subdivision
107.13 3.

107.14 (c) Any nonprofit organization that has been paying taxes may elect to make
107.15 reimbursements by filing a notice of election. The election is effective at the beginning of
107.16 the next calendar quarter. The election is not terminable by the organization for 24 calendar
107.17 months.

107.18 ~~(d) The commissioner may for good cause extend the period that a notice of election,~~
107.19 ~~or a notice of termination, must be filed and may permit an election to be retroactive.~~

107.20 ~~(e)~~ (d) A notice of election or notice terminating election must be filed by electronic
107.21 transmission in a format prescribed by the commissioner.

107.22 Sec. 5. Minnesota Statutes 2016, section 268.066, is amended to read:

107.23 **268.066 CANCELLATION OF AMOUNTS DUE FROM AN EMPLOYER.**

107.24 (a) The commissioner must cancel as uncollectible any amounts due from an employer
107.25 under this chapter or section 116L.20, that remain unpaid six years after the amounts have
107.26 been first determined due, except where the delinquent amounts are secured by a notice of
107.27 lien, a judgment, are in the process of garnishment, or are under a payment plan.

107.28 (b) The commissioner may cancel at any time as uncollectible any amount due, or any
107.29 portion of an amount due, from an employer under this chapter or section 116L.20, that (1)
107.30 are uncollectible due to death or bankruptcy, or (2) the Collection Division of the Department
107.31 of Revenue under section 16D.04 was unable to collect.

108.1 ~~(e) The commissioner may cancel at any time any interest, penalties, or fees due from~~
 108.2 ~~an employer, or any portions due, if the commissioner determines that it is not in the public~~
 108.3 ~~interest to pursue collection of the amount due. This paragraph does not apply to~~
 108.4 ~~unemployment insurance taxes or reimbursements due.~~

108.5 Sec. 6. Minnesota Statutes 2016, section 268.067, is amended to read:

108.6 **268.067 COMPROMISE.**

108.7 (a) The commissioner may compromise in whole or in part any action, determination,
 108.8 or decision that affects only an employer and not an applicant. This paragraph applies if it
 108.9 is determined by a court of law, or a confession of judgment, that an applicant, while
 108.10 employed, wrongfully took from the employer \$500 or more in money or property.

108.11 (b) The commissioner may at any time compromise any unemployment insurance tax
 108.12 ~~or~~ reimbursement, interest, penalty, fee, costs, or any other amount due from an employer
 108.13 under this chapter or section 116L.20.

108.14 (c) Any compromise involving an amount over \$10,000 must be authorized by an attorney
 108.15 licensed to practice law in Minnesota who is an employee of the department designated by
 108.16 the commissioner for that purpose.

108.17 (d) Any compromise must be in the best interest of the state of Minnesota.

108.18 Sec. 7. Minnesota Statutes 2016, section 268.069, subdivision 1, is amended to read:

108.19 Subdivision 1. **Requirements.** The commissioner must pay unemployment benefits
 108.20 from the trust fund to an applicant who has met each of the following requirements:

108.21 (1) the applicant has filed an application for unemployment benefits and established a
 108.22 benefit account in accordance with section 268.07;

108.23 (2) the applicant has not been held ineligible for unemployment benefits under section
 108.24 268.095 because of a quit or discharge;

108.25 (3) the applicant has met all of the ongoing eligibility requirements under section 268.085;

108.26 (4) the applicant does not have an outstanding overpayment of unemployment benefits,
 108.27 including any penalties or interest; and

108.28 (5) the applicant has not been held ineligible for unemployment benefits under section
 108.29 ~~268.182 because of a false representation or concealment of facts~~ 268.183.

109.1 Sec. 8. Minnesota Statutes 2016, section 268.105, subdivision 6, is amended to read:

109.2 Subd. 6. **Representation; fees.** (a) In any proceeding under subdivision 1 or 2, an
109.3 applicant or employer may be represented by any authorized representative.

109.4 Except for services provided by an attorney-at-law, no person may charge an applicant
109.5 a fee of any kind for advising, assisting, or representing an applicant in a hearing ~~or~~ on
109.6 reconsideration, or in a proceeding under subdivision 7.

109.7 (b) An applicant may not be charged fees, costs, or disbursements of any kind in a
109.8 proceeding before an unemployment law judge, the Minnesota Court of Appeals, or the
109.9 Supreme Court of Minnesota.

109.10 (c) No attorney fees may be awarded, or costs or disbursements assessed, against the
109.11 department as a result of any proceedings under this section.

109.12 Sec. 9. Minnesota Statutes 2016, section 268.145, subdivision 1, is amended to read:

109.13 Subdivision 1. **Notification.** (a) Upon filing an application for unemployment benefits,
109.14 the applicant must be informed that:

109.15 (1) unemployment benefits are subject to federal and state income tax;

109.16 (2) there are requirements for filing estimated tax payments;

109.17 (3) the applicant may elect to have federal income tax withheld from unemployment
109.18 benefits;

109.19 (4) if the applicant elects to have federal income tax withheld, the applicant may, in
109.20 addition, elect to have Minnesota state income tax withheld; and

109.21 (5) at any time during the benefit year the applicant may change a prior election.

109.22 (b) If an applicant elects to have federal income tax withheld, the commissioner must
109.23 deduct ten percent for federal income tax. If an applicant also elects to have Minnesota state
109.24 income tax withheld, the commissioner must make an additional five percent deduction for
109.25 state income tax. Any ~~amounts~~ amount deducted ~~or offset~~ under sections 268.155, 268.18,
109.26 ~~and 268.184~~ have section 268.085 has priority over any amounts deducted under this section.
109.27 Federal income tax withholding has priority over state income tax withholding.

109.28 (c) An election to have income tax withheld may not be retroactive and only applies to
109.29 unemployment benefits paid after the election.

110.1 Sec. 10. Minnesota Statutes 2017 Supplement, section 268.18, subdivision 5, is amended
110.2 to read:

110.3 Subd. 5. **Remedies.** (a) Any method undertaken to recover an overpayment of
110.4 unemployment benefits, including any penalties and interest, is not an election of a method
110.5 of recovery.

110.6 (b) Intervention or lack thereof, in whole or in part, in a workers' compensation matter
110.7 under section 176.361 is not an election of a remedy and does not prevent the commissioner
110.8 from determining an applicant ineligible for unemployment benefits ~~or taking action under~~
110.9 ~~section 268.183.~~

110.10 Sec. 11. **REVISOR'S INSTRUCTION.**

110.11 The revisor of statutes is instructed to make the following changes in Minnesota Statutes:

110.12 (1) change the term "fraud" to "misrepresentation" in sections 268.085, subdivision 2,
110.13 and 268.186, subdivision 1;

110.14 (2) delete the term "bona fide" wherever it appears in section 268.035;

110.15 (3) replace the term "under" with "subject to" in section 268.047, subdivision 2, clause
110.16 (8);

110.17 (4) replace the term "displays clearly" with "shows" in chapter 268;

110.18 (5) replace the term "entire" with "hearing" in section 268.105;

110.19 (6) replace "24 calendar months" with "eight calendar quarters" in section 268.052,
110.20 subdivision 2.

110.21 Sec. 12. **REPEALER.**

110.22 Minnesota Statutes 2016, section 268.053, subdivisions 4 and 5, are repealed.

110.23 Sec. 13. **EFFECTIVE DATE.**

110.24 Unless otherwise specified, articles 8 to 12 are effective September 16, 2018.

110.25 **ARTICLE 13**

110.26 **ENVIRONMENT AND NATURAL RESOURCES**

110.27 Section 1. **APPROPRIATIONS.**

111.1 The sums shown in the columns marked "Appropriations" are added to or, if shown in
 111.2 parentheses, subtracted from the appropriations in Laws 2017, chapter 93, or appropriated
 111.3 to the agencies and for the purposes specified in this article. The appropriations are from
 111.4 the general fund, or another named fund, and are available for the fiscal year indicated for
 111.5 each purpose. The figures "2018" and "2019" used in this article mean that the addition to
 111.6 the appropriations listed under them are available for the fiscal year ending June 30, 2018,
 111.7 or June 30, 2019, respectively. "The first year" is fiscal year 2018. "The second year" is
 111.8 fiscal year 2019.

		<u>APPROPRIATIONS</u>	
		<u>Available for the Year</u>	
		<u>Ending June 30</u>	
		<u>2018</u>	<u>2019</u>
111.13	Sec. 2. <u>POLLUTION CONTROL AGENCY</u>		
111.14	Subdivision 1. <u>Total Appropriation</u>	<u>\$</u>	<u>..... \$ 300,000</u>
111.15	<u>Appropriations by Fund</u>		
111.16		<u>2018</u>	<u>2019</u>
111.17	<u>General</u>	<u>-0-</u>	<u>(700,000)</u>
111.18	<u>Environmental</u>	<u>-0-</u>	<u>1,000,000</u>
111.19	Subd. 2. <u>Resource Management</u>	<u>0</u>	<u>0</u>
111.20	<u>(a) \$700,000 the second year is a reduction</u>		
111.21	<u>from the general fund for competitive</u>		
111.22	<u>recycling grants under Minnesota Statutes,</u>		
111.23	<u>section 115A.565.</u>		
111.24	<u>(b) \$700,000 the second year is from the</u>		
111.25	<u>environmental fund for competitive recycling</u>		
111.26	<u>grants under Minnesota Statutes, section</u>		
111.27	<u>115A.565.</u>		
111.28	Subd. 3. <u>Watershed</u>	<u>0</u>	<u>300,000</u>
111.29	<u>\$300,000 the second year is from the</u>		
111.30	<u>environmental fund for a grant to the</u>		
111.31	<u>Minnesota Association of County Feedlot</u>		
111.32	<u>Officers to develop, in coordination with the</u>		
111.33	<u>Pollution Control Agency and the University</u>		

113.1 must be used by the commissioner to develop
 113.2 plans to control and reduce the water levels in
 113.3 each pit group and ameliorate, mitigate, or
 113.4 eliminate the public safety hazards resulting
 113.5 from rising water in both open-pit groups. This
 113.6 is a onetime appropriation.

113.7 **Subd. 3. Ecological and Water Resources** -0- (475,000)

113.8 (a) \$425,000 the second year is for grants to
 113.9 lake associations to manage aquatic invasive
 113.10 species, including grants for projects to control
 113.11 and provide public awareness of aquatic
 113.12 invasive species and for watercraft inspections
 113.13 in partnership with local units of government.
 113.14 This is a onetime appropriation.

113.15 (b) \$1,000,000 the second year is a reduction
 113.16 from the general fund for water monitoring
 113.17 and compliance.

113.18 (c) \$100,000 the second year is from the
 113.19 heritage enhancement account in the game and
 113.20 fish fund for a grant to the Board of Regents
 113.21 of the University of Minnesota to conduct a
 113.22 statewide survey and analysis of Minnesotans'
 113.23 attitude toward fish stocking. The survey must
 113.24 include a representative sample of
 113.25 Minnesotans from all regions of the state and
 113.26 must examine Minnesotans' attitudes toward
 113.27 the stocking of each fish species that is or has
 113.28 been stocked by the Department of Natural
 113.29 Resources. The Board of Regents must report
 113.30 the results of the survey and analysis to the
 113.31 chairs and ranking minority members of the
 113.32 legislative committees with jurisdiction over
 113.33 environment and natural resources finance no
 113.34 later than March 1, 2020. The report must
 113.35 include data about the amount spent on

- 114.1 stocking each fish species. This is a onetime
 114.2 appropriation.
- 114.3 **Subd. 4. Forest Management** -0- (131,000)
- 114.4 (a) \$1,131,000 the second year is a reduction
 114.5 to the general fund for the Next Generation
 114.6 Core Forestry data system.
- 114.7 (b) \$1,000,000 the second year is from the
 114.8 forest management investment account in the
 114.9 natural resources fund for the Next Generation
 114.10 Core Forestry data system. The appropriation
 114.11 is available until June 30, 2021.
- 114.12 **Subd. 5. Parks and Trails** -0- 1,363,000
- 114.13 (a) \$100,000 the second year is from the
 114.14 all-terrain vehicle account in the natural
 114.15 resources fund to the commissioner of natural
 114.16 resources for a grant to the city of Virginia to
 114.17 develop, in cooperation with the Quad Cities
 114.18 ATV Club, an all-terrain vehicle trail system
 114.19 in the cities of Virginia, Eveleth, Gilbert, and
 114.20 Mountain Iron and surrounding areas. This is
 114.21 a onetime appropriation and is available until
 114.22 June 30, 2021.
- 114.23 (b) \$150,000 the second year is from the
 114.24 off-road vehicle account for a contract to assist
 114.25 the commissioner in planning, designing, and
 114.26 providing a system of state touring routes for
 114.27 off-road vehicles by identifying sustainable,
 114.28 legal routes suitable for licensed four-wheel
 114.29 drive vehicles and a system of recreational
 114.30 trails for registered off-road vehicles. This is
 114.31 a onetime appropriation and is available until
 114.32 June 30, 2019.
- 114.33 (c) \$200,000 the second year is from the
 114.34 off-road vehicle account in the natural

115.1 resources fund for a contract to prepare a
115.2 comprehensive, statewide, strategic master
115.3 plan for trails for off-road vehicles. The master
115.4 plan must be consistent with federal, tribal,
115.5 state, and local law and regulations. The
115.6 commissioner must consult with the Minnesota
115.7 Four Wheel Drive Association in developing
115.8 contract criteria. This is a onetime
115.9 appropriation and is available until June 30,
115.10 2019.

115.11 (d) \$200,000 the second year is from the
115.12 off-road vehicle account in the natural
115.13 resources fund to share the cost by reimbursing
115.14 federal, state, county, and township entities
115.15 for additional needs on forest roads when the
115.16 needs are a result of increased use by off-road
115.17 vehicles and are attributable to a
115.18 border-to-border touring route established by
115.19 the commissioner. This section does apply to
115.20 roads that are operated by a public road
115.21 authority as defined in Minnesota Statutes,
115.22 section 160.02, subdivision 25. This is a
115.23 onetime appropriation and is available until
115.24 June 30, 2021. To be eligible for
115.25 reimbursement under this paragraph, the
115.26 claimant must demonstrate that:

115.27 (1) the needs result from additional traffic
115.28 generated by the border-to-border touring
115.29 route; and

115.30 (2) increased use attributable to a
115.31 border-to-border touring route has caused at
115.32 least a 50 percent increase in maintenance
115.33 costs for forest roads under the claimant's
115.34 jurisdiction, based on a ten-year maintenance
115.35 average.

116.1 Before reimbursing a claim under this
116.2 paragraph, the commissioner must consider
116.3 whether the claim is consistent with claims
116.4 made by other entities that administer forest
116.5 roads on the touring route, in terms of the
116.6 amount requested for reimbursement and the
116.7 frequency of claims made.

116.8 (e) \$313,000 the second year is from the
116.9 natural resources fund for a grant to St. Louis
116.10 County as a match to a state bonding grant for
116.11 trail and bridge construction and for a
116.12 maintenance fund for a five-mile segment of
116.13 the Voyageur Country ATV trail system,
116.14 including a multiuse bridge over the Vermilion
116.15 River that would serve ATVs, snowmobiles,
116.16 off-road vehicles, off-highway motorcycles,
116.17 and emergency vehicles in St. Louis County.

116.18 Of this amount, \$285,000 is from the
116.19 all-terrain vehicle account, \$14,000 is from
116.20 the off-road vehicle account, and \$14,000 is
116.21 from the off-highway motorcycle account.

116.22 This is a onetime appropriation and is
116.23 available until June 30, 2021.

116.24 (f) \$300,000 the second year is from the
116.25 natural resources fund for a grant to Lake
116.26 County to match other funding sources to
116.27 develop the Prospectors Loop trail system. Of
116.28 this amount, \$270,000 is from the all-terrain
116.29 vehicle account, \$15,000 is from the
116.30 off-highway motorcycle account, and \$15,000
116.31 is from the off-road vehicle account. This is
116.32 a onetime appropriation and is available until
116.33 June 30, 2021.

116.34 (g) \$100,000 the second year is from the
116.35 all-terrain vehicle account in the natural

117.1 resources fund for wetland delineation and
 117.2 work on an environmental assessment
 117.3 worksheet for the Taconite State Trail from
 117.4 Ely to Tower consistent with the 2017
 117.5 Taconite State Trail Master Plan. This is a
 117.6 onetime appropriation and is available until
 117.7 June 30, 2021.

117.8 **Subd. 6. Fish and Wildlife Management**

-0-

1,960,000

117.9 (a) \$7,146,000 the second year is a reduction
 117.10 from the operations account in the game and
 117.11 fish fund.

117.12 (b) \$8,606,000 the second year is from the
 117.13 deer management account in the game and
 117.14 fish fund.

117.15 (c) Notwithstanding Minnesota Statutes,
 117.16 section 297A.94, \$500,000 the second year is
 117.17 from the heritage enhancement account in the
 117.18 game and fish fund for planning and
 117.19 emergency response to disease outbreaks in
 117.20 wildlife. This is a onetime appropriation and
 117.21 is available until June 30, 2020.

117.22 (d) The commissioner may use up to \$7,000
 117.23 of the amount appropriated from the general
 117.24 fund in Laws 2017, chapter 93, article 1,
 117.25 section 3, subdivision 8, to cover the cost of:
 117.26 (1) the redesign of the printed and digital
 117.27 versions of fishing regulations and hunting
 117.28 and trapping regulations; and (2) the
 117.29 reprogramming of the electronic licensing
 117.30 system, to conform to the requirements of
 117.31 providing voter registration information under
 117.32 Minnesota Statutes, section 97A.409.

118.1	<u>Subd. 7. Enforcement</u>		<u>-0-</u>	<u>40,000</u>
118.2	<u>\$40,000 the second year is from the all-terrain</u>			
118.3	<u>vehicle account in the natural resources fund</u>			
118.4	<u>for the development and implementation of</u>			
118.5	<u>safety coursework for younger riders. This is</u>			
118.6	<u>a onetime appropriation.</u>			
118.7	<u>Subd. 8. Cancellation</u>			
118.8	<u>On July 1, 2018, \$492,000 is canceled to the</u>			
118.9	<u>general fund from the amount appropriated</u>			
118.10	<u>for legal costs under Laws 2017, chapter 93,</u>			
118.11	<u>article 1, section 3, subdivision 8.</u>			
118.12	<u>Sec. 4. BOARD OF WATER AND SOIL</u>			
118.13	<u>RESOURCES.</u>	<u>\$</u>	<u>-0-</u>	<u>\$ 650,000</u>
118.14	<u>(a) \$600,000 the second year is for a grant to</u>			
118.15	<u>the Alexandria Lake Area Sanitary District</u>			
118.16	<u>for lake management activities, including but</u>			
118.17	<u>not limited to alum treatment in Lake Agnes,</u>			
118.18	<u>carp removal in Lake Winona, and related</u>			
118.19	<u>management and reassessment measures that</u>			
118.20	<u>are intended to achieve and maintain</u>			
118.21	<u>compliance with water quality standards for</u>			
118.22	<u>phosphorus and the total maximum daily load</u>			
118.23	<u>for Lake Winona. This is a onetime</u>			
118.24	<u>appropriation and is available until June 30,</u>			
118.25	<u>2020.</u>			
118.26	<u>(b) \$50,000 the second year is for a grant to</u>			
118.27	<u>the Red River Basin Commission for water</u>			
118.28	<u>quality and floodplain management. This</u>			
118.29	<u>amount is in addition to the appropriation in</u>			
118.30	<u>Laws 2017, chapter 93, article 1, section 4,</u>			
118.31	<u>paragraph (i).</u>			
118.32	<u>Sec. 5. METROPOLITAN COUNCIL</u>	<u>\$</u>	<u>0</u>	<u>\$ 0</u>

119.1	<u>Appropriations by Fund</u>		
119.2		<u>2018</u>	<u>2019</u>
119.3	<u>General</u>	<u>-0-</u>	<u>(270,000)</u>
119.4	<u>Natural Resources</u>	<u>-0-</u>	<u>270,000</u>

119.5 (a) \$270,000 the second year is a reduction
 119.6 from the general fund for metropolitan area
 119.7 regional parks operations and maintenance
 119.8 according to Minnesota Statutes, section
 119.9 473.351.

119.10 (b) \$270,000 the second year is from the
 119.11 natural resources fund for metropolitan area
 119.12 regional parks and trails maintenance and
 119.13 operations. This appropriation is from the
 119.14 revenue deposited in the natural resources fund
 119.15 under Minnesota Statutes, section 297A.94,
 119.16 paragraph (h), clause (3).

119.17 Sec. 6. Laws 2010, chapter 361, article 4, section 78, is amended to read:

119.18 **Sec. 78. APPROPRIATION; MOOSE TRAIL.**

119.19 \$100,000 in fiscal year 2011 is appropriated to the commissioner of natural resources
 119.20 from the all-terrain vehicle account in the natural resources fund for a grant to the city of
 119.21 Hoyt Lakes ~~to convert the Moose Trail snowmobile trail to~~ for a dual usage trail, so that it
 119.22 ~~may also be used as an~~ off-highway vehicle trail connecting the city of Biwabik to the Iron
 119.23 Range Off-Highway Vehicle Recreation Area. This is a onetime appropriation and is available
 119.24 until ~~spent~~ June 30, 2020.

119.25 Sec. 7. Laws 2016, chapter 189, article 3, section 3, subdivision 5, is amended to read:

119.26 **Subd. 5. Parks and Trails Management** -0- 6,459,000

119.27	<u>Appropriations by Fund</u>		
119.28		<u>2016</u>	<u>2017</u>
119.29	<u>General</u>	<u>-0-</u>	<u>2,929,000</u>
119.30	<u>Natural Resources</u>	<u>-0-</u>	<u>3,530,000</u>

119.31 \$2,800,000 the second year is a onetime
 119.32 appropriation.

120.1 \$2,300,000 the second year is from the state
120.2 parks account in the natural resources fund.
120.3 Of this amount, \$1,300,000 is onetime, of
120.4 which \$1,150,000 is for strategic park
120.5 acquisition.

120.6 \$20,000 the second year is from the natural
120.7 resources fund to design and erect signs
120.8 marking the David Dill trail designated in this
120.9 act. Of this amount, \$10,000 is from the
120.10 snowmobile trails and enforcement account
120.11 and \$10,000 is from the all-terrain vehicle
120.12 account. This is a onetime appropriation.

120.13 \$100,000 the second year is for the
120.14 improvement of the infrastructure for sanitary
120.15 sewer service at the Woodenfrog Campground
120.16 in Kabetogama State Forest. This is a onetime
120.17 appropriation.

120.18 \$29,000 the second year is for computer
120.19 programming related to the transfer-on-death
120.20 title changes for watercraft. This is a onetime
120.21 appropriation.

120.22 \$210,000 the first year is from the water
120.23 recreation account in the natural resources
120.24 fund for implementation of Minnesota
120.25 Statutes, section 86B.532, established in this
120.26 act. This is a onetime appropriation. The
120.27 commissioner of natural resources shall seek
120.28 federal and other nonstate funds to reimburse
120.29 the department for the initial costs of
120.30 producing and distributing carbon monoxide
120.31 boat warning labels. All amounts collected
120.32 under this paragraph shall be deposited into
120.33 the water recreation account.

121.1 \$1,000,000 the second year is from the natural
 121.2 resources fund for a grant to Lake County for
 121.3 construction, including bridges, of the
 121.4 Prospectors ATV Trail System linking the
 121.5 communities of Ely, Babbitt, Embarrass, and
 121.6 Tower; Bear Head Lake and Lake
 121.7 Vermilion-Soudan Underground Mine State
 121.8 Parks; the Taconite State Trail; and the Lake
 121.9 County Regional ATV Trail System. Of this
 121.10 amount, \$900,000 is from the all-terrain
 121.11 vehicle account, \$50,000 is from the
 121.12 off-highway motorcycle account, and \$50,000
 121.13 is from the off-road vehicle account. This is
 121.14 a onetime appropriation and is available until
 121.15 June 30, 2019.

121.16 ARTICLE 14

121.17 ENVIRONMENT AND NATURAL RESOURCES POLICY

121.18 Section 1. [11A.236] ACCOUNT FOR INVESTMENT OF PERMIT TO MINE
 121.19 FINANCIAL ASSURANCE MONEY.

121.20 Subdivision 1. Establishment; appropriation. (a) The State Board of Investment, when
 121.21 requested by the commissioner of natural resources, may invest money collected by the
 121.22 commissioner as part of financial assurance provided under a permit to mine issued under
 121.23 chapter 93. The State Board of Investment may establish one or more accounts into which
 121.24 money may be deposited for the purposes of this section, subject to the policies and
 121.25 procedures of the State Board of Investment. Use of any money in the account shall be
 121.26 restricted to the financial assurance purposes identified in sections 93.46 to 93.51, and rules
 121.27 adopted thereunder, and as authorized under any trust fund agreements or other conditions
 121.28 established under a permit to mine.

121.29 (b) Money in the accounts is appropriated to the commissioner for the purposes for
 121.30 which the account is established under this section.

121.31 Subd. 2. Account maintenance and investment. The commissioner of natural resources
 121.32 may deposit money in the appropriate account and may withdraw money from the appropriate
 121.33 account for the financial assurance purposes identified in sections 93.46 to 93.51 and rules
 121.34 adopted thereunder and as authorized under any trust fund agreements or other conditions

122.1 established under the permit to mine for which the financial assurance is provided, subject
 122.2 to the policies and procedures of the State Board of Investment. Investment strategies related
 122.3 to an account established under this section must be determined jointly by the commissioner
 122.4 of natural resources and the executive director of the State Board of Investment. The
 122.5 authorized investments for an account shall be the investments authorized under section
 122.6 11A.24 that are made available for investment by the State Board of Investment. Investment
 122.7 transactions must be at a time and in a manner determined by the executive director of the
 122.8 State Board of Investment. Decisions to withdraw money from the account must be
 122.9 determined by the commissioner of natural resources, subject to the policies and procedures
 122.10 of the State Board of Investment. Investment earnings must be credited to the appropriate
 122.11 account for financial assurance under the identified permit to mine. An account may be
 122.12 terminated by the commissioner of natural resources at any time, so long as the termination
 122.13 is in accordance with applicable statutes, rules, trust fund agreements, or other conditions
 122.14 established under the permit to mine, subject to the policies and procedures of the State
 122.15 Board of Investment.

122.16 Sec. 2. Minnesota Statutes 2016, section 17.494, is amended to read:

122.17 **17.494 AQUACULTURE PERMITS; RULES.**

122.18 (a) The commissioner shall act as permit or license coordinator for aquatic farmers and
 122.19 shall assist aquatic farmers to obtain licenses or permits.

122.20 ~~By July 1, 1992,~~ (b) A state agency issuing multiple permits or licenses for aquaculture
 122.21 shall consolidate the permits or licenses required for every aquatic farm location. The
 122.22 Department of Natural Resources transportation permits are exempt from this requirement.
 122.23 State agencies shall adopt rules or issue commissioner's orders that establish permit and
 122.24 license requirements, approval timelines, and compliance standards. Saltwater aquatic farms,
 122.25 as defined in section 17.4982, and processing facilities for saltwater aquatic life, as defined
 122.26 in section 17.4982, must be classified as agricultural operations for purposes of any
 122.27 construction, discharge, or other permit issued by the Pollution Control Agency.

122.28 Nothing in this section modifies any state agency's regulatory authority over aquaculture
 122.29 production.

123.1 Sec. 3. Minnesota Statutes 2016, section 17.4982, is amended by adding a subdivision to
123.2 read:

123.3 Subd. 20a. **Saltwater aquaculture.** "Saltwater aquaculture" means the commercial
123.4 propagation and rearing of saltwater aquatic life, including, but not limited to, crustaceans,
123.5 primarily for consumption as human food.

123.6 Sec. 4. Minnesota Statutes 2016, section 17.4982, is amended by adding a subdivision to
123.7 read:

123.8 Subd. 20b. **Saltwater aquatic farm.** "Saltwater aquatic farm" means a facility used for
123.9 saltwater aquaculture, including, but not limited to, artificial ponds, vats, tanks, raceways,
123.10 and other facilities that an aquatic farmer owns or has exclusive control of for the sole
123.11 purpose of producing saltwater aquatic life.

123.12 Sec. 5. Minnesota Statutes 2016, section 17.4982, is amended by adding a subdivision to
123.13 read:

123.14 Subd. 20c. **Saltwater aquatic life.** "Saltwater aquatic life" means aquatic species that
123.15 are saltwater obligates or perform optimally when raised in salinities closer to that of natural
123.16 seawater and need saltwater to survive.

123.17 Sec. 6. **[17.499] TRANSPORTATION OR IMPORTATION OF SALTWATER**
123.18 **AQUATIC LIFE; QUARANTINE REQUIREMENT.**

123.19 Subdivision 1. **Purpose.** The legislature finds that it is in the public interest to increase
123.20 private saltwater aquaculture production and processing in this state under the coordination
123.21 of the commissioner of agriculture. Additional private production will reduce dependence
123.22 on foreign suppliers and benefit the rural economy by creating new jobs and economic
123.23 activity.

123.24 Subd. 2. **Transportation permit.** (a) Notwithstanding the requirements in section
123.25 17.4985, saltwater aquatic life transportation and importation requirements are governed
123.26 by this section. A transportation permit is required prior to any importation or intrastate
123.27 transportation of saltwater aquatic life not exempted under subdivision 3. A transportation
123.28 permit may be used for multiple shipments within the 30-day term of the permit if the source
123.29 and the destination remain the same. Transportation permits must be obtained from the
123.30 commissioner prior to shipment of saltwater aquatic life.

123.31 (b) An application for a transportation permit must be made in the form required by the
123.32 commissioner. The commissioner may reject an incomplete application.

124.1 (c) An application for a transportation permit must be accompanied by satisfactory
124.2 evidence, as determined by the commissioner, that the shipment is free of any nonindigenous
124.3 species of animal other than the saltwater aquatic species and either:

124.4 (1) the facility from which the saltwater aquatic life originated has provided
124.5 documentation of 36 or more consecutive months of negative testing by an approved
124.6 laboratory as free of any disease listed by OIE - the World Organisation for Animal Health
124.7 for that species following the testing guidelines outlined in the OIE Aquatic Animal Health
124.8 Code for crustaceans or the AFS Fish Health Blue Book for other species, as appropriate;
124.9 or

124.10 (2) the saltwater aquatic life to be imported or transported includes documentation of
124.11 negative testing for that specific lot by an approved laboratory as free of any disease listed
124.12 by OIE - the World Organisation for Animal Health for crustaceans or in the AFS Fish
124.13 Health Blue Book for other species, as appropriate.

124.14 If a shipment authorized by the commissioner under clause (1) includes saltwater aquatic
124.15 life that originated in a foreign country, the shipment must be quarantined at the receiving
124.16 facility according to a quarantine plan approved by the commissioner. A shipment authorized
124.17 by the commissioner under clause (2) must be quarantined at the receiving facility according
124.18 to a quarantine plan approved by the commissioner.

124.19 (d) For purposes of this subdivision, "approved laboratory" means a laboratory approved
124.20 by the commissioner or the United States Department of Agriculture, Animal and Plant
124.21 Health Inspection Services.

124.22 (e) No later than 14 calendar days after a completed transportation permit application
124.23 is received, the commissioner must approve or deny the transportation permit application.

124.24 (f) A copy of the transportation permit must accompany a shipment of saltwater aquatic
124.25 life while in transit and must be available for inspection by the commissioner.

124.26 (g) A vehicle used by a licensee for transporting aquatic life must be identified with the
124.27 license number and the licensee's name and town of residence as it appears on the license.
124.28 A vehicle used by a licensee must have identification displayed so that it is readily visible
124.29 from either side of the vehicle in letters and numbers not less than 2-1/2 inches high and
124.30 three-eighths inch wide. Identification may be permanently affixed to vehicles or displayed
124.31 on removable plates or placards placed on opposite doors of the vehicle or on the tanks
124.32 carried on the vehicle.

125.1 (h) An application to license a vehicle for brood stock or larvae transport or for use as
 125.2 a saltwater aquatic life vendor that is received by the commissioner is a temporary license
 125.3 until approved or denied by the commissioner.

125.4 Subd. 3. Exemptions. (a) A transportation permit is not required to transport or import
 125.5 saltwater aquatic life:

125.6 (1) previously processed for use as food or other purposes unrelated to propagation;

125.7 (2) transported directly to an outlet for processing as food or for other food purposes if
 125.8 accompanied by shipping documents;

125.9 (3) that is being exported if accompanied by shipping documents;

125.10 (4) that is being transported through the state if accompanied by shipping documents;

125.11 or

125.12 (5) transported intrastate within or between facilities licensed for saltwater aquaculture
 125.13 by the commissioner if accompanied by shipping documents.

125.14 (b) Shipping documents required under paragraph (a) must include the place of origin,
 125.15 owner or consignee, destination, number, species, and satisfactory evidence, as determined
 125.16 by the commissioner, of the disease-free certification required under subdivision 2, paragraph
 125.17 (c), clauses (1) and (2).

125.18 Sec. 7. Minnesota Statutes 2017 Supplement, section 84.01, subdivision 6, is amended to
 125.19 read:

125.20 Subd. 6. **Legal counsel.** The commissioner of natural resources may appoint attorneys
 125.21 or outside counsel to render title opinions, represent the department in severed mineral
 125.22 interest forfeiture actions brought pursuant to section 93.55, and, notwithstanding any statute
 125.23 to the contrary, represent the state in quiet title or title registration actions affecting land or
 125.24 interests in land administered by the commissioner and in all proceedings relating to road
 125.25 vacations.

125.26 Sec. 8. Minnesota Statutes 2016, section 84.0895, subdivision 2, is amended to read:

125.27 Subd. 2. **Application.** (a) Subdivision 1 does not apply to:

125.28 (1) plants on land classified for property tax purposes as class 2a or 2c agricultural land
 125.29 under section 273.13, ~~or on ditches and roadways~~ a ditch, or on an existing public road
 125.30 right-of-way as defined in section 84.92, subdivision 6a, except for ground not previously
 125.31 disturbed by construction or maintenance; and

126.1 (2) noxious weeds designated pursuant to sections 18.76 to 18.88 or to weeds otherwise
126.2 designated as troublesome by the Department of Agriculture.

126.3 (b) If control of noxious weeds is necessary, it takes priority over the protection of
126.4 endangered plant species, as long as a reasonable effort is taken to preserve the endangered
126.5 plant species first.

126.6 (c) The taking or killing of an endangered plant species on land adjacent to class 3 or
126.7 3b agricultural land as a result of the application of pesticides or other agricultural chemical
126.8 on the class 3 or 3b land is not a violation of subdivision 1, if reasonable care is taken in
126.9 the application of the pesticide or other chemical to avoid impact on adjacent lands. For the
126.10 purpose of this paragraph, class 3 or 3b agricultural land does not include timber land, waste
126.11 land, or other land for which the owner receives a state paid wetlands or native prairie tax
126.12 credit.

126.13 (d) The accidental taking of an endangered plant, where the existence of the plant is not
126.14 known at the time of the taking, is not a violation of subdivision 1.

126.15 Sec. 9. Minnesota Statutes 2016, section 84.86, subdivision 1, is amended to read:

126.16 Subdivision 1. **Required rules.** With a view of achieving maximum use of snowmobiles
126.17 consistent with protection of the environment the commissioner of natural resources shall
126.18 adopt rules in the manner provided by chapter 14, for the following purposes:

126.19 (1) Registration of snowmobiles and display of registration numbers.

126.20 (2) Use of snowmobiles insofar as game and fish resources are affected.

126.21 (3) Use of snowmobiles on public lands and waters, or on grant-in-aid trails.

126.22 (4) Uniform signs to be used by the state, counties, and cities, which are necessary or
126.23 desirable to control, direct, or regulate the operation and use of snowmobiles.

126.24 (5) Specifications relating to snowmobile mufflers.

126.25 (6) A comprehensive snowmobile information and safety education and training program,
126.26 including but not limited to the preparation and dissemination of snowmobile information
126.27 and safety advice to the public, the training of snowmobile operators, and the issuance of
126.28 snowmobile safety certificates to snowmobile operators who successfully complete the
126.29 snowmobile safety education and training course. For the purpose of administering such
126.30 program and to defray expenses of training and certifying snowmobile operators, the
126.31 commissioner shall collect a fee from each person who receives the youth or adult training.
126.32 The commissioner shall collect a fee, to include a \$1 issuing fee for licensing agents, for

127.1 issuing a duplicate snowmobile safety certificate. The commissioner shall establish both
127.2 fees in a manner that neither significantly overrecovers nor underrecovers costs, including
127.3 overhead costs, involved in providing the services. The fees are not subject to the rulemaking
127.4 provisions of chapter 14 and section 14.386 does not apply. The fees may be established
127.5 by the commissioner notwithstanding section 16A.1283. The fees, except for the issuing
127.6 fee for licensing agents under this subdivision, shall be deposited in the snowmobile trails
127.7 and enforcement account in the natural resources fund and the amount thereof, except for
127.8 the electronic licensing system commission established by the commissioner under section
127.9 84.027, subdivision 15, and issuing fees collected by the commissioner, is appropriated
127.10 annually to the Enforcement Division of the Department of Natural Resources for the
127.11 administration of such programs. In addition to the fee established by the commissioner,
127.12 instructors may charge each person any fee paid by the instructor for the person's online
127.13 training course and up to the established fee amount for class materials and expenses. The
127.14 commissioner shall cooperate with private organizations and associations, private and public
127.15 corporations, and local governmental units in furtherance of the program established under
127.16 this clause. School districts may cooperate with the commissioner and volunteer instructors
127.17 to provide space for the classroom portion of the training. The commissioner shall consult
127.18 with the commissioner of public safety in regard to training program subject matter and
127.19 performance testing that leads to the certification of snowmobile operators.

127.20 (7) The operator of any snowmobile involved in an accident resulting in injury requiring
127.21 medical attention or hospitalization to or death of any person or total damage to an extent
127.22 of \$500 or more, shall forward a written report of the accident to the commissioner on such
127.23 form as the commissioner shall prescribe. If the operator is killed or is unable to file a report
127.24 due to incapacitation, any peace officer investigating the accident shall file the accident
127.25 report within ten business days.

127.26 Sec. 10. Minnesota Statutes 2017 Supplement, section 84.925, subdivision 1, is amended
127.27 to read:

127.28 Subdivision 1. ~~Program~~ **Training and certification programs established.** (a) The
127.29 commissioner shall establish:

127.30 (1) a comprehensive all-terrain vehicle environmental and safety education and training
127.31 certification program, including the preparation and dissemination of vehicle information
127.32 and safety advice to the public, the training of all-terrain vehicle operators, and the issuance
127.33 of all-terrain vehicle safety certificates to vehicle operators over the age of 12 years who

128.1 successfully complete the all-terrain vehicle environmental and safety education and training
 128.2 course; and

128.3 (2) a voluntary all-terrain vehicle online training program for youth and a parent or
 128.4 guardian, offered at no charge for operators at least six years of age but younger than ten
 128.5 years of age.

128.6 (b) A parent or guardian must be present at the hands-on a training portion of the program
 128.7 for when the youth who are six through ten is under ten years of age.

128.8 ~~(b)~~ (c) For the purpose of administering the program and to defray the expenses of
 128.9 training and certifying vehicle operators, the commissioner shall collect a fee from each
 128.10 person who receives the training for certification under paragraph (a), clause (1). The
 128.11 commissioner shall collect a fee, to include a \$1 issuing fee for licensing agents, for issuing
 128.12 a duplicate all-terrain vehicle safety certificate. The commissioner shall establish both fees
 128.13 in a manner that neither significantly overrecovers nor underrecovers costs, including
 128.14 overhead costs, involved in providing the services. The fees are not subject to the rulemaking
 128.15 provisions of chapter 14 and section 14.386 does not apply. The fees may be established
 128.16 by the commissioner notwithstanding section 16A.1283. Fee proceeds, except for the issuing
 128.17 fee for licensing agents under this subdivision, shall be deposited in the all-terrain vehicle
 128.18 account in the natural resources fund and the amount thereof, except for the electronic
 128.19 licensing system commission established by the commissioner under section 84.027,
 128.20 subdivision 15, and issuing fees collected by the commissioner, is appropriated annually to
 128.21 the Enforcement Division of the Department of Natural Resources for the administration
 128.22 of the programs. In addition to the fee established by the commissioner, instructors may
 128.23 charge each person up to the established fee amount for class materials and expenses.

128.24 ~~(c)~~ (d) The commissioner shall cooperate with private organizations and associations,
 128.25 private and public corporations, and local governmental units in furtherance of the ~~program~~
 128.26 programs established under this section. School districts may cooperate with the
 128.27 commissioner and volunteer instructors to provide space for the classroom portion of the
 128.28 training. The commissioner shall consult with the commissioner of public safety in regard
 128.29 to ~~training program~~ the subject matter of the training programs and performance testing that
 128.30 leads to the certification of vehicle operators. The commissioner shall incorporate a riding
 128.31 component in the ~~safety education and training program~~ certification programs established
 128.32 under this section, and may incorporate a riding component in the training program as
 128.33 established in paragraph (a), clause (2).

129.1 Sec. 11. Minnesota Statutes 2017 Supplement, section 84.9256, subdivision 1, is amended
129.2 to read:

129.3 Subdivision 1. **Prohibitions on youthful operators.** (a) Except for operation on public
129.4 road rights-of-way that is permitted under section 84.928 and as provided under paragraph
129.5 (j), a driver's license issued by the state or another state is required to operate an all-terrain
129.6 vehicle along or on a public road right-of-way.

129.7 (b) A person under 12 years of age shall not:

129.8 (1) make a direct crossing of a public road right-of-way;

129.9 (2) operate an all-terrain vehicle on a public road right-of-way in the state; or

129.10 (3) operate an all-terrain vehicle on public lands or waters, except as provided in
129.11 paragraph (f).

129.12 (c) Except for public road rights-of-way of interstate highways, a person 12 years of age
129.13 but less than 16 years may make a direct crossing of a public road right-of-way of a trunk,
129.14 county state-aid, or county highway or operate on public lands and waters or state or
129.15 grant-in-aid trails, only if that person possesses a valid all-terrain vehicle safety certificate
129.16 issued by the commissioner and is accompanied by a person 18 years of age or older who
129.17 holds a valid driver's license.

129.18 (d) To be issued an all-terrain vehicle safety certificate, a person at least 12 years old,
129.19 but less than 16 years old, must:

129.20 (1) successfully complete the safety education and training program under section 84.925,
129.21 subdivision 1, including a riding component; and

129.22 (2) be able to properly reach and control the handle bars and reach the foot pegs while
129.23 sitting upright on the seat of the all-terrain vehicle.

129.24 (e) A person at least ~~six~~ ten years of age may take the safety education and training
129.25 program and may receive an all-terrain vehicle safety certificate under paragraph (d), but
129.26 the certificate is not valid until the person reaches age 12.

129.27 (f) A person at least ten years of age but under 12 years of age may operate an all-terrain
129.28 vehicle with an engine capacity up to 110cc if the vehicle is a class 1 all-terrain vehicle with
129.29 straddle-style seating or up to 170cc if the vehicle is a class 1 all-terrain vehicle with
129.30 side-by-side-style seating on public lands or waters if accompanied by a parent or legal
129.31 guardian.

129.32 (g) A person under 15 years of age shall not operate a class 2 all-terrain vehicle.

130.1 (h) A person under the age of 16 may not operate an all-terrain vehicle on public lands
130.2 or waters or on state or grant-in-aid trails if the person cannot properly reach and control:

130.3 (1) the handle bars and reach the foot pegs while sitting upright on the seat of the
130.4 all-terrain vehicle with straddle-style seating; or

130.5 (2) the steering wheel and foot controls of a class 1 all-terrain vehicle with
130.6 side-by-side-style seating while sitting upright in the seat with the seat belt fully engaged.

130.7 (i) Notwithstanding paragraph (c), a nonresident at least 12 years old, but less than 16
130.8 years old, may make a direct crossing of a public road right-of-way of a trunk, county
130.9 state-aid, or county highway or operate an all-terrain vehicle on public lands and waters or
130.10 state or grant-in-aid trails if:

130.11 (1) the nonresident youth has in possession evidence of completing an all-terrain safety
130.12 course offered by the ATV Safety Institute or another state as provided in section 84.925,
130.13 subdivision 3; and

130.14 (2) the nonresident youth is accompanied by a person 18 years of age or older who holds
130.15 a valid driver's license.

130.16 (j) A person 12 years of age but less than 16 years of age may operate an all-terrain
130.17 vehicle on the roadway, bank, slope, or ditch of a public road right-of-way as permitted
130.18 under section 84.928 if the person:

130.19 (1) possesses a valid all-terrain vehicle safety certificate issued by the commissioner;
130.20 and

130.21 (2) is accompanied by a parent or legal guardian on a separate all-terrain vehicle.

130.22 Sec. 12. Minnesota Statutes 2017 Supplement, section 84D.03, subdivision 3, is amended
130.23 to read:

130.24 Subd. 3. **Bait harvest from infested waters.** (a) Taking wild animals from infested
130.25 waters for bait or aquatic farm purposes is prohibited except as provided in paragraph (b),
130.26 (c), or (d) and section 97C.341.

130.27 (b) In waters that are listed as infested waters, except those listed as infested with
130.28 prohibited invasive species of fish or certifiable diseases of fish, as defined under section
130.29 17.4982, subdivision 6, taking wild animals may be permitted for:

130.30 (1) commercial taking of wild animals for bait and aquatic farm purposes as provided
130.31 in a permit issued under section 84D.11, subject to rules adopted by the commissioner; and

131.1 (2) bait purposes for noncommercial personal use in waters that contain Eurasian
131.2 watermilfoil, when the infested waters are listed solely because they contain Eurasian
131.3 watermilfoil and if the equipment for taking is limited to cylindrical minnow traps not
131.4 exceeding 16 inches in diameter and 32 inches in length.

131.5 (c) In streams or rivers that are listed as infested waters, except those listed as infested
131.6 with certifiable diseases of fish, as defined under section 17.4982, subdivision 6, the harvest
131.7 of bullheads, goldeyes, mooneyes, sheepshead (freshwater drum), and suckers for bait by
131.8 hook and line for noncommercial personal use is allowed as follows:

131.9 (1) fish taken under this paragraph must be used on the same body of water where caught
131.10 and while still on that water body. Where the river or stream is divided by barriers such as
131.11 dams, the fish must be caught and used on the same section of the river or stream;

131.12 (2) fish taken under this paragraph may not be transported live from or off the water
131.13 body;

131.14 (3) fish harvested under this paragraph may only be used in accordance with this section;

131.15 (4) any other use of wild animals used for bait from infested waters is prohibited;

131.16 (5) fish taken under this paragraph must meet all other size restrictions and requirements
131.17 as established in rules; and

131.18 (6) all species listed under this paragraph shall be included in the person's daily limit as
131.19 established in rules, if applicable.

131.20 (d) In the Minnesota River downstream of Granite Falls, the Mississippi River
131.21 downstream of St. Anthony Falls, and the St. Croix River downstream of the dam at Taylors
131.22 Falls, including portions described as Minnesota-Wisconsin boundary waters in Minnesota
131.23 Rules, part 6266.0500, subpart 1, items A and B, the harvest of gizzard shad by cast net for
131.24 noncommercial personal use as bait for angling, as provided in a permit issued under section
131.25 84D.11, is allowed as follows:

131.26 (1) nontarget species must immediately be returned to the water;

131.27 (2) gizzard shad taken under this paragraph must be used on the same body of water
131.28 where caught and while still on that water body. Where the river is divided by barriers such
131.29 as dams, the gizzard shad must be caught and used on the same section of the river;

131.30 (3) gizzard shad taken under this paragraph may not be transported off the water body;
131.31 and

132.1 (4) gizzard shad harvested under this paragraph may only be used in accordance with
132.2 this section.

132.3 ~~This paragraph expires December 1, 2017.~~

132.4 (e) Equipment authorized for minnow harvest in a listed infested water by permit issued
132.5 under paragraph (b) may not be transported to, or used in, any waters other than waters
132.6 specified in the permit.

132.7 (f) Bait intended for sale may not be held in infested water after taking and before sale,
132.8 unless authorized under a license or permit according to Minnesota Rules, part 6216.0500.

132.9 Sec. 13. Minnesota Statutes 2017 Supplement, section 84D.03, subdivision 4, is amended
132.10 to read:

132.11 Subd. 4. **Restrictions in infested and noninfested waters; commercial fishing and**
132.12 **turtle, frog, and crayfish harvesting.** (a) All nets, traps, buoys, anchors, stakes, and lines
132.13 used for commercial fishing or turtle, frog, or crayfish harvesting in an infested water that
132.14 is listed because it contains invasive fish, invertebrates, aquatic plants or aquatic macrophytes
132.15 other than Eurasian watermilfoil, or certifiable diseases, as defined in section 17.4982, must
132.16 be tagged with tags provided by the commissioner, as specified in the commercial licensee's
132.17 license or permit. Tagged gear must not be used in water bodies other than those specified
132.18 in the license or permit. The license or permit may authorize department staff to remove
132.19 tags after the from gear is that has been decontaminated according to a protocol specified
132.20 by the commissioner if the use of the decontaminated gear in other water bodies would not
132.21 pose an unreasonable risk of harm to natural resources or the use of natural resources in the
132.22 state. This tagging requirement does not apply to commercial fishing equipment used in
132.23 Lake Superior.

132.24 (b) All nets, traps, buoys, anchors, stakes, and lines used for commercial fishing or turtle,
132.25 frog, or crayfish harvesting in an infested water that is listed solely because it contains
132.26 Eurasian watermilfoil must be dried for a minimum of ten days or frozen for a minimum
132.27 of two days before they are used in any other waters, except as provided in this paragraph.
132.28 Commercial licensees must notify the department's regional or area fisheries office or a
132.29 conservation officer before removing nets or equipment from an infested water listed solely
132.30 because it contains Eurasian watermilfoil and before resetting those nets or equipment in
132.31 any other waters. Upon notification, the commissioner may authorize a commercial licensee
132.32 to move nets or equipment to another water without freezing or drying, if that water is listed
132.33 as infested solely because it contains Eurasian watermilfoil.

133.1 (c) A commercial licensee must remove all aquatic macrophytes from nets and other
133.2 equipment before placing the equipment into waters of the state.

133.3 (d) The commissioner shall provide a commercial licensee with a current listing of listed
133.4 infested waters at the time that a license or permit is issued.

133.5 Sec. 14. Minnesota Statutes 2017 Supplement, section 84D.108, subdivision 2b, is amended
133.6 to read:

133.7 Subd. 2b. **Gull Lake pilot study.** (a) The commissioner may include an additional
133.8 targeted pilot study to include water-related equipment with zebra mussels attached for ~~the~~
133.9 ~~Gull Narrows State Water Access Site, Government Point State Water Access Site, and~~
133.10 ~~Gull East State~~ water access ~~Site~~ sites on Gull Lake (DNR Division of Waters number
133.11 11-0305) in Cass and Crow Wing Counties using the same authorities, general procedures,
133.12 and requirements provided for the Lake Minnetonka pilot project in subdivision 2a. Lake
133.13 service providers participating in the Gull Lake targeted pilot study place of business must
133.14 be located in Cass or Crow Wing County.

133.15 (b) If an additional targeted pilot project for Gull Lake is implemented under this section,
133.16 the report to the chairs and ranking minority members of the senate and house of
133.17 representatives committees having jurisdiction over natural resources required under Laws
133.18 2016, chapter 189, article 3, section 48, must also include the Gull Lake targeted pilot study
133.19 recommendations and assessments.

133.20 (c) This subdivision expires December 1, 2019.

133.21 Sec. 15. Minnesota Statutes 2017 Supplement, section 84D.108, subdivision 2c, is amended
133.22 to read:

133.23 Subd. 2c. **Cross Lake pilot study.** (a) The commissioner may include an additional
133.24 targeted pilot study to include water-related equipment with zebra mussels attached for ~~the~~
133.25 ~~Cross Lake #1 State~~ water access ~~Site~~ sites on Cross Lake (DNR Division of Waters number
133.26 18-0312) in Crow Wing County using the same authorities, general procedures, and
133.27 requirements provided for the Lake Minnetonka pilot project in subdivision 2a. The place
133.28 of business of lake service providers participating in the Cross Lake targeted pilot study
133.29 must be located in Cass or Crow Wing County.

133.30 (b) If an additional targeted pilot project for Cross Lake is implemented under this
133.31 section, the report to the chairs and ranking minority members of the senate and house of
133.32 representatives committees having jurisdiction over natural resources required under Laws

134.1 2016, chapter 189, article 3, section 48, must also include the Cross Lake targeted pilot
 134.2 study recommendations and assessments.

134.3 (c) This subdivision expires December 1, 2019.

134.4 Sec. 16. Minnesota Statutes 2017 Supplement, section 85.0146, subdivision 1, is amended
 134.5 to read:

134.6 Subdivision 1. **Advisory council created.** The Cuyuna Country State Recreation Area
 134.7 Citizens Advisory Council is established. Membership on the advisory council shall include:

134.8 (1) a representative of ~~the Cuyuna Range Mineland Recreation Area Joint Powers Board~~
 134.9 Cuyuna Range Economic Development, Inc.;

134.10 (2) a representative ~~of~~ for the Croft Mine Historical Park Joint Powers Board appointed
 134.11 by the members of the Cuyuna Country State Recreation Area Citizens Advisory Council
 134.12 who are appointed under clauses (1) and (4) to (13);

134.13 (3) a ~~designee of the Cuyuna Range Mineland Reclamation Committee who has worked~~
 134.14 ~~as a miner in the local area~~ member at large appointed by the members of the Cuyuna
 134.15 Country State Recreation Area Citizens Advisory Council who are appointed under clauses
 134.16 (1) and (4) to (13);

134.17 (4) a representative of the Crow Wing County Board;

134.18 (5) ~~an elected state official~~ the state senator representing the state recreation area;

134.19 (6) the member from the state house of representatives representing the state recreation
 134.20 area;

134.21 (7) a representative of the Grand Rapids regional office of the Department of Natural
 134.22 Resources;

134.23 ~~(7)~~ (8) a designee of the commissioner of Iron Range resources and rehabilitation;

134.24 ~~(8)~~ (9) a designee of the local business community selected by the area chambers of
 134.25 commerce;

134.26 ~~(9)~~ (10) a designee of the local environmental community selected by the Crow Wing
 134.27 County District 5 commissioner;

134.28 ~~(10)~~ (11) a designee of a local education organization selected by the Crosby-Ironton
 134.29 School Board;

134.30 ~~(11)~~ (12) a designee of one of the recreation area user groups selected by the Cuyuna
 134.31 Range Chamber of Commerce; and

135.1 ~~(12)~~ (13) a member of the Cuyuna Country Heritage Preservation Society.

135.2 Sec. 17. Minnesota Statutes 2016, section 86B.005, subdivision 8a, is amended to read:

135.3 Subd. 8a. **Marine carbon monoxide detection system.** "Marine carbon monoxide
135.4 detection system" means a device or system ~~that meets the requirements of the American~~
135.5 ~~Boat and Yacht Council Standard A-24, July, 2015, for carbon monoxide detection systems.~~
135.6 for detecting carbon monoxide that is certified by a nationally recognized testing laboratory
135.7 to conform to current UL Standards for use on recreational boats.

135.8 Sec. 18. Minnesota Statutes 2016, section 86B.532, subdivision 1, is amended to read:

135.9 Subdivision 1. **Requirements; installation.** (a) No motorboat used for recreational
135.10 purposes that has an enclosed accommodation compartment may be operated on any waters
135.11 of the state unless the motorboat is equipped with a functioning marine carbon monoxide
135.12 detection system installed according to the manufacturer's instructions and this subdivision.

135.13 (b) ~~After May 1, 2017,~~ No new motorboat used for recreational purposes that has an
135.14 enclosed accommodation compartment may be sold or offered for sale in Minnesota unless
135.15 the motorboat is equipped with a new functioning marine carbon monoxide detection system
135.16 installed according to the manufacturer's instructions and this subdivision.

135.17 (c) A marine carbon monoxide detection system must be located:

135.18 (1) to monitor the atmosphere of the enclosed accommodation compartment; and

135.19 (2) within ten feet or 3.048 meters of any designated sleeping accommodations.

135.20 (d) A marine carbon monoxide detection system, including a sensor, must not be located
135.21 within five feet or 1.52 meters of any cooking appliance.

135.22 Sec. 19. Minnesota Statutes 2016, section 88.10, is amended by adding a subdivision to
135.23 read:

135.24 Subd. 3. **Wildland firefighters; training and licensing.** Forest officers and all
135.25 individuals employed as wildland firefighters under this chapter are not subject to the
135.26 requirements of chapter 299N.

135.27 Sec. 20. Minnesota Statutes 2016, section 88.75, subdivision 1, is amended to read:

135.28 Subdivision 1. **Misdemeanor offenses; damages; injunctive relief.** (a) Any person
135.29 who violates any of the provisions of sections 88.03 to 88.22 for which no specific penalty
135.30 is therein prescribed shall be guilty of a misdemeanor and be punished accordingly.

136.1 (b) Failure by any person to comply with any provision or requirement of sections 88.03
136.2 to 88.22 to which such person is subject shall be deemed a violation thereof.

136.3 (c) Any person who violates ~~any provisions of~~ sections 88.03 to 88.22, in addition to
136.4 any penalties therein prescribed, or hereinbefore in this section prescribed, for such violation,
136.5 shall also be liable in full damages to any and every person suffering loss or injury by reason
136.6 of such violation, including liability to the state, and any of its political subdivisions, for
136.7 all expenses incurred in fighting or preventing the spread of, or extinguishing, any fire
136.8 caused by, or resulting from, any violation of these sections. Notwithstanding any statute
136.9 to the contrary, an attorney who is licensed to practice law in Minnesota and is an employee
136.10 of the Department of Natural Resources may represent the commissioner in proceedings
136.11 under this subdivision that are removed to district court from conciliation court. All expenses
136.12 so collected by the state shall be deposited in the general fund. When a fire set by any person
136.13 spreads to and damages or destroys property belonging to another, the setting of the fire
136.14 shall be prima facie evidence of negligence in setting and allowing the same to spread.

136.15 (d) At any time the state, or any political subdivision thereof, either of its own motion,
136.16 or at the suggestion or request of the director, may bring an action in any court of competent
136.17 jurisdiction to restrain, enjoin, or otherwise prohibit any violation of sections 88.03 to 88.22,
136.18 whether therein described as a crime or not, and likewise to restrain, enjoin, or prohibit any
136.19 person from proceeding further in, with, or at any timber cutting or other operations without
136.20 complying with the provisions of those sections, or the requirements of the director pursuant
136.21 thereto; and the court may grant such relief, or any other appropriate relief, whenever it
136.22 shall appear that the same may prevent loss of life or property by fire, or may otherwise aid
136.23 in accomplishing the purposes of sections 88.03 to 88.22.

136.24 Sec. 21. Minnesota Statutes 2017 Supplement, section 89.17, is amended to read:

136.25 **89.17 LEASES AND PERMITS.**

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

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

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

137.7 (d) The commissioner may require a performance bond, security deposit, or other form
137.8 of security for removing any improvements or personal property left on the leased premises
137.9 by the lessee upon termination or cancellation of the lease.

137.10 Sec. 22. Minnesota Statutes 2016, section 89.551, is amended to read:

137.11 **89.551 APPROVED FIREWOOD REQUIRED.**

137.12 (a) After the commissioner issues an order under paragraph (b), a person may not possess
137.13 firewood on land administered by the commissioner of natural resources unless the firewood:

137.14 (1) was obtained from a firewood distribution facility located on land administered by
137.15 the commissioner;

137.16 (2) was obtained from a firewood dealer who is selling firewood that is approved by the
137.17 commissioner under paragraph (b); or

137.18 (3) has been approved by the commissioner of natural resources under paragraph (b).

137.19 (b) The commissioner of natural resources shall, by written order published in the State
137.20 Register, approve firewood for possession on lands administered by the commissioner. The
137.21 order is not subject to the rulemaking provisions of chapter 14₂ and section 14.386 does not
137.22 apply.

137.23 (c) A violation under this section is subject to confiscation of firewood ~~and after May~~
137.24 ~~1, 2008, confiscation and a \$100 penalty. A firewood dealer shall be subject to confiscation~~
137.25 ~~and assessed a \$100 penalty for each sale of firewood not approved under the provisions~~
137.26 ~~of this section and sold for use on land administered by the commissioner.~~

137.27 (d) For the purposes of this section, "firewood" means any wood that is intended for use
137.28 in a campfire, as defined in section 88.01, subdivision 25.

138.1 Sec. 23. Minnesota Statutes 2016, section 92.50, is amended by adding a subdivision to
138.2 read:

138.3 Subd. 3. **Security requirement.** The commissioner may require a performance bond,
138.4 security deposit, or other form of security for removing any improvements or personal
138.5 property left on the leased premises by the lessee upon termination or cancellation of the
138.6 lease.

138.7 Sec. 24. Minnesota Statutes 2016, section 94.10, subdivision 2, is amended to read:

138.8 Subd. 2. **Public sale requirements.** (a) After complying with subdivision 1 and before
138.9 any public sale of surplus state-owned land is made and at least 30 days before the sale, the
138.10 commissioner of natural resources shall publish a notice of the sale in a newspaper of general
138.11 distribution in the county in which the real property to be sold is situated. The notice shall
138.12 specify the time and place at which the sale will commence, a general description of the
138.13 lots or tracts to be offered, and a general statement of the terms of sale. The commissioner
138.14 shall also provide electronic notice of sale.

138.15 (b) The minimum bid for a parcel of land must include the estimated value or appraised
138.16 value of the land and any improvements and, if any of the land is valuable for merchantable
138.17 timber, the value of the merchantable timber. The minimum bid may include expenses
138.18 incurred by the commissioner in rendering the property salable, including survey, appraisal,
138.19 legal, advertising, and other expenses.

138.20 (c) The purchaser of state land must pay recording fees and the state deed tax.

138.21 (d) Except as provided under paragraph (e), parcels remaining unsold after the offering
138.22 may be sold to anyone agreeing to pay at least 75 percent of the appraised value. The sale
138.23 shall continue until all parcels are sold or until the commissioner orders a reappraisal or
138.24 withdraws the remaining parcels from sale.

138.25 (e) The commissioner may retain the services of a licensed real estate broker to find a
138.26 buyer for parcels remaining unsold after the offering. The sale price may be negotiated by
138.27 the broker, but must not be less than 90 percent of the appraised value as determined by the
138.28 commissioner. The broker's fee must be established by prior agreement between the
138.29 commissioner and the broker and must not exceed ten percent of the sale price for sales of
138.30 \$10,000 or more. The broker's fee must be paid to the broker from the proceeds of the sale.

138.31 (f) Public sales of surplus state-owned land may be conducted through online auctions.

139.1 Sec. 25. Minnesota Statutes 2016, section 97A.051, subdivision 2, is amended to read:

139.2 Subd. 2. **Summary of fish and game laws.** (a) The commissioner shall prepare a
139.3 summary of the hunting and fishing laws and rules and deliver a sufficient supply to license
139.4 vendors ~~to furnish one copy to each person obtaining a hunting, fishing, or trapping license.~~

139.5 (b) At the beginning of the summary, under the heading "Trespass," the commissioner
139.6 shall summarize the trespass provisions under sections 97B.001 to 97B.945, state that
139.7 conservation officers and peace officers must enforce the trespass laws, and state the penalties
139.8 for trespassing.

139.9 (c) In the summary the commissioner shall, under the heading "Duty to Render Aid,"
139.10 summarize the requirements under section 609.662 and state the penalties for failure to
139.11 render aid to a person injured by gunshot.

139.12 Sec. 26. Minnesota Statutes 2017 Supplement, section 97A.075, subdivision 1, is amended
139.13 to read:

139.14 Subdivision 1. **Deer, bear, and lifetime licenses.** (a) For purposes of this subdivision,
139.15 "deer license" means a license issued under section 97A.475, subdivisions 2, clauses (5),
139.16 (6), (7), (13), (14), and (15); 3, paragraph (a), clauses (2), (3), (4), (10), (11), and (12); and
139.17 8, paragraph (b), and licenses issued under section 97B.301, subdivision 4.

139.18 (b) \$16 from each annual deer license issued under section 97A.475, subdivisions 2,
139.19 clauses (5), (6), and (7); 3, paragraph (a), clauses (2), (3), and (4); and 8, paragraph (b); \$2
139.20 from each annual deer license and \$2 issued under sections 97A.475, subdivisions 2, clauses
139.21 (13), (14), and (15); and 3, paragraph (a), clauses (10), (11), and (12); and 97B.301,
139.22 subdivision 4; \$16 annually from the lifetime fish and wildlife trust fund, established in
139.23 section 97A.4742, for each license issued to a person 18 years of age or older under section
139.24 97A.473, subdivision 4; and \$2 annually from the lifetime fish and wildlife trust fund for
139.25 each license issued to a person under 18 years of age shall be credited to the deer management
139.26 account and is appropriated to the commissioner for deer habitat improvement or deer
139.27 management programs.

139.28 (c) \$1 from each annual deer license and each bear license and \$1 annually from the
139.29 lifetime fish and wildlife trust fund, established in section 97A.4742, for each license issued
139.30 under section 97A.473, subdivision 4, shall be credited to the deer and bear management
139.31 account and is appropriated to the commissioner for deer- and bear-management programs,
139.32 including a computerized licensing system.

140.1 (d) Fifty cents from each deer license is credited to the emergency deer feeding and wild
 140.2 Cervidae health-management account and is appropriated for emergency deer feeding and
 140.3 wild Cervidae health management. Money appropriated for emergency deer feeding and
 140.4 wild Cervidae health management is available until expended.

140.5 When the unencumbered balance in the appropriation for emergency deer feeding and
 140.6 wild Cervidae health management exceeds \$2,500,000 at the end of a fiscal year, the
 140.7 unencumbered balance in excess of \$2,500,000 is canceled and available for deer- and
 140.8 bear-management programs and computerized licensing.

140.9 **Sec. 27. [97A.409] VOTER REGISTRATION INFORMATION.**

140.10 (a) On the Department of Natural Resources online license sales Web site for purchasing
 140.11 a resident license to hunt or fish that is required under the game and fish laws, the
 140.12 commissioner must include the voter registration eligibility requirements and a description
 140.13 of how to register to vote before or on election day. On the Web page where an individual
 140.14 has the option to print a license to hunt or fish, the commissioner must include a direct link
 140.15 to the secretary of state's online voter registration Web page.

140.16 (b) In the printed and digital versions of fishing regulations and hunting and trapping
 140.17 regulations, the commissioner must include the voter registration eligibility requirements,
 140.18 a description of how to register to vote before or on election day, and a link to the secretary
 140.19 of state's online voter registration Web page. In addition, the commissioner must include a
 140.20 voter registration application in the printed and digital versions of fishing regulations and
 140.21 hunting and trapping regulations.

140.22 (c) The secretary of state must provide the required voter registration information to the
 140.23 commissioner. The secretary of state must prepare and approve an alternate form of the
 140.24 voter registration application to be used in the regulations.

140.25 **EFFECTIVE DATE.** Paragraph (a) is effective on August 1, 2018, and applies to
 140.26 licenses issued on or after March 1, 2019. Paragraph (b) is effective on August 1, 2018, and
 140.27 applies to printed and digital versions of regulations updated on or after that date.

140.28 Sec. 28. Minnesota Statutes 2016, section 97A.433, subdivision 4, is amended to read:

140.29 Subd. 4. **Discretionary separate selection; eligibility.** (a) The commissioner may
 140.30 conduct a separate selection for up to 20 percent of the elk licenses to be issued for an area.
 140.31 Only owners of, and tenants living on, at least 160 acres of agricultural or grazing land in
 140.32 the area, and their family members, are eligible for the separate selection. Persons that are

141.1 unsuccessful in a separate selection must be included in the selection for the remaining
 141.2 licenses. Persons who obtain an elk license in a separate selection ~~must allow public elk~~
 141.3 ~~hunting on their land during the elk season for which the license is valid~~ may sell the license
 141.4 to any Minnesota resident eligible to hunt big game for no more than the original cost of
 141.5 the license.

141.6 (b) The commissioner may by rule establish criteria for determining eligible family
 141.7 members under this subdivision.

141.8 Sec. 29. Minnesota Statutes 2016, section 97A.433, subdivision 5, is amended to read:

141.9 Subd. 5. **Mandatory separate selection.** The commissioner must conduct a separate
 141.10 selection for 20 percent of the elk licenses to be issued each year. Only individuals who
 141.11 have applied at least ten times for an elk license and who have never received a license are
 141.12 eligible for this separate selection. A person who is unsuccessful in a separate selection
 141.13 under this subdivision must be included in the selection for the remaining licenses.

141.14 Sec. 30. Minnesota Statutes 2016, section 97B.015, subdivision 6, is amended to read:

141.15 Subd. 6. **Provisional certificate for persons with permanent physical or**
 141.16 **developmental disability.** Upon the recommendation of a course instructor, the
 141.17 commissioner may issue a provisional firearms safety certificate to a person who satisfactorily
 141.18 completes the classroom portion of the firearms safety course but is unable to pass the
 141.19 written or an alternate format exam portion of the course because of a permanent physical
 141.20 disability or developmental disability as defined in section 97B.1055, subdivision 1. The
 141.21 certificate is valid only when used according to section 97B.1055.

141.22 Sec. 31. Minnesota Statutes 2016, section 97B.1055, is amended to read:

141.23 **97B.1055 HUNTING BY PERSONS WITH A PERMANENT PHYSICAL OR**
 141.24 **DEVELOPMENTAL DISABILITY.**

141.25 Subdivision 1. **Definitions.** For purposes of this section and section 97B.015, subdivision
 141.26 6:

141.27 (a) A "person with developmental disability" means a person who has been diagnosed
 141.28 as having substantial limitations in present functioning, manifested as significantly
 141.29 subaverage intellectual functioning, existing concurrently with demonstrated deficits in
 141.30 adaptive behavior, and who manifests these conditions before the person's 22nd birthday.

142.1 (b) A "person with a related condition" means a person who meets the diagnostic
142.2 definition under section 252.27, subdivision 1a.

142.3 (c) A "person with a permanent physical disability" means a person who has a physical
142.4 disability that prevents them from being able to navigate natural terrain or hold a firearm
142.5 for the purpose of a required field component for the firearm safety training program under
142.6 section 97B.020.

142.7 Subd. 2. **Obtaining a license.** (a) Notwithstanding section 97B.020, a person with a
142.8 permanent physical disability or developmental disability may obtain a firearms hunting
142.9 license with a provisional firearms safety certificate issued under section 97B.015,
142.10 subdivision 6.

142.11 (b) Any person accompanying or assisting a person with a permanent physical disability
142.12 or developmental disability under this section must possess a valid firearms safety certificate
142.13 issued by the commissioner.

142.14 Subd. 3. **Assistance required.** A person who obtains a firearms hunting license under
142.15 subdivision 2 must be accompanied and assisted by a parent, guardian, or other adult person
142.16 designated by a parent or guardian when hunting. A person who is not hunting but is solely
142.17 accompanying and assisting a person with a permanent physical disability or developmental
142.18 disability need not obtain a hunting license.

142.19 Subd. 4. **Prohibited activities.** (a) This section does not entitle a person to possess a
142.20 firearm if the person is otherwise prohibited from possessing a firearm under state or federal
142.21 law or a court order.

142.22 (b) No person shall knowingly authorize or permit a person, who by reason of a permanent
142.23 physical disability or developmental disability is incapable of safely possessing a firearm,
142.24 to possess a firearm to hunt in the state or on any boundary water of the state.

142.25 Sec. 32. Minnesota Statutes 2016, section 97C.345, subdivision 3a, is amended to read:

142.26 Subd. 3a. **Cast nets for gizzard shad.** (a) Cast nets may be used only to take gizzard
142.27 shad for use as bait for angling:

142.28 (1) from July 1 to November 30; and

142.29 (2) from the Minnesota River downstream of Granite Falls, Mississippi River downstream
142.30 of St. Anthony Falls, and the St. Croix River downstream of the dam at Taylors Falls,
142.31 including portions described as Minnesota-Wisconsin boundary waters in Minnesota Rules,

143.1 part 6266.0500, subpart 1, items A and B, that are listed as infested waters as allowed under
143.2 section 84D.03, subdivision 3.

143.3 (b) Cast nets used under this subdivision must be monofilament and may not exceed
143.4 ~~seven~~ five feet in ~~diameter~~ radius, and mesh size must be from three-eighths to five-eighths
143.5 inch bar measure. No more than two cast nets may be used at one time.

143.6 ~~(c) This subdivision expires December 1, 2017. The commissioner must report to the~~
143.7 ~~chairs and ranking minority members of the house of representatives and senate committees~~
143.8 ~~with jurisdiction over environment and natural resources by March 1, 2018, on the number~~
143.9 ~~of permits issued, conservation impacts from the use of cast nets, and recommendations for~~
143.10 ~~any necessary changes in statutes or rules.~~

143.11 Sec. 33. Minnesota Statutes 2016, section 103B.3369, subdivision 5, is amended to read:

143.12 Subd. 5. **Financial assistance.** A base grant, contract, or payment may be awarded to a
143.13 county or other local unit of government that provides a match utilizing a water
143.14 implementation tax or other local source. A water implementation tax that a county or other
143.15 local unit of government intends to use as a match to the base grant must be levied at a rate
143.16 sufficient to generate a minimum amount determined by the board. The board may award
143.17 performance-based or watershed-based grants, contracts, or payments to local units of
143.18 government that are responsible for implementing elements of applicable portions of
143.19 watershed management plans, comprehensive plans, local water management plans, or
143.20 comprehensive watershed management plans, developed or amended, adopted and approved,
143.21 according to chapter 103B, 103C, or 103D. Upon request by a local government unit, the
143.22 board may also award performance-based grants to local units of government to carry out
143.23 TMDL implementation plans as provided in chapter 114D, if the TMDL implementation
143.24 plan has been incorporated into the local water management plan according to the procedures
143.25 for approving comprehensive plans, watershed management plans, local water management
143.26 plans, or comprehensive watershed management plans under chapter 103B, 103C, or 103D,
143.27 or if the TMDL implementation plan has undergone a public review process. Notwithstanding
143.28 section 16A.41, the board may award performance-based grants, contracts, or payments on
143.29 an advanced basis. The fee authorized in section 40A.152 may be used as a local match or
143.30 as a supplement to state funding to accomplish implementation of comprehensive plans,
143.31 watershed management plans, local water management plans, or comprehensive watershed
143.32 management plans under this chapter and chapter 103C or 103D.

144.1 Sec. 34. Minnesota Statutes 2016, section 103B.3369, subdivision 9, is amended to read:

144.2 Subd. 9. **Performance-based criteria.** The board shall develop and utilize
144.3 performance-based or eligibility criteria for local water resources restoration, protection,
144.4 and management programs and projects. The criteria may include but are not limited to
144.5 science-based assessments, organizational capacity, priority resource issues, community
144.6 outreach and support, partnership potential, potential for multiple benefits, and program
144.7 and project delivery efficiency and effectiveness.

144.8 Sec. 35. **[103B.461] RED RIVER BASIN COMMISSION.**

144.9 Subdivision 1. **Purposes.** The Red River Basin Commission was created to:

144.10 (1) facilitate transboundary and basin-wide dialogue and consultation with citizens, land
144.11 users, organizations, and governments; and

144.12 (2) coordinate basin-wide interstate and international efforts on water management,
144.13 including but not limited to flood mitigation, water quality, water supply, drainage, aquatic
144.14 health, and recreation.

144.15 Subd. 2. **Membership.** The Red River Basin Commission must have basin-wide
144.16 representation of members and alternates to serve on the commission consistent with the
144.17 adopted bylaws of the commission. Selection and terms of members are as defined in the
144.18 commission's bylaws.

144.19 Subd. 3. **Duties.** The Red River Basin Commission must:

144.20 (1) develop and coordinate comprehensive water management goals for the Red River
144.21 basin by aligning the work plans in the major watersheds in the states of Minnesota, North
144.22 Dakota, and South Dakota and the Canadian province of Manitoba;

144.23 (2) advise on developing and using systems to monitor and evaluate the Red River basin
144.24 and incorporating the data obtained from these systems into planning and implementation
144.25 processes;

144.26 (3) conduct public meetings at locations in the Red River basin regarding the public's
144.27 perspective on water resource issues, needs, and priorities in the basin;

144.28 (4) conduct an ongoing information and education program on water management in
144.29 the Red River basin, including an annual conference;

144.30 (5) advise on developing projects in the major watersheds that are scientifically sound,
144.31 have landowner and local government support, and reduce potential flood damages and
144.32 inputs of pollutants into the Red River;

145.1 (6) develop and implement a framework plan for natural resources and provide periodic
145.2 budget requests and reports to the governors of Minnesota, North Dakota, and South Dakota,
145.3 to the premier of Manitoba, and to the respective legislatures, provincial members, and
145.4 congressional representatives of the respective states and province regarding progress on
145.5 meeting water management goals and funding or policy recommendations;

145.6 (7) administer funds for implementing projects and track and report the results achieved
145.7 for each project; and

145.8 (8) assess the collective work in the Red River basin and make recommendations to the
145.9 states of Minnesota, North Dakota, and South Dakota, to the Canadian province of Manitoba,
145.10 and to their respective legislatures, provincial members, and congressional representatives
145.11 on the actions needed to sustain or accelerate components of the framework plan for natural
145.12 resources in the Red River basin and the major watersheds of the Red River basin.

145.13 Sec. 36. Minnesota Statutes 2016, section 103B.801, subdivision 2, is amended to read:

145.14 Subd. 2. **Program purposes.** The purposes of the comprehensive watershed management
145.15 plan program under section 103B.101, subdivision 14, paragraph (a), are to:

145.16 (1) align local water planning purposes and procedures under this chapter and chapters
145.17 103C and 103D on watershed boundaries to create a systematic, watershed-wide,
145.18 science-based approach to watershed management;

145.19 (2) acknowledge and build off existing local government structure, water plan services,
145.20 and local capacity;

145.21 (3) incorporate and make use of data and information, including watershed restoration
145.22 and protection strategies under section 114D.26, which may serve to fulfill all or some of
145.23 the requirements under chapter 114D;

145.24 (4) solicit input and engage experts from agencies, citizens, and stakeholder groups;

145.25 (5) focus on implementation of prioritized and targeted actions capable of achieving
145.26 measurable progress; and

145.27 (6) serve as a substitute for a comprehensive plan, local water management plan, or
145.28 watershed management plan developed or amended, approved, and adopted, according to
145.29 this chapter or chapter 103C or 103D.

146.1 Sec. 37. Minnesota Statutes 2016, section 103B.801, subdivision 5, is amended to read:

146.2 Subd. 5. **Timelines; administration.** (a) The board shall develop and adopt, by June
146.3 30, 2016, a transition plan for development, approval, adoption, and coordination of plans
146.4 consistent with section 103A.212. The transition plan must include a goal of completing
146.5 statewide transition to comprehensive watershed management plans by 2025. The
146.6 metropolitan area may be considered for inclusion in the transition plan. The board may
146.7 amend the transition plan no more often than once every two years.

146.8 (b) The board may use the authority under section 103B.3369, subdivision 9, to support
146.9 development or implementation of a comprehensive watershed management plan under this
146.10 section.

146.11 Sec. 38. Minnesota Statutes 2016, section 103F.361, subdivision 2, is amended to read:

146.12 Subd. 2. **Legislative intent.** It is the intent of sections 103F.361 to 103F.377 to authorize
146.13 and direct the board and ~~the counties~~ zoning authorities to implement the plan for the
146.14 Mississippi headwaters area.

146.15 Sec. 39. Minnesota Statutes 2016, section 103F.363, subdivision 1, is amended to read:

146.16 Subdivision 1. **Generally.** Sections 103F.361 to 103F.377 apply to the counties of
146.17 Clearwater, Hubbard, Beltrami, Cass, Itasca, Aitkin, Crow Wing, and Morrison and all other
146.18 zoning authorities.

146.19 Sec. 40. Minnesota Statutes 2016, section 103F.365, is amended by adding a subdivision
146.20 to read:

146.21 Subd. 5. **Zoning authority.** "Zoning authority" means counties, organized townships,
146.22 local and special governmental units, joint powers boards, councils, commissions, boards,
146.23 districts, and all state agencies and departments within the corridor defined by the plan,
146.24 excluding statutory or home rule charter cities.

146.25 Sec. 41. Minnesota Statutes 2016, section 103F.371, is amended to read:

146.26 **103F.371 RESPONSIBILITIES OF OTHER GOVERNMENTAL UNITS.**

146.27 (a) All local and special governmental units, councils, commissions, boards and districts
146.28 and all state agencies and departments must exercise their powers so as to further the purposes
146.29 of sections 103F.361 to 103F.377 and the plan. Land owned by the state, its agencies, and
146.30 political subdivisions shall be administered in accordance with the plan. The certification

147.1 procedure under section 103F.373 applies to all zoning authorities in the corridor defined
 147.2 by the plan.

147.3 (b) Actions that comply with the land use ordinance are consistent with the plan. Actions
 147.4 that do not comply with the ordinance may not be started until the board has been notified
 147.5 and given an opportunity to review and comment on the consistency of the action with this
 147.6 section.

147.7 Sec. 42. Minnesota Statutes 2016, section 103F.373, subdivision 1, is amended to read:

147.8 Subdivision 1. **Purpose.** To ~~assure~~ ensure that the plan is not nullified by unjustified
 147.9 exceptions in particular cases and to promote uniformity in the treatment of applications
 147.10 for exceptions, a review and certification procedure is established for the following categories
 147.11 of land use actions taken by ~~the counties and~~ zoning authorities directly or indirectly affecting
 147.12 land use within the area covered by the plan:

147.13 (1) the adoption or amendment of an ordinance regulating the use of land, including
 147.14 rezoning of particular tracts of land;

147.15 (2) the granting of a variance from provisions of the land use ordinance; and

147.16 (3) the approval of a plat which is inconsistent with the land use ordinance.

147.17 Sec. 43. Minnesota Statutes 2016, section 103F.373, subdivision 3, is amended to read:

147.18 Subd. 3. **Procedure for certification.** A copy of the notices of public hearings or, when
 147.19 a hearing is not required, a copy of the application to consider an action of a type specified
 147.20 in subdivision 1, clauses (1) to (3), must be forwarded to the board by the ~~county~~ zoning
 147.21 authority at least 15 days before the hearing or meetings to consider the actions. The ~~county~~
 147.22 zoning authority shall notify the board of its final decision on the proposed action within
 147.23 ten days of the decision. By 30 days after the board receives the notice, the board shall
 147.24 notify the ~~county~~ zoning authority and the applicant of ~~its~~ the board's approval or disapproval
 147.25 of the proposed action.

147.26 Sec. 44. Minnesota Statutes 2016, section 103F.373, subdivision 4, is amended to read:

147.27 Subd. 4. **Disapproval of actions.** (a) If a notice of disapproval is issued by the board,
 147.28 the ~~county~~ zoning authority or the applicant may, within 30 days of the notice, file with the
 147.29 board a demand for a hearing. If a demand is not filed within the 30-day period, the
 147.30 disapproval becomes final.

148.1 (b) If a demand is filed within the 30-day period, a hearing must be held within 60 days
148.2 of demand. The hearing must be preceded by two weeks' published notice. Within 30 days
148.3 after the hearing, the board must:

148.4 (1) affirm its disapproval of the proposed action; or

148.5 (2) certify approval of the proposed action.

148.6 Sec. 45. [103F.452] APPLICABILITY.

148.7 The provisions of sections 103F.415 to 103F.455 are not applicable without the adoption
148.8 of an ordinance by the county or local government unit.

148.9 Sec. 46. Minnesota Statutes 2017 Supplement, section 103G.222, subdivision 3, is amended
148.10 to read:

148.11 Subd. 3. **Wetland replacement siting.** (a) Impacted wetlands outside of a greater than
148.12 80 percent area must not be replaced in a greater than 80 percent area. All wetland
148.13 replacement must follow this priority order:

148.14 (1) in the same minor watershed as the impacted wetland;

148.15 (2) in the same watershed as the impacted wetland;

148.16 (3) in the same wetland bank service area as the impacted wetland; and

148.17 (4) in another wetland bank service area.

148.18 (b) Notwithstanding paragraph (a), wetland banking credits approved according to a
148.19 complete wetland banking application submitted to a local government unit by April 1,
148.20 1996, may be used to replace wetland impacts resulting from public transportation projects
148.21 statewide.

148.22 (c) Notwithstanding paragraph (a), clauses (1) and (2), the priority order for replacement
148.23 by wetland banking begins at paragraph (a), clause (3), according to rules adopted under
148.24 section 103G.2242, subdivision 1.

148.25 (d) When reasonable, practicable, and environmentally beneficial replacement
148.26 opportunities are not available in siting priorities listed in paragraph (a), the applicant may
148.27 seek opportunities at the next level.

148.28 (e) For the purposes of this section, "reasonable, practicable, and environmentally
148.29 beneficial replacement opportunities" are defined as opportunities that:

149.1 (1) take advantage of naturally occurring hydrogeomorphological conditions and require
149.2 minimal landscape alteration;

149.3 (2) have a high likelihood of becoming a functional wetland that will continue in
149.4 perpetuity;

149.5 (3) do not adversely affect other habitat types or ecological communities that are
149.6 important in maintaining the overall biological diversity of the area; and

149.7 (4) are available and capable of being done after taking into consideration cost, existing
149.8 technology, and logistics consistent with overall project purposes.

149.9 (f) Regulatory agencies, local government units, and other entities involved in wetland
149.10 restoration shall collaborate to identify potential replacement opportunities within their
149.11 jurisdictional areas.

149.12 (g) The board must establish wetland replacement ratios and wetland bank service area
149.13 priorities to implement the siting and targeting of wetland replacement and encourage the
149.14 use of high priority areas for wetland replacement.

149.15 (h) Wetland replacement sites identified in accordance with the priority order for
149.16 replacement siting in paragraph (a) as part of the completion of an adequate environmental
149.17 impact statement may be approved for a replacement plan under section 93.481, 103G.2242,
149.18 or 103G.2243 without further modification related to the priority order, notwithstanding
149.19 availability of new mitigation sites or availability of credits after completion of an adequate
149.20 environmental impact statement. Wetland replacement plan applications must be submitted
149.21 within one year of the adequacy determination of the environmental impact statement to be
149.22 eligible for approval under this paragraph.

149.23 (i) The wetland replacement priority order under paragraph (a), clauses (1) to (4), does
149.24 not apply to project-specific replacement sites intended to bank credits for single-user banks
149.25 before January 1, 2009.

149.26 Sec. 47. Minnesota Statutes 2017 Supplement, section 103G.2242, subdivision 1, is
149.27 amended to read:

149.28 Subdivision 1. **Rules.** (a) The board, in consultation with the commissioner, shall adopt
149.29 rules governing the approval of wetland value replacement plans under this section and
149.30 public-waters-work permits affecting public waters wetlands under section 103G.245. These
149.31 rules must address the criteria, procedure, timing, and location of acceptable replacement
149.32 of wetland values and may address the state establishment and administration of a wetland
149.33 banking program for public and private projects, including provisions for an in-lieu fee

150.1 program; the administrative, monitoring, and enforcement procedures to be used; and a
 150.2 procedure for the review and appeal of decisions under this section. In the case of peatlands,
 150.3 the replacement plan rules must consider the impact on carbon. Any in-lieu fee program
 150.4 established by the board must conform with Code of Federal Regulations, title 33, section
 150.5 332.8, as amended.

150.6 (b) After the adoption of the rules, a replacement plan must be approved by a resolution
 150.7 of the governing body of the local government unit, consistent with the provisions of the
 150.8 rules or a comprehensive wetland protection and management plan approved under section
 150.9 103G.2243.

150.10 (c) If the local government unit fails to apply the rules, or fails to implement a local
 150.11 comprehensive wetland protection and management plan established under section
 150.12 103G.2243, the government unit is subject to penalty as determined by the board.

150.13 (d) When making a determination under rules adopted pursuant to this subdivision on
 150.14 whether a rare natural community will be permanently adversely affected, consideration of
 150.15 measures to mitigate any adverse effect on the community must be considered. Wetland
 150.16 banking credits shall be an acceptable mitigation measure for any adverse effects on a rare
 150.17 natural community. The Department of Natural Resources may approve a wetland
 150.18 replacement plan that includes restoration or credits from rare natural communities of
 150.19 substantially comparable character and public value as mitigation for any rare natural
 150.20 community adversely affected by a project.

150.21 Sec. 48. Minnesota Statutes 2016, section 103G.2242, subdivision 14, is amended to read:

150.22 Subd. 14. **Fees established.** (a) Fees must be assessed for managing wetland bank
 150.23 accounts and transactions as follows:

150.24 (1) account maintenance annual fee: one percent of the value of credits not to exceed
 150.25 \$500;

150.26 (2) account establishment, deposit, or transfer: 6.5 percent of the value of credits not to
 150.27 exceed \$1,000 per establishment, deposit, or transfer; and

150.28 (3) withdrawal fee: 6.5 percent of the value of credits withdrawn.

150.29 (b) The board ~~may~~ must establish fees ~~at or~~ based on costs to the agency below the
 150.30 amounts in paragraph (a) for single-user or other dedicated wetland banking accounts.

150.31 (c) Fees for single-user or other dedicated wetland banking accounts established pursuant
 150.32 to section 103G.005, subdivision 10i, clause (4), are limited to establishment of a wetland

151.1 banking account and are assessed at the rate of 6.5 percent of the value of the credits not to
 151.2 exceed \$1,000.

151.3 (d) The board may assess a fee to pay the costs associated with establishing conservation
 151.4 easements, or other long-term protection mechanisms prescribed in the rules adopted under
 151.5 subdivision 1, on property used for wetland replacement.

151.6 Sec. 49. Minnesota Statutes 2016, section 114D.15, is amended by adding a subdivision
 151.7 to read:

151.8 Subd. 3a. **Comprehensive local water management plan.** "Comprehensive local water
 151.9 management plan" has the meaning given under section 103B.3363, subdivision 3.

151.10 Sec. 50. Minnesota Statutes 2016, section 114D.15, is amended by adding a subdivision
 151.11 to read:

151.12 Subd. 3b. **Comprehensive watershed management plan.** "Comprehensive watershed
 151.13 management plan" has the meaning given under section 103B.3363, subdivision 3a.

151.14 Sec. 51. Minnesota Statutes 2016, section 114D.15, subdivision 7, is amended to read:

151.15 Subd. 7. **Restoration.** "Restoration" means actions, including effectiveness monitoring,
 151.16 that are taken to pursue, achieve, and maintain water quality standards for impaired waters
 151.17 in accordance with a TMDL that has been approved by the United States Environmental
 151.18 Protection Agency under federal TMDL requirements.

151.19 Sec. 52. Minnesota Statutes 2016, section 114D.15, subdivision 11, is amended to read:

151.20 Subd. 11. **TMDL implementation plan.** "TMDL implementation plan" means:

151.21 (1) a document detailing restoration activities needed to meet the approved TMDL's
 151.22 pollutant load allocations for point and nonpoint sources; or

151.23 (2) one of the following that the commissioner of the Pollution Control Agency
 151.24 determines to be, in whole or part, sufficient to meet applicable water quality standards:

151.25 (i) a comprehensive watershed management plan;

151.26 (ii) a comprehensive local water management plan; or

151.27 (iii) an existing statewide or regional strategy published by the Pollution Control Agency.

152.1 Sec. 53. Minnesota Statutes 2016, section 114D.15, subdivision 13, is amended to read:

152.2 Subd. 13. **Watershed restoration and protection strategy or WRAPS.** "Watershed
152.3 restoration and protection strategy" or "WRAPS" means a document summarizing scientific
152.4 studies of a major watershed ~~no larger than~~ at approximately a hydrologic unit code 8 scale
152.5 including the physical, chemical, and biological assessment of the water quality of the
152.6 watershed; identification of impairments and water bodies in need of protection; identification
152.7 of biotic stressors and sources of pollution, both point and nonpoint; TMDL's for the
152.8 impairments; and ~~an implementation table containing~~ information to support strategies and
152.9 ~~actions~~ designed to achieve and maintain water quality standards and goals.

152.10 Sec. 54. Minnesota Statutes 2016, section 114D.20, subdivision 2, is amended to read:

152.11 Subd. 2. **Goals for implementation.** The following goals must guide the implementation
152.12 of this chapter:

152.13 (1) to identify impaired waters in accordance with federal TMDL requirements ~~within~~
152.14 ~~ten years after May 23, 2006,~~ and thereafter to ensure continuing evaluation of surface
152.15 waters for impairments;

152.16 (2) to submit TMDL's to the United States Environmental Protection Agency ~~for all~~
152.17 ~~impaired waters~~ in a timely manner in accordance with federal TMDL requirements;

152.18 (3) to ~~set a reasonable time~~ inform and support strategies for implementing restoration
152.19 ~~of each identified impaired water~~ and protection activities in a reasonable time period;

152.20 (4) to systematically evaluate waters, to provide assistance and incentives to prevent
152.21 waters from becoming impaired, and to improve the quality of waters that are listed as
152.22 impaired ~~but do not have an approved TMDL addressing the impairment;~~

152.23 (5) to promptly seek the delisting of waters from the impaired waters list when those
152.24 waters are shown to achieve the designated uses applicable to the waters;

152.25 (6) to achieve compliance with federal Clean Water Act requirements in Minnesota;

152.26 (7) to support effective measures to prevent the degradation of groundwater according
152.27 to the groundwater degradation prevention goal under section 103H.001; and

152.28 (8) to support effective measures to restore degraded groundwater.

152.29 Sec. 55. Minnesota Statutes 2016, section 114D.20, subdivision 3, is amended to read:

152.30 Subd. 3. **Implementation policies.** The following policies must guide the implementation
152.31 of this chapter:

- 153.1 (1) develop regional ~~and, multiple pollutant, or watershed TMDL's and TMDL~~
153.2 ~~implementation plans, and TMDL's and TMDL implementation plans for multiple pollutants~~
153.3 ~~or WRAPSs~~, where reasonable and feasible;
- 153.4 (2) maximize use of available organizational, technical, and financial resources to perform
153.5 sampling, monitoring, and other activities to identify degraded groundwater and impaired
153.6 waters, including use of citizen monitoring and citizen monitoring data used by the Pollution
153.7 Control Agency in assessing water quality that meets the requirements ~~in Appendix D of~~
153.8 ~~the Volunteer Surface Water Monitoring Guide, Minnesota~~ established by the commissioner
153.9 of the Pollution Control Agency (2003);
- 153.10 (3) maximize opportunities for restoration of degraded groundwater and impaired waters,
153.11 by prioritizing and targeting of available programmatic, financial, and technical resources
153.12 and by providing additional state resources to complement and leverage available resources;
- 153.13 (4) use existing regulatory authorities to achieve restoration for point and nonpoint
153.14 sources of pollution where applicable, and promote the development and use of effective
153.15 nonregulatory measures to address pollution sources for which regulations are not applicable;
- 153.16 (5) use restoration methods that have a demonstrated effectiveness in reducing
153.17 impairments and provide the greatest long-term positive impact on water quality protection
153.18 and improvement and related conservation benefits while incorporating innovative approaches
153.19 on a case-by-case basis;
- 153.20 (6) identify for the legislature any innovative approaches that may strengthen or
153.21 complement existing programs;
- 153.22 (7) identify and encourage implementation of measures to prevent surface waters from
153.23 becoming impaired and to improve the quality of waters that are listed as impaired but have
153.24 no approved TMDL addressing the impairment using the best available data and technology,
153.25 and establish and report outcome-based performance measures that monitor the progress
153.26 and effectiveness of protection and restoration measures;
- 153.27 (8) monitor and enforce cost-sharing contracts and impose monetary damages in an
153.28 amount up to 150 percent of the financial assistance received for failure to comply; and
- 153.29 (9) identify and encourage implementation of measures to prevent groundwater from
153.30 becoming degraded and measures that restore groundwater resources.

154.1 Sec. 56. Minnesota Statutes 2016, section 114D.20, subdivision 5, is amended to read:

154.2 Subd. 5. **Priorities for preparing WRAPs AND TMDL's.** In consultation with the
 154.3 Clean Water Council ~~shall recommend~~, the commissioner of the Pollution Control Agency
 154.4 must coordinate with the commissioners of natural resources, health, and agriculture and
 154.5 with the Board of Water and Soil Resources to establish priorities for scheduling and
 154.6 preparing WRAPs and TMDL's and TMDL implementation plans, taking into account,
 154.7 considering the severity and causes of the impairment impairments, the designated uses of
 154.8 ~~those~~ the waters, and other applicable federal TMDL requirements. ~~In recommending~~
 154.9 ~~priorities, the council shall also give Consideration to,~~ groundwater and high-quality waters
 154.10 ~~and watersheds~~ watershed protection, waters and watersheds with declining water quality
 154.11 trends, and waters and watersheds:

154.12 (1) with impairments that pose the greatest potential risk to human health;

154.13 (2) with impairments that pose the greatest potential risk to threatened or endangered
 154.14 species;

154.15 (3) with impairments that pose the greatest potential risk to aquatic health;

154.16 (4) where other public agencies and participating organizations and individuals, especially
 154.17 local, ~~basinwide~~ basin-wide, watershed, or regional agencies or organizations, have
 154.18 demonstrated readiness to assist in carrying out the responsibilities, including availability
 154.19 and organization of human, technical, and financial resources necessary to undertake the
 154.20 work; and

154.21 (5) where there is demonstrated coordination and cooperation among cities, counties,
 154.22 watershed districts, and soil and water conservation districts in planning and implementation
 154.23 of activities that will assist in carrying out the responsibilities.

154.24 Sec. 57. Minnesota Statutes 2016, section 114D.20, subdivision 7, is amended to read:

154.25 Subd. 7. **Priorities for funding prevention actions.** The Clean Water Council shall
 154.26 apply the priorities applicable under subdivision 6, as far as practicable, when recommending
 154.27 priorities for funding actions to prevent groundwater and surface waters from becoming
 154.28 degraded or impaired and to improve the quality of surface waters that are listed as impaired
 154.29 ~~but do not have an approved TMDL.~~

155.1 Sec. 58. Minnesota Statutes 2016, section 114D.20, is amended by adding a subdivision
155.2 to read:

155.3 Subd. 8. **Alternatives; TMDL, TMDL implementation plan, or WRAPS.** (a) If the
155.4 commissioner of the Pollution Control Agency determines that a comprehensive watershed
155.5 management plan or comprehensive local water management plan contains information that
155.6 is sufficient and consistent with guidance from the United States Environmental Protection
155.7 Agency, including the recommended structure for category 4b demonstrations or its
155.8 replacement under section 303(d) of the federal Clean Water Act, the commissioner may
155.9 submit the plan to the Environmental Protection Agency according to federal TMDL
155.10 requirements as an alternative to developing a TMDL.

155.11 (b) A TMDL implementation plan or a WRAPS, or portions thereof, are not needed for
155.12 waters or watersheds when the commissioner of the Pollution Control Agency determines
155.13 that a comprehensive watershed management plan, a comprehensive local water management
155.14 plan, or a statewide or regional strategy published by the Pollution Control Agency meets
155.15 the definitions in section 114D.15, subdivisions 11 or 13.

155.16 (c) The commissioner of the Pollution Control Agency may request that the Board of
155.17 Water and Soil Resources conduct an evaluation of the implementation efforts under a
155.18 comprehensive watershed management plan or comprehensive local water management
155.19 plan when the commissioner makes a determination under paragraph (b). The board must
155.20 conduct the evaluation in accordance with section 103B.102.

155.21 (d) The commissioner of the Pollution Control Agency may amend or revoke a
155.22 determination made under paragraph (a) or (b) after considering the evaluation conducted
155.23 under paragraph (c).

155.24 Sec. 59. Minnesota Statutes 2016, section 114D.20, is amended by adding a subdivision
155.25 to read:

155.26 Subd. 9. **Coordinating of municipal and local water quality activities.** A project,
155.27 practice, or program for water quality improvement or protection that is conducted by a
155.28 watershed management organization or a local government unit with a comprehensive
155.29 watershed management plan or other water management plan approved according to chapter
155.30 103B, 103C, or 103D may be considered as contributing to the requirements of a storm
155.31 water pollution prevention plan (SWPPP) for a municipal separate storm sewer systems
155.32 (MS4) permit unless the project, practice, or program was previously documented as
155.33 contributing to a different SWPPP for an MS4 permit.

156.1 Sec. 60. Minnesota Statutes 2016, section 114D.26, is amended to read:

156.2 **114D.26 WATERSHED RESTORATION AND PROTECTION STRATEGIES.**

156.3 Subdivision 1. **Contents.** (a) The commissioner of the Pollution Control Agency shall
 156.4 must develop watershed restoration and protection strategies- for:

156.5 (1) quantifying impairments and risks to water quality;

156.6 (2) describing the causes of impairments and pollution sources;

156.7 (3) consolidating TMDLs in a major watershed; and

156.8 (4) informing comprehensive local water management plans and comprehensive
 156.9 watershed management plans.

156.10 (b) To ensure effectiveness, efficiency, and accountability in meeting the goals of this
 156.11 chapter, the commissioner of the Pollution Control Agency and the Board of Water and
 156.12 Soil Resources must coordinate the schedule, budget, scope, and use of a WRAPS and
 156.13 related documents and processes in consultation with local government units and in
 156.14 consideration of section 114D.20, subdivision 8. Each WRAPS shall must:

156.15 (1) identify impaired waters and waters in need of protection;

156.16 (2) identify biotic stressors causing impairments or threats to water quality;

156.17 (3) summarize watershed modeling outputs and resulting pollution load allocations; and
 156.18 wasteload allocations, and priority areas for targeting actions to improve water quality and
 156.19 identify areas with high pollutant-loading rates;

156.20 (4) identify point sources of pollution for which a national pollutant discharge elimination
 156.21 system permit is required under section 115.03;

156.22 (5) identify nonpoint sources of pollution for which a national pollutant discharge
 156.23 elimination system permit is not required under section 115.03, with sufficient specificity
 156.24 to prioritize and geographically locate inform watershed restoration and protection actions
 156.25 strategies;

156.26 (6) describe the current pollution loading and load reduction needed for each source or
 156.27 source category to meet water quality standards and goals, including wasteload and load
 156.28 allocations from TMDL's;

156.29 (7) contain a plan for ongoing identify water quality monitoring needed to fill data gaps,
 156.30 determine changing conditions, and or gauge implementation effectiveness; and

157.1 (8) contain ~~an implementation table of strategies and actions~~ that are capable of
 157.2 cumulatively achieving needed pollution load reductions for point and nonpoint sources,
 157.3 including identifying:

157.4 (i) water quality parameters of concern;

157.5 (ii) current water quality conditions;

157.6 (iii) water quality goals and targets by parameter of concern; and

157.7 (iv) ~~strategies and actions by parameter of concern~~ and an example of the scale of
 157.8 adoptions needed for each; with a timeline to meet the water quality restoration or protection
 157.9 goals of this chapter.

157.10 ~~(v) a timeline for achievement of water quality targets;~~

157.11 ~~(vi) the governmental units with primary responsibility for implementing each watershed~~
 157.12 ~~restoration or protection strategy; and~~

157.13 ~~(vii) a timeline and interim milestones for achievement of watershed restoration or~~
 157.14 ~~protection implementation actions within ten years of strategy adoption.~~

157.15 Subd. 2. **Reporting.** ~~Beginning July 1, 2016, and every other year thereafter, The~~
 157.16 commissioner of the Pollution Control Agency must periodically report on its the agency's
 157.17 Web site the progress toward implementation milestones and water quality goals for all
 157.18 adopted TMDL's and, where available, WRAPS's.

157.19 Subd. 3. **Timelines; administration.** ~~Each year, (a) The commissioner of the Pollution~~
 157.20 ~~Control Agency must complete WRAPS's for at least ten percent of watershed restoration~~
 157.21 ~~and protection strategies for the state's major watersheds. WRAPS shall be by June 30,~~
 157.22 ~~2023, unless the commissioner determines that a comprehensive watershed management~~
 157.23 ~~plan or comprehensive local water management plan, in whole or part, meets the definition~~
 157.24 ~~in section 114D.15, subdivision 11 or 13. As needed, the commissioner must update the~~
 157.25 ~~strategies, in whole or part, after consultation with the Board of Water and Soil Resources~~
 157.26 ~~and local government units.~~

157.27 (b) Watershed restoration and protection strategies are governed by the procedures for
 157.28 approval and notice in section 114D.25, subdivisions 2 and 4, except that WRAPS the
 157.29 strategies need not be submitted to the United States Environmental Protection Agency.

157.30 Sec. 61. Minnesota Statutes 2016, section 114D.35, subdivision 1, is amended to read:

157.31 Subdivision 1. **Public and stakeholder participation.** (a) Public agencies and private
 157.32 entities involved in the implementation of implementing this chapter shall must encourage

158.1 participation by the public and stakeholders, including local citizens, landowners ~~and, land~~
 158.2 managers, and public and private organizations, ~~in identifying impaired waters, in developing~~
 158.3 ~~TMDL's, in planning, priority setting, and implementing restoration of impaired waters, in~~
 158.4 ~~identifying degraded groundwater, and in protecting and restoring groundwater resources.~~

158.5 (b) In particular, the commissioner of the Pollution Control Agency shall must make
 158.6 reasonable efforts to provide timely information to the public and to stakeholders about
 158.7 impaired waters that have been identified by the agency. The agency shall seek broad and
 158.8 early public and stakeholder participation in scoping the activities necessary to develop a
 158.9 TMDL, including the scientific models, methods, and approaches to be used in TMDL
 158.10 development, and to implement restoration pursuant to section 114D.15, subdivision 7, and
 158.11 to inform and consult with the public and stakeholders in developing a WRAPS or TMDL.

158.12 (c) Public agencies and private entities involved in implementing restoration and
 158.13 protection identified in a comprehensive watershed management plan or comprehensive
 158.14 local water management plan must make efforts to inform, consult, and involve the public
 158.15 and stakeholders.

158.16 (d) The commissioner of the Pollution Control Agency and the Board of Water and Soil
 158.17 Resources must coordinate public and stakeholder participation in consultation with local
 158.18 government units. To the extent practicable, implementation of this chapter shall be
 158.19 accomplished in cooperation with local, state, federal, and tribal governments and private
 158.20 sector organizations.

158.21 Sec. 62. Minnesota Statutes 2016, section 114D.35, subdivision 3, is amended to read:

158.22 Subd. 3. **Education.** The Clean Water Council shall develop strategies for informing,
 158.23 educating, and encouraging the participation of citizens, stakeholders, and others regarding
 158.24 ~~the identification of impaired waters, development of TMDL's, development of TMDL~~
 158.25 ~~implementation plans, implementation of restoration for impaired waters, identification of~~
 158.26 ~~degraded groundwater, and protection and restoration of groundwater resources~~ this chapter.
 158.27 Public agencies ~~shall be~~ are responsible for implementing the strategies.

158.28 Sec. 63. Minnesota Statutes 2016, section 115.03, subdivision 5, is amended to read:

158.29 Subd. 5. **Agency authority; national pollutant discharge elimination system.** (a)
 158.30 Notwithstanding any other provisions prescribed in or pursuant to this chapter and, with
 158.31 respect to the pollution of waters of the state, in chapter 116, or otherwise, the agency shall
 158.32 have the authority to perform any and all acts minimally necessary including, but not limited
 158.33 to, the establishment and application of standards, procedures, rules, orders, variances,

159.1 stipulation agreements, schedules of compliance, and permit conditions, consistent with
159.2 and, therefore not less stringent than the provisions of the Federal Water Pollution Control
159.3 Act, as amended, applicable to the participation by the state of Minnesota in the national
159.4 pollutant discharge elimination system (NPDES); provided that this provision shall not be
159.5 construed as a limitation on any powers or duties otherwise residing with the agency pursuant
159.6 to any provision of law.

159.7 (b) An activity that conveys or connects waters of the state without subjecting the
159.8 transferred water to intervening industrial, municipal, or commercial use does not require
159.9 a national pollutant discharge elimination system permit. This exemption does not apply to
159.10 pollutants introduced by the activity itself to the water being transferred.

159.11 Sec. 64. Minnesota Statutes 2016, section 115.03, is amended by adding a subdivision to
159.12 read:

159.13 Subd. 5d. **Sugar beet storage.** Notwithstanding any other law to the contrary, the
159.14 commissioner shall not require a permittee who owns and operates a remote sugar beet
159.15 storage facility to install sedimentation pond liners as part of a national pollutant discharge
159.16 elimination system or state disposal system permit. For purposes of this subdivision, "remote
159.17 sugar beet storage facility" means an area where sugar beets are temporarily stored prior to
159.18 delivery to a sugar beet processing facility that is not located on land adjacent to the
159.19 processing facility.

159.20 Sec. 65. Minnesota Statutes 2016, section 115.035, is amended to read:

159.21 **115.035 EXTERNAL PEER REVIEW OF WATER QUALITY STANDARDS.**

159.22 ~~(a) When the commissioner convenes an external peer review panel during the~~
159.23 ~~promulgation or amendment of water quality standards, the commissioner must provide~~
159.24 ~~notice and take public comment on the charge questions for the external peer review panel~~
159.25 ~~and must allow written and oral public comment as part of the external peer review panel~~
159.26 ~~process. Every new or revised numeric water quality standard must be supported by a~~
159.27 ~~technical support document that provides the scientific basis for the proposed standard and~~
159.28 ~~that has undergone external, scientific peer review. Numeric water quality standards in~~
159.29 ~~which the agency is adopting, without change, a United States Environmental Protection~~
159.30 ~~Agency criterion that has been through peer review are not subject to this paragraph.~~

159.31 Documentation of the external peer review panel, including the name or names of the peer
159.32 reviewer or reviewers, must be included in the statement of need and reasonableness for
159.33 the water quality standard. ~~If the commissioner does not convene an external peer review~~

160.1 ~~panel during the promulgation or amendment of water quality standards, the commissioner~~
160.2 ~~must state the reason an external peer review panel will not be convened in the statement~~
160.3 ~~of need and reasonableness.~~

160.4 (b) Every technical support document developed by the agency must be released in draft
160.5 form for public comment before peer review and before finalizing the technical support
160.6 document.

160.7 (c) The commissioner must provide public notice and information about the external
160.8 peer review through the request for comments published at the beginning of the rulemaking
160.9 process for the numeric water quality standard, and:

160.10 (1) the request for comments must identify the draft technical support document and
160.11 where the document can be found;

160.12 (2) the request for comments must include a proposed charge for the external peer review
160.13 and request comments on the charge;

160.14 (3) all comments received during the public comment period must be made available to
160.15 the external peer reviewers; and

160.16 (4) if the agency is not soliciting external peer review because the agency is adopting a
160.17 United States Environmental Protection Agency criterion without change, that must be
160.18 noted in the request for comments.

160.19 (d) The purpose of the external peer review is to evaluate whether the technical support
160.20 document and proposed standard are based on sound scientific knowledge, methods, and
160.21 practices. The external peer review must be conducted according to the guidance in the
160.22 most recent edition of the United States Environmental Protection Agency's Peer Review
160.23 Handbook. Peer reviewers must not have participated in developing the scientific basis of
160.24 the standard. Peer reviewers must disclose any activities or circumstances that could pose
160.25 a conflict of interest or create an appearance of a loss of impartiality that could interfere
160.26 with an objective review.

160.27 (e) The type of review and the number of peer reviewers depends on the nature of the
160.28 science underlying the standard. When the agency is developing significant new science or
160.29 science that expands significantly beyond current documented scientific practices or
160.30 principles, a panel review must be used.

160.31 (f) In response to the findings of the external peer review, the draft technical support
160.32 document must be revised as appropriate. The findings of the external peer review must be
160.33 documented and attached to the final technical support document, which must be an exhibit

161.1 as part of the statement of need and reasonableness in the rulemaking to adopt the new or
 161.2 revised water quality standard. The final technical support document must note changes
 161.3 made in response to the external peer review.

161.4 ~~(b)~~ (g) By December 15 each year, the commissioner shall post on the agency's Web
 161.5 site a report identifying the water quality standards development work in progress or
 161.6 completed in the past year, the lead agency scientist for each development effort, and
 161.7 opportunities for public input.

161.8 Sec. 66. [115.455] EFFLUENT LIMITATION COMPLIANCE.

161.9 To the extent allowable under federal law, for a municipality that constructs a publicly
 161.10 owned treatment works facility or for an industrial national pollutant discharge elimination
 161.11 system and state disposal system permit holder that constructs a treatment works facility to
 161.12 comply with a new or modified effluent limitation, compliance with any new or modified
 161.13 effluent limitation adopted after construction begins that would require additional capital
 161.14 investment is required no sooner than 16 years after the date the facility begins operating.

161.15 Sec. 67. Minnesota Statutes 2016, section 115A.51, is amended to read:

161.16 **115A.51 APPLICATION REQUIREMENTS.**

161.17 (a) Applications for assistance under the program shall demonstrate:

161.18 ~~(a)~~ (1) that the project is conceptually and technically feasible;

161.19 ~~(b)~~ (2) that affected political subdivisions are committed to implement the project, to
 161.20 provide necessary local financing, and to accept and exercise the government powers
 161.21 necessary to the project;

161.22 ~~(c)~~ (3) that operating revenues from the project, considering the availability and security
 161.23 of sources of solid waste and of markets for recovered resources, together with any proposed
 161.24 federal, state, or local financial assistance, will be sufficient to pay all costs over the projected
 161.25 life of the project;

161.26 ~~(d)~~ (4) that the applicant has evaluated the feasible and prudent alternatives to disposal,
 161.27 including the use of existing solid waste management facilities with reasonably available
 161.28 capacity sufficient to accomplish the goals of the proposed project, and has compared and
 161.29 evaluated the costs of the alternatives, including capital and operating costs, and the effects
 161.30 of the alternatives on the cost to generators;

162.1 (5) that the applicant has identified waste management objectives in applicable county
 162.2 and regional solid waste management plans consistent with sections 115A.46, subdivision
 162.3 2, and 473.149, subdivision 1, and other solid waste facilities identified in the county and
 162.4 regional plan; and

162.5 (6) that the applicant has conducted a comparative analysis of the project against existing
 162.6 public and private solid waste facilities, including an analysis of potential displacement of
 162.7 facilities to determine whether the project is the most appropriate alternative to achieve the
 162.8 identified waste management objectives, which considers:

162.9 (i) conformity with approved county or regional solid waste management plans;

162.10 (ii) consistency with the state's solid waste hierarchy and sections 115A.46, subdivision
 162.11 2, paragraphs (e) and (f), and 473.149, subdivision 1; and

162.12 (iii) environmental standards related to public health, air, surface water, and groundwater.

162.13 (b) The commissioner may require completion of a comprehensive solid waste
 162.14 management plan conforming to the requirements of section 115A.46, before accepting an
 162.15 application. Within five days of filing an application with the agency, the applicant must
 162.16 submit a copy of the application to each solid waste management facility mentioned in the
 162.17 portion of the application addressing the requirements of paragraph (a), clauses (5) and (6).

162.18 Sec. 68. Minnesota Statutes 2016, section 115A.94, subdivision 2, is amended to read:

162.19 Subd. 2. **Local authority.** A city or town may organize collection, after public notification
 162.20 and hearing as required in subdivisions 4a to ~~4d~~ 4f. A county may organize collection as
 162.21 provided in subdivision 5. A city or town that has organized collection as of May 1, 2013,
 162.22 is exempt from subdivisions 4a to ~~4d~~ 4f.

162.23 **EFFECTIVE DATE.** This section is effective January 1, 2019, and applies to organized
 162.24 collection noticed under Minnesota Statutes, section 115A.94, subdivision 2, on or after
 162.25 that date.

162.26 Sec. 69. Minnesota Statutes 2016, section 115A.94, subdivision 4a, is amended to read:

162.27 Subd. 4a. **Committee establishment.** (a) Before implementing an ordinance, franchise,
 162.28 license, contract, or other means of organizing collection, a city or town, by resolution of
 162.29 the governing body, must establish ~~an organized~~ a solid waste collection options committee
 162.30 to identify, examine, and evaluate various methods of ~~organized~~ solid waste collection. The
 162.31 governing body shall appoint the committee members.

163.1 (b) The ~~organized~~ solid waste collection options committee is subject to chapter 13D.

163.2 **EFFECTIVE DATE.** This section is effective January 1, 2019, and applies to organized
 163.3 collection noticed under Minnesota Statutes, section 115A.94, subdivision 2, on or after
 163.4 that date.

163.5 Sec. 70. Minnesota Statutes 2016, section 115A.94, subdivision 4b, is amended to read:

163.6 Subd. 4b. **Committee duties.** The committee established under subdivision 4a shall:

163.7 (1) determine which methods of ~~organized~~ solid waste collection to examine, which
 163.8 must include:

163.9 (i) the existing system of collection;

163.10 ~~(i)~~ (ii) a system in which a single collector collects solid waste from all sections of a
 163.11 city or town; and

163.12 ~~(ii)~~ (iii) a system in which multiple collectors, either singly or as members of an
 163.13 organization of collectors, collect solid waste from different sections of a city or town;

163.14 (2) establish a list of criteria on which the ~~organized~~ solid waste collection methods
 163.15 selected for examination will be evaluated, which may include: costs to residential
 163.16 subscribers, impacts on residential subscribers' ability to choose a provider of solid waste
 163.17 service based on the desired level of service, costs and other factors, the impact of miles
 163.18 driven by ~~collection vehicles~~ on city streets and alleys and the incremental impact of miles
 163.19 driven by collection vehicles, initial and operating costs to the city of implementing the
 163.20 ~~organized~~ solid waste collection system, providing incentives for waste reduction, impacts
 163.21 on solid waste collectors, and other physical, economic, fiscal, social, environmental, and
 163.22 aesthetic impacts;

163.23 (3) collect information regarding the operation and efficacy of existing methods of
 163.24 ~~organized~~ solid waste collection in other cities and towns;

163.25 (4) seek input from, at a minimum:

163.26 (i) the governing body of the city or town;

163.27 (ii) the local official of the city or town responsible for solid waste issues;

163.28 (iii) persons currently licensed to operate solid waste collection and recycling services
 163.29 in the city or town; and

163.30 (iv) residents of the city or town who currently pay for residential solid waste collection
 163.31 services; and

164.1 (5) issue a report on the committee's research, findings, and any recommendations to
 164.2 the governing body of the city or town.

164.3 **EFFECTIVE DATE.** This section is effective January 1, 2019, and applies to organized
 164.4 collection noticed under Minnesota Statutes, section 115A.94, subdivision 2, on or after
 164.5 that date.

164.6 Sec. 71. Minnesota Statutes 2016, section 115A.94, subdivision 4c, is amended to read:

164.7 Subd. 4c. **Governing body; implementation.** The governing body of the city or town
 164.8 shall consider the report and recommendations of the ~~organized~~ solid waste collection
 164.9 options committee. The governing body must provide public notice and hold at least one
 164.10 public hearing before deciding whether to implement organized collection. Organized
 164.11 collection may begin no sooner than six months after the effective date of the decision of
 164.12 the governing body of the city or town to implement organized collection.

164.13 **EFFECTIVE DATE.** This section is effective January 1, 2019, and applies to organized
 164.14 collection noticed under Minnesota Statutes, section 115A.94, subdivision 2, on or after
 164.15 that date.

164.16 Sec. 72. Minnesota Statutes 2016, section 115A.94, subdivision 4d, is amended to read:

164.17 Subd. 4d. **Participating collectors proposal requirement.** ~~Prior to~~ Before establishing
 164.18 a committee under subdivision 4a to consider organizing residential solid waste collection,
 164.19 a city or town with more than one licensed collector must notify the public and all licensed
 164.20 collectors in the community. The city or town must provide a ~~60-day~~ period of at least 60
 164.21 days in which meetings and negotiations shall occur exclusively between licensed collectors
 164.22 and the city or town to develop a proposal in which interested licensed collectors, as members
 164.23 of an organization of collectors, collect solid waste from designated sections of the city or
 164.24 town. The proposal shall include identified city or town priorities, including issues related
 164.25 to zone creation, traffic, safety, environmental performance, service provided, and price,
 164.26 and shall reflect existing haulers maintaining their respective market share of business as
 164.27 determined by each hauler's average customer count during the six months prior to the
 164.28 commencement of the ~~60-day~~ exclusive negotiation period. If an existing hauler opts to be
 164.29 excluded from the proposal, the city may allocate their customers proportionally based on
 164.30 market share to the participating collectors who choose to negotiate. The initial organized
 164.31 collection agreement executed under this subdivision must be for ~~a period of three to seven~~
 164.32 years. Upon execution of an agreement between the participating licensed collectors and
 164.33 city or town, the city or town shall establish organized collection through appropriate local

165.1 controls and is not required to fulfill the requirements of subdivisions 4a, 4b, and 4c, except
165.2 that the governing body must provide the public notification and hearing required under
165.3 subdivision 4c.

165.4 **EFFECTIVE DATE.** This section is effective January 1, 2019, and applies to organized
165.5 collection noticed under Minnesota Statutes, section 115A.94, subdivision 2, on or after
165.6 that date.

165.7 Sec. 73. Minnesota Statutes 2016, section 115A.94, is amended by adding a subdivision
165.8 to read:

165.9 Subd. 4e. **Parties to meet and confer.** Before the exclusive meetings and negotiations
165.10 under subdivision 4d, participating licensed collectors and elected officials of the city or
165.11 town must meet and confer regarding waste collection issues, including but not limited to
165.12 road deterioration, public safety, pricing mechanisms, and contractual considerations unique
165.13 to organized collection.

165.14 **EFFECTIVE DATE.** This section is effective January 1, 2019, and applies to organized
165.15 collection noticed under Minnesota Statutes, section 115A.94, subdivision 2, on or after
165.16 that date.

165.17 Sec. 74. Minnesota Statutes 2016, section 115A.94, is amended by adding a subdivision
165.18 to read:

165.19 Subd. 4f. **Joint liability limited.** Notwithstanding section 604.02, an organized collection
165.20 agreement must not obligate a participating licensed collector for damages to third parties
165.21 solely caused by another participating licensed collector. The organized collection agreement
165.22 may include joint obligations for actions that are undertaken by all the participating licensed
165.23 collectors under this section.

165.24 **EFFECTIVE DATE.** This section is effective January 1, 2019, and applies to organized
165.25 collection noticed under Minnesota Statutes, section 115A.94, subdivision 2, on or after
165.26 that date.

165.27 Sec. 75. Minnesota Statutes 2016, section 115A.94, subdivision 5, is amended to read:

165.28 Subd. 5. **County organized collection.** (a) A county may by ordinance require cities
165.29 and towns within the county to organize collection. Organized collection ordinances of
165.30 counties may:

166.1 (1) require cities and towns to require the separation and separate collection of recyclable
166.2 materials;

166.3 (2) specify the material to be separated; and

166.4 (3) require cities and towns to meet any performance standards for source separation
166.5 that are contained in the county solid waste plan.

166.6 (b) A county may itself organize collection under subdivisions 4a to ~~4d~~ 4f in any city
166.7 or town that does not comply with a county organized collection ordinance adopted under
166.8 this subdivision, and the county may implement, as part of its organized collection, the
166.9 source separation program and performance standards required by its organized collection
166.10 ordinance.

166.11 **EFFECTIVE DATE.** This section is effective January 1, 2019, and applies to organized
166.12 collection noticed under Minnesota Statutes, section 115A.94, subdivision 2, on or after
166.13 that date.

166.14 Sec. 76. **[115B.52] WATER QUALITY AND SUSTAINABILITY ACCOUNT.**

166.15 Subdivision 1. **Definition.** For purposes of this section and section 115B.53, the term
166.16 "settlement" means the agreement and order entered on February 20, 2018, settling litigation
166.17 commenced by the state against the 3M Company under section 115B.17, subdivision 7.

166.18 Subd. 2. **Establishment.** The water quality and sustainability account is established as
166.19 an account in the remediation fund. The account consists of revenue deposited in the account
166.20 under the terms of the settlement and earnings on the investment of money in the account.

166.21 Subd. 3. **Expenditures.** Money in the account is appropriated to the commissioner of
166.22 the Pollution Control Agency and to the commissioner of natural resources for the purposes
166.23 authorized under the settlement.

166.24 Subd. 4. **Reporting.** The commissioner of the Pollution Control Agency and the
166.25 commissioner of natural resources must jointly submit:

166.26 (1) a biannual report to the chairs and ranking minority members of the legislative policy
166.27 and finance committees with jurisdiction over environment and natural resources on
166.28 expenditures from the water quality and sustainability account during the previous six
166.29 months; and

166.30 (2) by November 1 each year, a report to the legislature on expenditures from the water
166.31 quality and sustainability account during the previous fiscal year and a spending plan for
166.32 anticipated expenditures from the account during the current fiscal year.

167.1 Sec. 77. **[115B.53] WATER QUALITY AND SUSTAINABILITY STAKEHOLDERS.**

167.2 The commissioner of the Pollution Control Agency and the commissioner of natural
167.3 resources must work with stakeholders to identify and recommend projects to receive funding
167.4 from the water quality and sustainability account under the settlement. Stakeholders include,
167.5 at a minimum, representatives of the agency, the Department of Natural Resources, east
167.6 metropolitan area municipalities, and the 3M Company.

167.7 Sec. 78. Minnesota Statutes 2016, section 116.07, subdivision 2, is amended to read:

167.8 Subd. 2. **Adopting standards.** (a) The Pollution Control Agency shall improve air
167.9 quality by promoting, in the most practicable way possible, the use of energy sources and
167.10 waste disposal methods which produce or emit the least air contaminants consistent with
167.11 the agency's overall goal of reducing all forms of pollution. The agency shall also adopt
167.12 standards of air quality, including maximum allowable standards of emission of air
167.13 contaminants from motor vehicles, recognizing that due to variable factors, no single standard
167.14 of purity of air is applicable to all areas of the state. In adopting standards the Pollution
167.15 Control Agency shall give due recognition to the fact that the quantity or characteristics of
167.16 air contaminants or the duration of their presence in the atmosphere, which may cause air
167.17 pollution in one area of the state, may cause less or not cause any air pollution in another
167.18 area of the state, and it shall take into consideration in this connection such factors, including
167.19 others which it may deem proper, as existing physical conditions, zoning classifications,
167.20 topography, prevailing wind directions and velocities, and the fact that a standard of air
167.21 quality which may be proper as to an essentially residential area of the state, may not be
167.22 proper as to a highly developed industrial area of the state. Such standards of air quality
167.23 shall be premised upon scientific knowledge of causes as well as effects based on technically
167.24 substantiated criteria and commonly accepted practices. No local government unit shall set
167.25 standards of air quality which are more stringent than those set by the Pollution Control
167.26 Agency. Consistent with this recognition of the variability of air contamination levels and
167.27 conditions across the state, the agency must not apply or enforce a national or state ambient
167.28 air quality standard as an applicable standard for an individual source under an individual
167.29 facility permit issued pursuant to Code of Federal Regulations, title 40, part 70, unless the
167.30 permittee is a temporary source issued a permit under United States Code, title 42, section
167.31 7661c, paragraph (e).

167.32 (b) The Pollution Control Agency shall promote solid waste disposal control by
167.33 encouraging the updating of collection systems, elimination of open dumps, and
167.34 improvements in incinerator practices. The agency shall also adopt standards for the control

168.1 of the collection, transportation, storage, processing, and disposal of solid waste and sewage
168.2 sludge for the prevention and abatement of water, air, and land pollution, recognizing that
168.3 due to variable factors, no single standard of control is applicable to all areas of the state.
168.4 In adopting standards, the Pollution Control Agency shall give due recognition to the fact
168.5 that elements of control which may be reasonable and proper in densely populated areas of
168.6 the state may be unreasonable and improper in sparsely populated or remote areas of the
168.7 state, and it shall take into consideration in this connection such factors, including others
168.8 which it may deem proper, as existing physical conditions, topography, soils and geology,
168.9 climate, transportation, and land use. Such standards of control shall be premised on technical
168.10 criteria and commonly accepted practices.

168.11 (c) The Pollution Control Agency shall also adopt standards describing the maximum
168.12 levels of noise in terms of sound pressure level which may occur in the outdoor atmosphere,
168.13 recognizing that due to variable factors no single standard of sound pressure is applicable
168.14 to all areas of the state. Such standards shall give due consideration to such factors as the
168.15 intensity of noises, the types of noises, the frequency with which noises recur, the time
168.16 period for which noises continue, the times of day during which noises occur, and such
168.17 other factors as could affect the extent to which noises may be injurious to human health
168.18 or welfare, animal or plant life, or property, or could interfere unreasonably with the
168.19 enjoyment of life or property. In adopting standards, the Pollution Control Agency shall
168.20 give due recognition to the fact that the quantity or characteristics of noise or the duration
168.21 of its presence in the outdoor atmosphere, which may cause noise pollution in one area of
168.22 the state, may cause less or not cause any noise pollution in another area of the state, and
168.23 it shall take into consideration in this connection such factors, including others which it
168.24 may deem proper, as existing physical conditions, zoning classifications, topography,
168.25 meteorological conditions and the fact that a standard which may be proper in an essentially
168.26 residential area of the state, may not be proper as to a highly developed industrial area of
168.27 the state. Such noise standards shall be premised upon scientific knowledge as well as effects
168.28 based on technically substantiated criteria and commonly accepted practices. No local
168.29 governing unit shall set standards describing the maximum levels of sound pressure which
168.30 are more stringent than those set by the Pollution Control Agency.

168.31 (d) The Pollution Control Agency shall adopt standards for the identification of hazardous
168.32 waste and for the management, identification, labeling, classification, storage, collection,
168.33 transportation, processing, and disposal of hazardous waste, recognizing that due to variable
168.34 factors, a single standard of hazardous waste control may not be applicable to all areas of
168.35 the state. In adopting standards, the Pollution Control Agency shall recognize that elements

169.1 of control which may be reasonable and proper in densely populated areas of the state may
169.2 be unreasonable and improper in sparsely populated or remote areas of the state. The agency
169.3 shall consider existing physical conditions, topography, soils, and geology, climate,
169.4 transportation and land use. Standards of hazardous waste control shall be premised on
169.5 technical knowledge, and commonly accepted practices. Hazardous waste generator licenses
169.6 may be issued for a term not to exceed five years. No local government unit shall set
169.7 standards of hazardous waste control which are in conflict or inconsistent with those set by
169.8 the Pollution Control Agency.

169.9 (e) A person who generates less than 100 kilograms of hazardous waste per month is
169.10 exempt from the following agency hazardous waste rules:

169.11 (1) rules relating to transportation, manifesting, storage, and labeling for photographic
169.12 fixer and x-ray negative wastes that are hazardous solely because of silver content; and

169.13 (2) any rule requiring the generator to send to the agency or commissioner a copy of
169.14 each manifest for the transportation of hazardous waste for off-site treatment, storage, or
169.15 disposal, except that counties within the metropolitan area may require generators to provide
169.16 manifests.

169.17 Nothing in this paragraph exempts the generator from the agency's rules relating to on-site
169.18 accumulation or outdoor storage. A political subdivision or other local unit of government
169.19 may not adopt management requirements that are more restrictive than this paragraph.

169.20 (f) In any rulemaking proceeding under chapter 14 to adopt standards for air quality,
169.21 solid waste, or hazardous waste under this chapter, or standards for water quality under
169.22 chapter 115, the statement of need and reasonableness must include:

169.23 (1) an assessment of any differences between the proposed rule and:

169.24 (i) existing federal standards adopted under the Clean Air Act, United States Code, title
169.25 42, section 7412(b)(2); the Clean Water Act, United States Code, title 33, sections 1312(a)
169.26 and 1313(c)(4); and the Resource Conservation and Recovery Act, United States Code, title
169.27 42, section 6921(b)(1);

169.28 (ii) similar standards in states bordering Minnesota; and

169.29 (iii) similar standards in states within the Environmental Protection Agency Region 5;
169.30 and

169.31 (2) a specific analysis of the need and reasonableness of each difference.

170.1 If the proposed standards in a rulemaking subject to this paragraph are more stringent than
170.2 comparable federal standards, the statement of need and reasonableness must, in addition
170.3 to the requirements of this paragraph, include documentation that the federal standard does
170.4 not provide adequate protection for public health and the environment.

170.5 Sec. 79. Minnesota Statutes 2016, section 116.07, is amended by adding a subdivision to
170.6 read:

170.7 Subd. 2c. **Exemption from standards for temporary storage facilities subject to**
170.8 **control.** (a) A temporary storage facility located at a commodity facility that is required to
170.9 be controlled under Minnesota Rules, part 7011.1005, subpart 3, is not subject to Minnesota
170.10 Rules, parts 7011.1000 to 7011.1015. For all portable equipment and fugitive dust emissions
170.11 directly associated with the temporary storage facility, it is determined that there is no
170.12 applicable specific standard of performance.

170.13 (b) For the purposes of this subdivision, the following terms have the meanings given
170.14 to them:

170.15 (1) "temporary storage facility" means a facility storing grain that:

170.16 (i) uses an asphalt, concrete, or comparable base material;

170.17 (ii) has rigid, self-supporting sidewalls;

170.18 (iii) provides adequate aeration; and

170.19 (iv) provides an acceptable covering; and

170.20 (2) "portable equipment" means equipment that is not fixed at any one spot and can be
170.21 moved, including but not limited to portable receiving pits, portable augers and conveyors,
170.22 and portable reclaim equipment directly associated with the temporary storage facility.

170.23 Sec. 80. Minnesota Statutes 2017 Supplement, section 116.0714, is amended to read:

170.24 **116.0714 NEW OPEN-AIR SWINE BASINS.**

170.25 (a) The commissioner of the Pollution Control Agency or a county board shall not
170.26 approve any permits for the construction of new open-air swine basins, except that existing
170.27 facilities may use one basin of less than 1,000,000 gallons as part of a permitted waste
170.28 treatment program for resolving pollution problems or to allow conversion of an existing
170.29 basin of less than 1,000,000 gallons to a different animal type, provided all standards are
170.30 met. This section expires June 30, 2022.

171.1 (b) This section does not apply to basins used solely for wastewater from truck-washing
 171.2 facilities.

171.3 Sec. 81. Minnesota Statutes 2016, section 116.155, subdivision 1, is amended to read:

171.4 Subdivision 1. **Creation.** The remediation fund is created as a special revenue fund in
 171.5 the state treasury to provide a reliable source of public money for response and corrective
 171.6 actions to address releases of hazardous substances, pollutants or contaminants, agricultural
 171.7 chemicals, and petroleum, and for environmental response actions at qualified landfill
 171.8 facilities for which the agency has assumed such responsibility, including perpetual care of
 171.9 such facilities. The specific purposes for which the general portion of the fund may be spent
 171.10 are provided in subdivision 2. In addition to the general portion of the fund, the fund contains
 171.11 ~~two~~ three accounts described in subdivisions 4 ~~and 5~~ to 5a.

171.12 Sec. 82. Minnesota Statutes 2016, section 116.155, is amended by adding a subdivision
 171.13 to read:

171.14 Subd. 5a. **Water quality and sustainability account.** The water quality and sustainability
 171.15 account is as described in section 115B.52.

171.16 Sec. 83. Minnesota Statutes 2016, section 116.993, subdivision 2, is amended to read:

171.17 Subd. 2. **Eligible borrower.** To be eligible for a loan under this section, a borrower
 171.18 must:

171.19 (1) be a small business corporation, sole proprietorship, partnership, or association;

171.20 (2) be a potential emitter of pollutants to the air, ground, or water;

171.21 (3) need capital for equipment purchases that will meet or exceed environmental
 171.22 regulations or need capital for site investigation and cleanup;

171.23 (4) have ~~less~~ fewer than ~~50~~ 100 full-time equivalent employees; and

171.24 (5) have an ~~after-tax~~ after-tax profit of less than \$500,000; ~~and~~.

171.25 ~~(6) have a net worth of less than \$1,000,000.~~

171.26 Sec. 84. Minnesota Statutes 2016, section 116.993, subdivision 6, is amended to read:

171.27 Subd. 6. **Loan conditions.** A loan made under this section must include:

171.28 (1) an interest rate that is ~~four percent or~~ at or below one-half the prime rate, ~~whichever~~
 171.29 ~~is greater~~ not to exceed five percent;

172.1 (2) a term of payment of not more than seven years; and

172.2 (3) an amount not less than \$1,000 or exceeding ~~\$50,000~~ \$75,000.

172.3 Sec. 85. Minnesota Statutes 2016, section 216G.01, subdivision 3, is amended to read:

172.4 Subd. 3. **Pipeline.** "Pipeline" means a pipeline owned or operated by a condemning
172.5 authority, as defined in section 117.025, subdivision 4, located in this state which is used
172.6 to transport natural or synthetic gas at a pressure of more than 90 pounds per square inch,
172.7 or to transport crude petroleum or petroleum fuels or oil or their derivatives, coal, anhydrous
172.8 ammonia or any mineral slurry to a distribution center or storage facility which is located
172.9 within or outside of this state. "Pipeline" does not include a pipeline owned or operated by
172.10 a natural gas public utility as defined in section 216B.02, subdivision 4.

172.11 Sec. 86. Minnesota Statutes 2016, section 349A.05, is amended to read:

172.12 **349A.05 RULES.**

172.13 The director may adopt rules under chapter 14 governing the following elements of the
172.14 lottery:

172.15 (1) the number and types of lottery retailers' locations;

172.16 (2) qualifications of lottery retailers and application procedures for lottery retailer
172.17 contracts;

172.18 (3) investigation of lottery retailer applicants;

172.19 (4) appeal procedures for denial, suspension, or cancellation of lottery retailer contracts;

172.20 (5) compensation of lottery retailers consistent with section 349A.17;

172.21 (6) accounting for and deposit of lottery revenues by lottery retailers;

172.22 (7) procedures for issuing lottery procurement contracts and for the investigation of
172.23 bidders on those contracts;

172.24 (8) payment of prizes;

172.25 (9) procedures needed to ensure the integrity and security of the lottery; and

172.26 (10) other rules the director considers necessary for the efficient operation and
172.27 administration of the lottery.

172.28 **EFFECTIVE DATE.** This section is effective August 1, 2018.

173.1 **Sec. 87. [349A.17] LOTTERY RETAILER COMMISSIONS.**

173.2 (a) The director of the State Lottery shall pay a lottery retailer at least the following
 173.3 amounts:

173.4 (1) 5.5 percent on the price of a ticket sold by the retailer for a lottery game for which
 173.5 the winner is determined by a drawing;

173.6 (2) six percent on the price of a ticket sold by the retailer for a lottery game in which
 173.7 the winner is determined without a drawing; and

173.8 (3) 1.5 percent of the amount of a winning ticket cashed by the retailer.

173.9 (b) The director of the State Lottery may adopt rules for retailer compensation or
 173.10 commission that exceeds the amounts specified in this section. The director of the State
 173.11 Lottery shall periodically review lottery ticket sales and make adjustments to lottery retailer
 173.12 commission rates, consistent with this section, as deemed necessary to maintain appropriate
 173.13 return to the state.

173.14 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to tickets
 173.15 sold on or after that date.

173.16 **Sec. 88. [383A.606] DISCONTINUANCE OF RAMSEY SOIL AND WATER**
 173.17 **CONSERVATION DISTRICT; TRANSFER OF DUTIES.**

173.18 Subdivision 1. **Discontinuance.** Notwithstanding section 103C.225, the Ramsey Soil
 173.19 and Water Conservation District is discontinued effective July 1, 2018, and its duties and
 173.20 authorities are transferred to the Ramsey County Board of Commissioners.

173.21 Subd. 2. **Transfer of duties and authorities.** The Ramsey County Board of
 173.22 Commissioners has the duties and authorities of a soil and water conservation district. All
 173.23 contracts in effect on the date of the discontinuance of the district to which Ramsey Soil
 173.24 and Water Conservation District is a party remain in force and effect for the period provided
 173.25 in the contracts. The Ramsey County Board of Commissioners shall be substituted for the
 173.26 Ramsey Soil and Water Conservation District as party to the contracts and succeed to the
 173.27 district's rights and duties.

173.28 Subd. 3. **Transfer of assets.** The Ramsey Soil and Water Conservation District Board
 173.29 of Supervisors shall transfer the assets of the district to the Ramsey County Board of
 173.30 Commissioners. The Ramsey County Board of Commissioners shall use the transferred
 173.31 assets for the purposes of implementing the transferred duties and authorities.

174.1 Subd. 4. **Reestablishment.** The Ramsey County Board of Commissioners may petition
 174.2 the Minnesota Board of Water and Soil Resources to reestablish the Ramsey Soil and Water
 174.3 Conservation District. Alternatively, the Minnesota Board of Water and Soil Resources
 174.4 under its authority in section 103C.201, and after giving notice of corrective actions and
 174.5 time to implement the corrective actions, may reestablish the Ramsey Soil and Water
 174.6 Conservation District if it determines the goals established in section 103C.005 are not
 174.7 being achieved. The Minnesota Board of Water and Soil Resources may reestablish the
 174.8 Ramsey Soil and Water Conservation District under this subdivision without a referendum.

174.9 **EFFECTIVE DATE.** This section is effective the day after the Ramsey County Board
 174.10 of Commissioners and its chief clerical officer timely complete their compliance with
 174.11 Minnesota Statutes, section 645.021, subdivisions 2 and 3, but not before July 1, 2018.

174.12 Sec. 89. Minnesota Statutes 2016, section 473.8441, subdivision 4, is amended to read:

174.13 Subd. 4. **Grant conditions.** The commissioner shall administer grants so that the
 174.14 following conditions are met:

174.15 (a) A county must apply for a grant in the manner determined by the commissioner. The
 174.16 application must describe the activities for which the grant will be used.

174.17 (b) The activities funded must be consistent with the metropolitan policy plan and the
 174.18 county master plan.

174.19 (c) A grant must be matched by equal ~~county~~ local expenditures for the activities for
 174.20 which the grant is made. A local expenditure may include but is not limited to an expenditure
 174.21 by a local unit of government, tribal government, or private sector or nonprofit organization.

174.22 (d) All grant funds must be used for new activities or to enhance or increase the
 174.23 effectiveness of existing activities in the county. Grant funds shall not be used for research
 174.24 or development of a product that would be patented, copyrighted, or a subject of trade
 174.25 secrets.

174.26 (e) Counties shall provide support to maintain effective municipal recycling where it is
 174.27 already established.

174.28 Sec. 90. Laws 2015, First Special Session chapter 4, article 4, section 146, as amended
 174.29 by Laws 2017, chapter 93, article 2, section 150, is amended to read:

174.30 Sec. 146. **INITIAL IMPLEMENTATION; WAIVERS.**

175.1 A soil and water conservation district must grant a conditional compliance waiver under
 175.2 Minnesota Statutes, section 103F.48, to landowners or authorized agents who have applied
 175.3 for and maintained eligibility for financial or technical assistance within one year of the
 175.4 dates listed in Minnesota Statutes, section 103F.48, subdivision 3, paragraph (e), according
 175.5 to Minnesota Statutes, section 103F.48. A conditional compliance waiver also must be
 175.6 granted to landowners who are subject to a drainage proceeding commenced under Minnesota
 175.7 Statutes, sections 103E.011, subdivision 5; 103E.021, subdivision 6; and 103E.715. The
 175.8 conditional compliance waiver is valid until financial or technical assistance is available
 175.9 for buffer or alternative practices installation, but not later than November 1, 2018. A
 175.10 landowner or authorized agent that has filed a parcel-specific public water riparian protection
 175.11 compliance plan with the soil and water conservation district by November 1, 2017, shall
 175.12 be granted a conditional compliance waiver until July 1, 2018 2019. A landowner or
 175.13 authorized agent that has filed a parcel-specific public drainage system riparian protection
 175.14 compliance plan with the soil and water conservation district by November 1, 2018, shall
 175.15 be granted a conditional compliance waiver until July 1, 2019.

175.16 Sec. 91. Laws 2016, chapter 189, article 3, section 48, is amended to read:

175.17 Sec. 48. **LAKE SERVICE PROVIDER FEASIBILITY REPORT.**

175.18 The commissioner of natural resources shall report to the chairs of the house of
 175.19 representatives and senate committees with jurisdiction over natural resources by January
 175.20 15, ~~2019~~ 2020, regarding the feasibility of expanding permitting to service providers as
 175.21 described in Minnesota Statutes, section 84D.108, subdivision 2a, to other water bodies in
 175.22 the state. The report must:

175.23 (1) include recommendations for state and local resources needed to implement the
 175.24 program;

175.25 (2) assess local government inspection roles under Minnesota Statutes, section 84D.105,
 175.26 subdivision 2, paragraph (g); and

175.27 (3) assess whether mechanisms to ensure that water-related equipment placed back into
 175.28 the same body of water from which it was removed can adequately protect other water
 175.29 bodies.

175.30 Sec. 92. **ADDITIONS TO STATE PARKS.**

175.31 Subdivision 1. [85.012] [Subd. 21.] Frontenac State Park, Goodhue County. The
 175.32 following area is added to Frontenac State Park, Goodhue County:

176.1 That part of the Northeast Quarter of Section 10, that part of the Southeast Quarter of
176.2 Section 10, that part of the Northwest Quarter of Section 11, and that part of the Southwest
176.3 Quarter of Section 11, all in Township 112 North, Range 13 West, Goodhue County,
176.4 Minnesota, described as follows:

176.5 Commencing at the east quarter corner of said Section 10; thence on an assumed bearing
176.6 South 00 degrees 25 minutes 27 seconds East, along the east line of the Southeast Quarter
176.7 of said Section 10, a distance of 1,654.63 feet; thence South 89 degrees 34 minutes 33
176.8 seconds West, a distance of 2,219.43 feet to the point of beginning of the land to be described;
176.9 thence North 19 degrees 04 minutes 33 seconds East, a distance of 3,905.90 feet to the
176.10 centerline of Hill Avenue; thence southeasterly, along said centerline, to the northwesterly
176.11 right-of-way boundary of County Road Number 2, as designated on Goodhue County
176.12 Highway Right-Of-Way Plat No. 25, as recorded in the Goodhue County Recorder's Office;
176.13 thence southwesterly along said northwesterly right-of-way boundary and along the
176.14 northwesterly right-of-way boundary of County Road Number 2, as designated in Goodhue
176.15 County Highway Right-Of-Way Plat No. 24, and along the northwesterly right-of-way
176.16 boundary of County Road Number 2, as designated in Goodhue County Highway
176.17 Right-of-Way Plat No. 23, to the intersection with a line bearing South 76 degrees 25 minutes
176.18 27 seconds East from the point of beginning; thence North 76 degrees 25 minutes 27 seconds
176.19 West, a distance of 907.89 feet to the point of beginning.

176.20 EXCEPT that part lying within the boundaries of the following described parcel:

176.21 That part of the Southeast Quarter of Section 10, Township 112 North, Range 13 West,
176.22 and that part of the Southwest Quarter of Section 11, Township 112 North, Range 13 West,
176.23 Goodhue County, Minnesota, described as follows:

176.24 Commencing at the northeast corner of the Southeast Quarter of said Section 10; thence
176.25 southerly on an assumed azimuth from North of 179 degrees 34 minutes 33 seconds, along
176.26 the east line of the Southeast Quarter of said Section 10, a distance of 1,100.31 feet; thence
176.27 westerly 269 degrees 34 minutes 33 seconds azimuth, a distance of 80.53 feet to the point
176.28 of beginning of the land to be described; thence northerly 340 degrees 42 minutes 19 seconds
176.29 azimuth, a distance of 300.00 feet; thence easterly 100 degrees 22 minutes 46 seconds
176.30 azimuth, a distance of 286.97 feet to the centerline of County Road Number 2, as now
176.31 located and established; thence southerly and southwesterly, along said centerline, to the
176.32 intersection with a line drawn southerly 160 degrees 42 minutes 19 seconds azimuth from
176.33 the point of beginning; thence northerly 340 degrees 42 minutes 19 seconds azimuth, a
176.34 distance of 51.66 feet to the point of beginning.

177.1 EXCEPT that part lying within the boundaries of the following described parcel:

177.2 That part of the Southeast Quarter of Section 10, Township 112, Range 13, Goodhue
177.3 County, Minnesota, described as follows:

177.4 Commencing at the northeast corner of said Southeast Quarter; thence southerly, on an
177.5 assumed azimuth from North of 179 degrees 34 minutes 33 seconds, along the east line of
177.6 said Southeast Quarter; a distance of 1,491.88 feet; thence westerly 269 degrees 34 minutes
177.7 33 seconds azimuth, a distance of 870.79 feet to an iron pipe on the centerline of County
177.8 Road Number 2, as now located and established, being the point of beginning of the land
177.9 to be described; thence northerly 24 degrees 07 minutes 23 seconds azimuth, a distance of
177.10 132.28 feet to an iron pipe; thence northwesterly 301 degrees 14 minutes 43 seconds azimuth,
177.11 a distance of 524.46 feet to an iron pipe; thence southerly 180 degrees 51 minutes 58 seconds
177.12 azimuth a distance of 342.82 feet to an iron pipe; thence southeasterly 118 degrees 29
177.13 minutes 28 seconds azimuth, a distance of 273.01 feet to an iron pipe on the centerline of
177.14 said County Road Number 2, as now located and established; thence northeasterly along
177.15 said centerline to the point of beginning.

177.16 EXCEPT that part described as follows:

177.17 That part of the Southeast Quarter of Section 10, Township 112 North, Range 13 West,
177.18 Goodhue County, Minnesota, described as follows:

177.19 Commencing at the northeast corner of said Southeast Quarter of Section 10; thence
177.20 southerly, on an assumed azimuth from North of 179 degrees 34 minutes 33 seconds, along
177.21 the east line of said Southeast Quarter of Section 10, a distance of 1,100.31 feet; thence
177.22 westerly 269 degrees 34 minutes 33 seconds azimuth, a distance of 80.53 feet to the point
177.23 of beginning of the land to be described; thence northerly 340 degrees 42 minutes 19 seconds
177.24 azimuth, a distance of 300.00 feet; thence westerly 250 degrees 42 minutes 19 seconds
177.25 azimuth, a distance of 300.00 feet; thence southerly 160 degrees 42 minutes 19 seconds
177.26 azimuth, a distance of 384.25 feet, to the northwesterly right-of-way boundary of County
177.27 Road Number 2, as designated in Goodhue County Highway Right-of-Way Plat No. 23, as
177.28 recorded in the Goodhue County Recorder's Office; thence northeasterly, along said
177.29 northwesterly right-of-way boundary, to the intersection with a line drawn southerly 160
177.30 degrees 42 minutes 19 seconds azimuth from the point of beginning; thence northerly 340
177.31 degrees 42 minutes 19 seconds azimuth, a distance of 10.01 feet to the point of beginning.

177.32 Subd. 2. [85.012] [Subd. 21.] Frontenac State Park, Goodhue County. The following
177.33 areas are added to the Frontenac State Park, Goodhue County:

178.1 (1) all that part of Sections 31 and 32, Township 113 North, Range 13 West, in the
178.2 County of Goodhue and State of Minnesota, described as follows:

178.3 All of Block 7, Wacouta Beach, in said Section 32 lying on the south side of and adjoining
178.4 Lake View Drive and adjoining the south and west lines of said Section 32. Also that part
178.5 of said Section 31 described as follows:

178.6 Beginning at the southeast corner of said Section 31; thence run North along the east
178.7 line of said Section 31 a distance of 961.0 feet more or less to the southerly right-of-way
178.8 line of Lake View Drive; thence run North 61 degrees 30 minutes West along the southerly
178.9 right-of-way of Lake View Drive a distance of 170.0 feet; thence run South 34 degrees West
178.10 320.0 feet; thence run North 77 degrees East 125.0 feet; thence run South 13 degrees West
178.11 610.0 feet; thence run South 76 degrees West 600.0 feet; thence run South 88 degrees 30
178.12 minutes West 1,100.0 feet; thence run North 54 degrees 45 minutes West 1,140.0 feet;
178.13 thence run North 37 degrees 15 minutes West 400.0 feet; thence run North 72 degrees West
178.14 1,000.0 feet; thence run South 89 degrees 45 minutes West 200.0 feet; thence run North 70
178.15 degrees 45 minutes West 250.0 feet to a point on or near the east right-of-way line of public
178.16 road; thence run South 15 degrees 45 minutes West 720.0 feet along or near said east
178.17 right-of-way line of public road to a point at or near the northerly right-of-way line of State
178.18 Trunk Highway 61; thence run easterly along said northerly right-of-way line of State Trunk
178.19 Highway 61 a distance of 2,050.0 feet more or less to the south line of said Section 31;
178.20 thence run East 2,925.0 feet more or less along said south line of Section 31 to the point of
178.21 beginning;

178.22 (2) the West Half of the Northeast Quarter of Section 6, Township 112 North, Range
178.23 13 West, EXCEPT THE FOLLOWING:

178.24 All that part of the West Half of the Northeast Quarter of Section 6, Township 112 North,
178.25 Range 13 West, in Goodhue County and State of Minnesota, described as follows:

178.26 Beginning at the center of said Section 6; thence North 1,970 feet to the centerline of
178.27 State Trunk Highway 61; thence southeasterly along the centerline of said highway for 335
178.28 feet; thence North 66 degrees 31 minutes East 380 feet; thence deflect to the left on a six
178.29 degree curve for 570 feet to the south line of Borrow Pit No. 225; (Borrow Pit No. 225
178.30 being described in that certain Notice of Lis Pendens dated May 19, 1952, and recorded
178.31 May 20, 1952, in Book 115 of Mortgages, page 77); thence East 430 feet to the east line of
178.32 the West Half of said Northeast Quarter; thence South 2,250 feet to the southeast corner of
178.33 said West Half of the Northeast Quarter; thence West 1,320 feet to the place of beginning.

179.1 EXCEPTING from the above all rights-of-way of state highway and excepting the
179.2 right-of-way of the railroad company.

179.3 ALSO an easement for right-of way purposes on a strip of land 50 feet in width adjoining
179.4 and northwesterly of the northwesterly line of the above conveyed tract;

179.5 (3) that part of the Northwest Quarter of Section 6, Township 112 North, Range 13 West,
179.6 Goodhue County, Minnesota, lying northeasterly of the northeasterly right-of-way line of
179.7 the Canadian Pacific Railroad (formerly the Chicago, Milwaukee and St. Paul Railway Co.);
179.8 and

179.9 (4) Block 8 and Block 9, Wacouta Beach, according to the plat thereof, on file and of
179.10 record in the Goodhue County Recorder's Office.

179.11 Subd. 3. [85.012] [Subd. 43.] Minneopa State Park, Blue Earth County. The following
179.12 area is added to Minneopa State Park, Blue Earth County: the East Half of Government Lot
179.13 5, Section 2, Township 108 North, Range 28 West, together with an easement 33 feet in
179.14 width for access to said property, as now located, extending from the southwest corner of
179.15 the East Half of Government Lot 5 in said Section 2, Township 108, Range 28, to Minnesota
179.16 Highway 68.

179.17 Subd. 4. [85.012] [Subd. 49.] St. Croix State Park, Pine County. The following area
179.18 is added to the St. Croix State Park, Pine County: the Northwest Quarter of the Northwest
179.19 Quarter, Section 30, Township 41 North, Range 17 West.

179.20 Sec. 93. DELETION FROM STATE PARK.

179.21 [85.012] [Subd. 49.] St. Croix State Park, Pine County. The following area is deleted
179.22 from St. Croix State Park, Pine County: all that part of the Southeast Quarter of the Southeast
179.23 Quarter, Section 21, and that part of the Southwest Quarter of the Southwest Quarter, Section
179.24 22, Township 41 North, Range 18 West, bounded by the following described lines: beginning
179.25 at the southeast corner of Section 21; thence West 1,025 feet along the south section line;
179.26 thence North 515 feet; thence East 350 feet; thence northeasterly 1,070 feet to a point on
179.27 the centerline of County State-Aid Highway 22 a distance of 1,130 feet northerly of the
179.28 southeast corner of Section 21 as measured along said County State-Aid Highway 22; thence
179.29 southerly 1,130 feet along the centerline of County State-Aid Highway 22 to the point of
179.30 beginning.

180.1 Sec. 94. ADDITIONS TO STATE FORESTS.

180.2 Subdivision 1. [89.021] [Subd. 2.] Badoura State Forest. The following areas are added
180.3 to Badoura State Forest, Hubbard County:

180.4 (1) the Southwest Quarter, Section 35, Township 140 North, Range 32 West;

180.5 (2) the Northeast Quarter of the Northeast Quarter and the Northwest Quarter of the
180.6 Northeast Quarter, Section 11, Township 139 North, Range 33 West;

180.7 (3) the South Half of the Northeast Quarter, the West Half, and the Southeast Quarter,
180.8 Section 26, Township 140 North, Range 33 West; and

180.9 (4) the North Half, Section 26, Township 139 North, Range 33 West.

180.10 Subd. 2. [89.021] [Subd. 48a.] Snake River State Forest. The following areas are
180.11 added to Snake River State Forest, Kanabec County:

180.12 (1) the Northwest Quarter and the Southwest Quarter of the Northeast Quarter, Section
180.13 8, Township 42 North, Range 22 West;

180.14 (2) Section 17, Township 42 North, Range 22 West;

180.15 (3) Section 20, Township 42 North, Range 22 West;

180.16 (4) the West Half of the Northwest Quarter and the West Half of the Southwest Quarter,
180.17 Section 21, Township 42 North, Range 22 West;

180.18 (5) the Northeast Quarter and the East Half of the Southeast Quarter, Section 8, Township
180.19 42 North, Range 23 West;

180.20 (6) Section 9, Township 42 North, Range 23 West;

180.21 (7) the South Half of the Southwest Quarter, Section 10, Township 42 North, Range 23
180.22 West;

180.23 (8) the Northwest Quarter, the North Half of the Southwest Quarter, and the Southwest
180.24 Quarter of the Southwest Quarter, Section 15, Township 42 North, Range 23 West;

180.25 (9) Section 16, Township 42 North, Range 23 West;

180.26 (10) the Northeast Quarter and the East Half of the Northwest Quarter, Section 17,
180.27 Township 42 North, Range 23 West; and

180.28 (11) Section 23, Township 42 North, Range 23 West.

181.1 Sec. 95. **TEMPORARY ENFORCEMENT OF GROUNDWATER APPROPRIATION**
181.2 **PERMIT REQUIREMENTS.**

181.3 (a) Until July 1, 2019, the commissioner of natural resources must not expend funds to
181.4 suspend or revoke a water appropriation permit, issue an order requiring a violation to be
181.5 corrected, assess monetary penalties, or otherwise take enforcement action against a water
181.6 appropriation permit holder if the suspension, revocation, order, penalty, or other enforcement
181.7 action is based solely on a violation of a permit requirement added as a result of a court
181.8 order issued in 2017.

181.9 (b) The commissioner of natural resources may continue to use all the authorities granted
181.10 to the commissioner under Minnesota Statutes, section 103G.287, to manage groundwater
181.11 resources within the north and east groundwater management area.

181.12 Sec. 96. **GROUNDWATER MANAGEMENT AREA PERMIT REQUIREMENTS.**

181.13 (a) Notwithstanding water appropriation permit requirements added by the commissioner
181.14 of natural resources as a result of a court order issued in 2017, a public water supplier located
181.15 in the seven-county metropolitan area within a designated groundwater management area:

181.16 (1) is not required to revise a water supply plan to include contingency plans to fully or
181.17 partially convert its water supplies to surface water;

181.18 (2) may prepare, enact, and enforce commercial or residential irrigation bans or alternative
181.19 measures that achieve similar water use reductions when notified by the commissioner of
181.20 natural resources that lake levels have fallen below court-ordered levels; and

181.21 (3) is not required to use per capita residential water use as a measure for purposes of
181.22 water use reduction goals, plans, and implementation and may submit water use plans and
181.23 reports that use a measure other than per capita residential water use.

181.24 (b) This section expires July 1, 2019.

181.25 Sec. 97. **VOLKSWAGEN SETTLEMENT; LIMITATION ON ADMINISTRATIVE**
181.26 **EXPENSES; PROHIBITION ON HIRING.**

181.27 Subdivision 1. **Definition.** For purposes of this section, "settlement money" means
181.28 money awarded to the state under the Environmental Mitigation Trust Agreement for State
181.29 Beneficiaries described in Attachment A to the United States' Notice of Filing of Trust
181.30 Agreements in the case of United States v. Volkswagen AG et al., Case No. 16-cv-295
181.31 (N.D. Cal.).

182.1 Subd. 2. **Limitation on administrative expenses.** The commissioner of the Pollution
182.2 Control Agency must use no more than three percent of any settlement money for
182.3 administering grant programs, delivering technical services, providing fiscal oversight, and
182.4 ensuring accountability.

182.5 Subd. 3. **Prohibition on hiring.** The commissioner of the Pollution Control Agency
182.6 must not hire additional staff using settlement money or to administer settlement money.

182.7 **Sec. 98. RULEMAKING; DISPOSAL FACILITY CERTIFICATES.**

182.8 (a) The commissioner of the Pollution Control Agency must amend Minnesota Rules,
182.9 part 7048.1000, subpart 4, item D, to require six contact hours of required training to renew
182.10 a type IV disposal facility certificate, by April 30, 2019, or nine months after enactment of
182.11 this section, whichever is earlier.

182.12 (b) The commissioner may use the good cause exemption under Minnesota Statutes,
182.13 section 14.388, subdivision 1, clause (3), to adopt rules under this section, and Minnesota
182.14 Statutes, section 14.386, does not apply, except as provided under Minnesota Statutes,
182.15 section 14.388.

182.16 **Sec. 99. APPLICATION OF STORM WATER RULES TO TOWNSHIPS.**

182.17 Until the Pollution Control Agency amends rules for storm water, Minnesota Rules, part
182.18 7090.1010, subpart 1, item B, subitem (1), only applies to the portions of the city or township
182.19 that are designated as urbanized under Code of Federal Regulations, title 40, section
182.20 122.26(a)(9)(i)(A) and other platted areas within that jurisdiction.

182.21 **Sec. 100. RULE CHANGE; TRANSITION.**

182.22 (a) The director of the State Lottery shall amend Minnesota Rules, part 7856.4030, so
182.23 that the director compensates retailers consistent with Minnesota Statutes, section 349A.17.

182.24 (b) For tickets sold prior to August 1, 2018, the director of the State Lottery shall
182.25 compensate lottery retailers as provided by law or rule in effect on the date the ticket was
182.26 sold.

182.27 **EFFECTIVE DATE.** This section is effective August 1, 2018.

182.28 **Sec. 101. FOREST INVENTORY RECOMMENDATIONS.**

182.29 The Minnesota Forest Resources Council shall work in cooperation with the Interagency
182.30 Information Cooperative and the University of Minnesota Department of Forest Resources

183.1 to make recommendations for improving stand-level forest inventories. Recommendations
183.2 shall include the frequency and scope of forest inventory and design and technological
183.3 improvements and efficiencies that may be utilized in forest inventory data collection and
183.4 analysis. The recommendations shall address forest inventories of state- and
183.5 county-administered forest lands and other interested land managers. Recommendations
183.6 shall be reported to the house of representatives Environment and Natural Resources Policy
183.7 and Finance Committee, the senate Environment and Natural Resources Finance Committee,
183.8 and the senate Environment and Natural Resources Policy and Legacy Finance Committee
183.9 by February 1, 2019.

183.10 **Sec. 102. LAKE WINONA MANAGEMENT; USING OFFSET, ADAPTIVE**
183.11 **PLANNING.**

183.12 (a) To facilitate implementation of the Lake Winona total maximum daily load, the
183.13 Alexandria Lake Area Sanitary District may fund or perform lake management activities
183.14 in Lake Winona and in Lake Agnes. Lake management activities may include but are not
183.15 limited to carp removal and alum treatment. If the district agrees to fund or perform lake
183.16 management activities in Lake Winona and in Lake Agnes, the commissioner of the Pollution
183.17 Control Agency shall do one of the following unless the district chooses another path to
183.18 compliance that conforms to state and federal law, such as facility construction:

183.19 (1) approve an offset of the phosphorous loading proportional to the reduction achievable
183.20 through lake management activities in Lake Winona and Lake Agnes creditable to the
183.21 Alexandria Lake Area Sanitary District's wastewater treatment facility and issue or amend
183.22 the district's NPDES permit MN004738 to include the offset. The approved offset may be
183.23 related to the lake eutrophication response variable chlorophyll-a, but shall ensure the district
183.24 can achieve compliance with phosphorus effluent limits through wastewater optimization
183.25 techniques without performing capital upgrades to the wastewater treatment facility. The
183.26 lake management activities contemplated under this paragraph need not be completed before
183.27 the commissioner approves the offset and related discharge limits or issues the permit, but
183.28 the permit may include a schedule of compliance outlining the required lake management
183.29 activities and requiring that lake management activities in Lake Winona and Lake Agnes
183.30 begin immediately upon permit issuance. The approved offset and related permit language
183.31 must be consistent with Clean Water Act requirements and Minnesota Statutes, section
183.32 115.03, subdivision 10; or

183.33 (2) amend the district's NPDES permit MN004738 in a manner consistent with state and
183.34 federal law to include an integrated and adaptive lake management plan and to extend the

184.1 final compliance deadline for the final phosphorus concentration effluent limit related to
184.2 the site specific standard for Lake Winona contained in the district's permit until such time
184.3 that carp removal in Lake Winona can be completed and the lake can be reassessed. The
184.4 permit may include a schedule of compliance outlining the required lake management
184.5 activities and requiring that lake management activities in Lake Winona and Lake Agnes
184.6 begin immediately upon permit issuance.

184.7 (b) If the district agrees to fund or perform the lake management activities identified in
184.8 paragraph (a), the district may cooperate with the city of Alexandria in those efforts. The
184.9 district's responsibility for lake management activities in Lake Winona and Lake Agnes
184.10 terminates upon completion of the lake management activities identified in the schedule of
184.11 compliance contemplated under paragraph (a).

184.12 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
184.13 Alexandria Lake Area Sanitary District and its chief clerical officer timely complete their
184.14 compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3, but not before
184.15 July 1, 2018.

184.16 Sec. 103. **MORATORIUM ON MUSKELLUNGE STOCKING IN OTTER TAIL**
184.17 **COUNTY.**

184.18 (a) Until August 1, 2023, the commissioner of natural resources must not stock
184.19 muskellunge in waters wholly located in Otter Tail County. Any savings realized as a result
184.20 must be used for walleye stocking.

184.21 (b) The commissioner of natural resources must convene a stakeholder group to examine
184.22 the effect of muskellunge on the environment, waters, and native fish of Otter Tail County.
184.23 The stakeholder group must include an Otter Tail County commissioner, a representative
184.24 of the Minnesota Chamber of Commerce, and a representative of an Otter Tail County lake
184.25 association. The stakeholder group must examine existing scientific research and must
184.26 determine whether additional research is necessary. If the stakeholder group determines
184.27 that muskellunge do not pose a threat to the environment, waters, or native fish of Otter
184.28 Tail County, the stakeholder group may recommend that the legislature repeal or adjust the
184.29 moratorium imposed under paragraph (a).

184.30 **EFFECTIVE DATE.** This section is effective the day after the Otter Tail County Board
184.31 of Commissioners and its chief clerical officer timely complete their compliance with
184.32 Minnesota Statutes, section 645.021, subdivisions 2 and 3, but not before July 1, 2018.

185.1 Sec. 104. **NATURAL RESOURCES YOUTH SAFETY EDUCATION PROGRAMS**
185.2 **DELIVERY.**

185.3 The commissioner of natural resources shall review and research options for delivering
185.4 online safety training programs for youth and adult students, including off-highway vehicles
185.5 and hunter education, that are maintained and delivered by the state that functions
185.6 independently from an outside contract vendor. By March 1, 2019, the commissioner shall
185.7 report to the chairs of the senate and house of representatives environment and natural
185.8 resources policy and finance committees on options identified under this section.

185.9 Sec. 105. **NONPOINT PRIORITY FUNDING PLAN WORKGROUP.**

185.10 The Board of Water and Soil Resources must convene a workgroup consisting of
185.11 representatives of state agencies, local governments, tribal governments, private and nonprofit
185.12 organizations, and others to review the nonpoint priority funding plan under Minnesota
185.13 Statutes, section 114D.50, subdivision 3a. By January 31, 2019, the board must submit a
185.14 report to the chairs and ranking minority members of the house of representatives and senate
185.15 committees with jurisdiction over environment and natural resources that contains
185.16 recommendations to improve the effectiveness of nonpoint priority funding plans to meet
185.17 the requirements in Minnesota Statutes, section 114D.50, subdivision 3a, the purposes in
185.18 Minnesota Statutes, section 114D.50, subdivision 3, and the watershed and groundwater
185.19 restoration and protection goals of Minnesota Statutes, chapters 103B and 114D.

185.20 Sec. 106. **REPEALER.**

185.21 (a) Minnesota Statutes 2016, section 349A.16, is repealed.

185.22 (b) Laws 2008, chapter 368, article 1, section 21, subdivision 2, is repealed.

185.23 **ARTICLE 15**

185.24 **ACCELERATED BUFFER STRIP IMPLEMENTATION**

185.25 Section 1. Minnesota Statutes 2016, section 17.117, subdivision 1, is amended to read:

185.26 Subdivision 1. **Purpose.** The purpose of the agriculture best management practices loan
185.27 program is to provide low or no interest financing to farmers, agriculture supply businesses,
185.28 rural landowners, and ~~water-quality cooperatives~~ local units of government, including
185.29 drainage authorities, watershed districts, and counties for the implementation of agriculture
185.30 and other best management practices that reduce environmental pollution.

186.1 Sec. 2. Minnesota Statutes 2016, section 17.117, subdivision 4, is amended to read:

186.2 Subd. 4. **Definitions.** (a) For the purposes of this section, the terms defined in this
186.3 subdivision have the meanings given them.

186.4 (b) "Agricultural and environmental revolving accounts" means accounts in the
186.5 agricultural fund, controlled by the commissioner, which hold funds available to the program.

186.6 (c) "Agriculture supply business" means a person, partnership, joint venture, corporation,
186.7 limited liability company, association, firm, public service company, or cooperative that
186.8 provides materials, equipment, or services to farmers or agriculture-related enterprises.

186.9 (d) "Allocation" means the funds awarded to an applicant for implementation of best
186.10 management practices through a competitive or noncompetitive application process.

186.11 (e) "Applicant" means a local unit of government eligible to participate in this program
186.12 that requests an allocation of funds as provided in subdivision 6b.

186.13 (f) "Best management practices" has the meaning given in sections 103F.711, subdivision
186.14 3, and 103H.151, subdivision 2. Best management practices also means other practices,
186.15 techniques, and measures that have been demonstrated to the satisfaction of the
186.16 commissioner: (1) to prevent or reduce adverse environmental impacts by using the most
186.17 effective and practicable means of achieving environmental goals; or (2) to achieve drinking
186.18 water quality standards under chapter 103H or under Code of Federal Regulations, title 40,
186.19 parts 141 and 143, as amended.

186.20 (g) "Borrower" means a farmer, an agriculture supply business, or a rural landowner
186.21 applying for a low-interest loan.

186.22 (h) "Commissioner" means the commissioner of agriculture, including when the
186.23 commissioner is acting in the capacity of chair of the Rural Finance Authority, or the designee
186.24 of the commissioner.

186.25 (i) "Committed project" means an eligible project scheduled to be implemented at a
186.26 future date:

186.27 ~~(1) that has been approved and certified by the local government unit; and~~

186.28 ~~(2) for which a local lender has obligated itself to offer a loan.~~

186.29 (j) "Comprehensive water management plan" means a state-approved and locally adopted
186.30 plan authorized under section 103B.231, 103B.255, 103B.311, 103C.331, 103D.401, or
186.31 103D.405.

187.1 (k) "Cost incurred" means expenses for implementation of a project accrued because
187.2 the borrower has agreed to purchase equipment or is obligated to pay for services or materials
187.3 already provided as a result of implementing an approved eligible project.

187.4 (l) "Farmer" means a person, partnership, joint venture, corporation, limited liability
187.5 company, association, firm, public service company, or cooperative that regularly participates
187.6 in physical labor or operations management of farming and files a Schedule F as part of
187.7 filing United States Internal Revenue Service Form 1040 or indicates farming as the primary
187.8 business activity under Schedule C, K, or S, or any other applicable report to the United
187.9 States Internal Revenue Service.

187.10 (m) "Landowner" means the owner of record of Minnesota real estate on which the
187.11 project is located.

187.12 ~~(m)~~ (n) "Lender agreement" means an agreement entered into between the commissioner
187.13 and a local lender which contains terms and conditions of participation in the program.

187.14 ~~(n)~~ (o) "Local government unit" means a county, soil and water conservation district, or
187.15 an organization formed for the joint exercise of powers under section 471.59 with the
187.16 authority to participate in the program.

187.17 ~~(o)~~ (p) "Local lender" means a local government unit as defined in paragraph ~~(n)~~ (o), a
187.18 local municipality or county with taxing or special assessment authority, a watershed district,
187.19 a drainage authority, a township, a state or federally chartered bank, a savings association,
187.20 a state or federal credit union, Agribank and its affiliated organizations, or a nonprofit
187.21 economic development organization or other financial lending institution approved by the
187.22 commissioner.

187.23 ~~(p)~~ (q) "Local revolving loan account" means the account held by a local government
187.24 unit and a local lender into which principal repayments from borrowers are deposited and
187.25 new loans are issued in accordance with the requirements of the program and lender
187.26 agreements.

187.27 ~~(q)~~ (r) "Nonpoint source" has the meaning given in section 103F.711, subdivision 6.

187.28 ~~(r)~~ (s) "Program" means the agriculture best management practices loan program in this
187.29 section.

187.30 ~~(s)~~ (t) "Project" means one or more components or activities located within Minnesota
187.31 that are required by the local government unit to be implemented for satisfactory completion
187.32 of an eligible best management practice.

188.1 ~~(u)~~ (u) "Rural landowner" means the owner of record of Minnesota real estate located in
 188.2 an area determined by the local government unit to be rural after consideration of local land
 188.3 use patterns, zoning regulations, jurisdictional boundaries, local community definitions,
 188.4 historical uses, and other pertinent local factors.

188.5 ~~(u) "Water quality cooperative" has the meaning given in section 115.58, paragraph (d),~~
 188.6 ~~except as expressly limited in this section.~~

188.7 Sec. 3. Minnesota Statutes 2016, section 103E.021, subdivision 6, is amended to read:

188.8 Subd. 6. **Incremental ~~implementation~~ establishment of vegetated ditch buffer strips**
 188.9 **and side inlet controls.** (a) Notwithstanding other provisions of this chapter requiring
 188.10 appointment of viewers and redetermination of benefits and damages, a drainage authority
 188.11 may ~~implement~~ make findings and recommend the establishment of permanent buffer strips
 188.12 of perennial vegetation approved by the drainage authority or side inlet controls, or both,
 188.13 adjacent to a public drainage ditch, where necessary to control erosion and sedimentation,
 188.14 improve water quality, or maintain the efficiency of the drainage system. The drainage
 188.15 authority's finding that the establishment of permanent buffer strips of perennial vegetation
 188.16 or side inlet controls is necessary to control erosion and sedimentation, improve water
 188.17 quality, or maintain the efficiency of the drainage system is sufficient to order the measures
 188.18 be installed. Preference should be given to planting native species of a local ecotype. The
 188.19 approved perennial vegetation shall not impede future maintenance of the ditch. The
 188.20 permanent strips of perennial vegetation shall be 16-1/2 feet in width measured outward
 188.21 from the top edge of the existing constructed channel. Drainage system rights-of-way for
 188.22 the acreage and additional property required for the permanent strips must be acquired by
 188.23 the authority having jurisdiction.

188.24 (b) A project under this subdivision shall be implemented as a repair according to section
 188.25 103E.705, except that the drainage authority may appoint an engineer to examine the drainage
 188.26 system and prepare an engineer's repair report for the project.

188.27 (c) Damages shall be determined by the drainage authority, or viewers, appointed by
 188.28 the drainage authority, according to section 103E.315, subdivision 8. A damages statement
 188.29 shall be prepared, including an explanation of how the damages were determined for each
 188.30 property affected by the project, and filed with the auditor or watershed district. Within 30
 188.31 days after the damages statement is filed, the auditor or watershed district shall prepare
 188.32 property owners' reports according to section 103E.323, subdivision 1, clauses (1), (2), (6),
 188.33 (7), and (8), and mail a copy of the property owner's report and damages statement to each
 188.34 owner of property affected by the proposed project.

189.1 (d) After a damages statement is filed, the drainage authority shall set a time, by order,
189.2 not more than 30 days after the date of the order, for a hearing on the project. At least ten
189.3 days before the hearing, the auditor or watershed district shall give notice by mail of the
189.4 time and location of the hearing to the owners of property and political subdivisions likely
189.5 to be affected by the project.

189.6 (e) The drainage authority shall make findings and order the repairs to be made if the
189.7 drainage authority determines from the evidence presented at the hearing and by the viewers
189.8 and engineer, if appointed, that the repairs are necessary for the drainage system and the
189.9 costs of the repairs are within the limitations of section 103E.705.

189.10 Sec. 4. Minnesota Statutes 2016, section 103E.071, is amended to read:

189.11 **103E.071 COUNTY ATTORNEY.**

189.12 The county attorney shall represent the county in all drainage proceedings and related
189.13 matters without special compensation, except as provided in section 388.10. A county
189.14 attorney, the county attorney's assistant, or any attorney associated with the county attorney
189.15 in business, may not otherwise appear in any drainage proceeding for any interested person.

189.16 Sec. 5. Minnesota Statutes 2016, section 103E.351, subdivision 1, is amended to read:

189.17 Subdivision 1. **Conditions to redetermine benefits and damages; appointment of**
189.18 **viewers.** If the drainage authority determines that the ~~original~~ benefits or damages of record
189.19 determined in a drainage proceeding do not reflect reasonable present day land values or
189.20 that the benefited or damaged areas have changed, or if more than 50 percent of the owners
189.21 of property, or more than 50 percent of the owners of property benefited or damaged by a
189.22 drainage system petition for correction of an error that was made at the time of the
189.23 proceedings that established the drainage system or a redetermination of benefits and
189.24 damages, the drainage authority may appoint three viewers to redetermine and report the
189.25 benefits and damages and the benefited and damaged areas.

189.26 Sec. 6. **PUBLIC DRAINAGE DITCH BUFFER STRIP; PLANTING AND**
189.27 **MAINTENANCE.**

189.28 With the consent of the property owner where the drainage ditch buffer will be located,
189.29 a drainage authority, as defined in Minnesota Statutes, section 103E.005, subdivision 9,
189.30 may plant and maintain 16-1/2-foot ditch buffer strips that meet the width and vegetation
189.31 requirements of Minnesota Statutes, section 103E.021, after acquiring and compensating
189.32 for the buffer strip land rights according to Minnesota Statutes, chapter 103E. Planting and

190.1 maintenance costs may be paid in accordance with Minnesota Statutes, chapter 103E. This
 190.2 section expires June 30, 2019.

190.3 **EFFECTIVE DATE.** This section is effective June 1, 2018.

190.4 **ARTICLE 16**

190.5 **HIGHER EDUCATION**

190.6 Section 1. **APPROPRIATIONS.**

190.7 The sums shown in the columns marked "Appropriations" are added to the appropriations
 190.8 in Laws 2017, chapter 89, article 1, unless otherwise specified, to the agencies and for the
 190.9 purposes specified in this act. The appropriations are from the general fund, or another
 190.10 named fund, and are available for the fiscal years indicated for each purpose. The figures
 190.11 "2018" and "2019" used in this act mean that the appropriations listed under them are
 190.12 available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively. "The first
 190.13 year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium" is fiscal
 190.14 years 2018 and 2019.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2018</u>	<u>2019</u>

190.19 Sec. 2. **MINNESOTA OFFICE OF HIGHER**
 190.20 **EDUCATION**

190.21 <u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>500,000</u>
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190.22 The amounts that may be spent for each
 190.23 purpose are specified in the following
 190.24 subdivisions.

190.25 <u>Subd. 2. State Grants</u>		<u>-0-</u>	<u>300,000</u>
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190.26 This is a onetime appropriation.

190.27 <u>Subd. 3. Agricultural Educators Loan</u>			
190.28 <u>Forgiveness</u>		<u>-0-</u>	<u>100,000</u>

190.29 For transfer to the agricultural education loan
 190.30 forgiveness account in the special revenue
 190.31 fund under Minnesota Statutes, section
 190.32 136A.1794, subdivision 2. This is a onetime
 190.33 appropriation.

- 191.1 **Subd. 4. Student Loan Debt Counseling** -0- 50,000
- 191.2 For a student loan debt counseling grant under
- 191.3 Minnesota Statutes, section 136A.1705. This
- 191.4 is a onetime appropriation.
- 191.5 **Subd. 5. Teacher Preparation Program Design**
- 191.6 **Grant** -0- 50,000
- 191.7 For a teacher preparation program design grant
- 191.8 under section 36. This is a onetime
- 191.9 appropriation.
- 191.10 **Sec. 3. BOARD OF TRUSTEES OF THE**
- 191.11 **MINNESOTA STATE COLLEGES AND**
- 191.12 **UNIVERSITIES**
- 191.13 **Subdivision 1. Total Appropriation** **\$** **-0-** **\$** **1,500,000**
- 191.14 The amounts that may be spent for each
- 191.15 purpose are specified in the following
- 191.16 subdivisions.
- 191.17 **Subd. 2. Operations and Maintenance** -0- 1,500,000
- 191.18 (a) \$500,000 is for renewal of workforce
- 191.19 development scholarships first awarded in
- 191.20 academic year 2018-2019 under Minnesota
- 191.21 Statutes, section 136F.38. This is a onetime
- 191.22 appropriation and is available until June 30,
- 191.23 2020.
- 191.24 (b) \$1,000,000 is for upgrading the Integrated
- 191.25 Statewide Record System. This is a onetime
- 191.26 appropriation.
- 191.27 **Sec. 4. Minnesota Statutes 2016, section 127A.70, subdivision 2, is amended to read:**
- 191.28 **Subd. 2. Powers and duties; report.** (a) The partnership shall develop recommendations
- 191.29 to the governor and the legislature designed to maximize the achievement of all P-20 students
- 191.30 while promoting the efficient use of state resources, thereby helping the state realize the
- 191.31 maximum value for its investment. These recommendations may include, but are not limited
- 191.32 to, strategies, policies, or other actions focused on:

192.1 (1) improving the quality of and access to education at all points from preschool through
192.2 graduate education;

192.3 (2) improving preparation for, and transitions to, postsecondary education and work;

192.4 (3) ensuring educator quality by creating rigorous standards for teacher recruitment,
192.5 teacher preparation, induction and mentoring of beginning teachers, and continuous
192.6 professional development for career teachers; and

192.7 (4) realigning the governance and administrative structures of early education,
192.8 kindergarten through grade 12, and postsecondary systems in Minnesota.

192.9 (b) Under the direction of the P-20 Education Partnership Statewide Longitudinal
192.10 Education Data System Governance Committee, the Office of Higher Education and the
192.11 Departments of Education and Employment and Economic Development shall improve and
192.12 expand the Statewide Longitudinal Education Data System (SLEDS) to provide policymakers,
192.13 education and workforce leaders, researchers, and members of the public with data, research,
192.14 and reports to:

192.15 (1) expand reporting on students' educational outcomes for diverse student populations
192.16 including at-risk students, children with disabilities, English learners, and gifted students,
192.17 among others, and include formative and summative evaluations based on multiple measures
192.18 of child well-being, early childhood development, and student progress toward career and
192.19 college readiness;

192.20 (2) evaluate the effectiveness of (i) investments in young children and families, and (ii)
192.21 educational and workforce programs; and

192.22 (3) evaluate the relationship between (i) investments in young children and families,
192.23 and (ii) education and workforce outcomes, consistent with section 124D.49.

192.24 To the extent possible under federal and state law, research and reports should be
192.25 accessible to the public on the Internet, and disaggregated by demographic characteristics,
192.26 organization or organization characteristics, and geography.

192.27 It is the intent of the legislature that the Statewide Longitudinal Education Data System
192.28 inform public policy and decision-making. The SLEDS governance committee, with
192.29 assistance from staff of the Office of Higher Education, the Department of Education, and
192.30 the Department of Employment and Economic Development, shall respond to legislative
192.31 committee and agency requests on topics utilizing data made available through the Statewide
192.32 Longitudinal Education Data System as resources permit. Any analysis of or report on the
192.33 data must contain only summary data.

193.1 (c) By January 15 of each year, the partnership shall submit a report to the governor and
193.2 to the chairs and ranking minority members of the legislative committees and divisions with
193.3 jurisdiction over P-20 education policy and finance that summarizes the partnership's progress
193.4 in meeting its goals and identifies the need for any draft legislation when necessary to further
193.5 the goals of the partnership to maximize student achievement while promoting efficient use
193.6 of resources.

193.7 Sec. 5. Minnesota Statutes 2016, section 135A.15, subdivision 2, is amended to read:

193.8 Subd. 2. **Victims' rights.** The policy required under subdivision 1 shall, at a minimum,
193.9 require that students and employees be informed of the policy, and shall include provisions
193.10 for:

193.11 (1) filing criminal charges with local law enforcement officials in sexual assault cases;

193.12 (2) the prompt assistance of campus authorities, at the request of the victim, in notifying
193.13 the appropriate law enforcement officials and disciplinary authorities of a sexual assault
193.14 incident;

193.15 (3) allowing sexual assault victims to decide whether to report a case to law enforcement;

193.16 (4) requiring campus authorities to treat sexual assault victims with dignity;

193.17 (5) requiring campus authorities to offer sexual assault victims fair and respectful health
193.18 care, counseling services, or referrals to such services;

193.19 (6) preventing campus authorities from suggesting to a victim of sexual assault that the
193.20 victim is at fault for the crimes or violations that occurred;

193.21 (7) preventing campus authorities from suggesting to a victim of sexual assault that the
193.22 victim should have acted in a different manner to avoid such a crime;

193.23 (8) subject to subdivision 10, protecting the privacy of sexual assault victims by only
193.24 disclosing data collected under this section to the victim, persons whose work assignments
193.25 reasonably require access, and, at a sexual assault victim's request, police conducting a
193.26 criminal investigation;

193.27 (9) an investigation and resolution of a sexual assault complaint by campus disciplinary
193.28 authorities;

193.29 (10) a sexual assault victim's participation in and the presence of the victim's attorney
193.30 or other support person who is not a fact witness to the sexual assault at any meeting with
193.31 campus officials concerning the victim's sexual assault complaint or campus disciplinary
193.32 proceeding concerning a sexual assault complaint;

194.1 (11) ensuring that a sexual assault victim may decide when to repeat a description of
194.2 the incident of sexual assault;

194.3 (12) notice to a sexual assault victim of the availability of a campus or local program
194.4 providing sexual assault advocacy services and information on legal resources;

194.5 (13) notice to a sexual assault victim of the outcome of any campus disciplinary
194.6 proceeding concerning a sexual assault complaint, consistent with laws relating to data
194.7 practices;

194.8 (14) the complete and prompt assistance of campus authorities, at the direction of law
194.9 enforcement authorities, in obtaining, securing, and maintaining evidence in connection
194.10 with a sexual assault incident;

194.11 (15) the assistance of campus authorities in preserving for a sexual assault complainant
194.12 or victim materials relevant to a campus disciplinary proceeding;

194.13 (16) during and after the process of investigating a complaint and conducting a campus
194.14 disciplinary procedure, the assistance of campus personnel, in cooperation with the
194.15 appropriate law enforcement authorities, at a sexual assault victim's request, in shielding
194.16 the victim from unwanted contact with the alleged assailant, including transfer of the victim
194.17 to alternative classes or to alternative college-owned housing, if alternative classes or housing
194.18 are available and feasible;

194.19 (17) forbidding retaliation, and establishing a process for investigating complaints of
194.20 retaliation, against sexual assault victims by campus authorities, the accused, organizations
194.21 affiliated with the accused, other students, and other employees;

194.22 (18) at the request of the victim, providing students who reported sexual assaults to the
194.23 institution and subsequently choose to transfer to another postsecondary institution with
194.24 information about resources for victims of sexual assault at the institution to which the
194.25 victim is transferring; and

194.26 (19) consistent with laws governing access to student records, providing a student who
194.27 reported an incident of sexual assault with access to the student's description of the incident
194.28 as it was reported to the institution, including if that student transfers to another postsecondary
194.29 institution.

195.1 Sec. 6. Minnesota Statutes 2017 Supplement, section 136A.1275, subdivision 2, is amended
195.2 to read:

195.3 Subd. 2. **Eligibility.** To be eligible for a grant under this section, a teacher candidate
195.4 must:

195.5 (1) be enrolled in a Professional Educator Licensing and Standards Board-approved
195.6 teacher preparation program that requires at least 12 weeks of student teaching in order to
195.7 be recommended for a full professional teaching license;

195.8 (2) demonstrate financial need based on criteria established by the commissioner under
195.9 subdivision 3;

195.10 (3) ~~intend to teach in a shortage area or belong to an underrepresented racial or ethnic~~
195.11 ~~group~~ be meeting satisfactory academic progress as defined under section 136A.101,
195.12 subdivision 10; and

195.13 (4) ~~be meeting satisfactory academic progress as defined under section 136A.101,~~
195.14 ~~subdivision 10.~~ intend to teach in a shortage area or belong to an underrepresented racial
195.15 or ethnic group. Intent can be documented based on the teacher license field the student is
195.16 pursuing or a statement of intent to teach in an economic development region defined as a
195.17 shortage area in the year the student receives a grant.

195.18 Sec. 7. Minnesota Statutes 2017 Supplement, section 136A.1275, subdivision 3, is amended
195.19 to read:

195.20 Subd. 3. **Administration; repayment.** (a) The commissioner must establish an
195.21 application process and other guidelines for implementing this program, ~~including repayment~~
195.22 ~~responsibilities for stipend recipients who do not complete student teaching or who leave~~
195.23 ~~Minnesota to teach in another state during the first year after student teaching.~~

195.24 (b) The commissioner must determine each academic year the stipend amount up to
195.25 \$7,500 based on the amount of available funding, the number of eligible applicants, and the
195.26 financial need of the applicants.

195.27 (c) The percentage of the total award funds available at the beginning of the fiscal year
195.28 reserved for teacher candidates who identify as belonging to an underrepresented a racial
195.29 or ethnic group underrepresented in the Minnesota teacher workforce must be equal to or
195.30 greater than the total percentage of students of ~~underrepresented~~ racial or ethnic groups
195.31 underrepresented in the Minnesota teacher workforce as measured under section 120B.35,
195.32 subdivision 3. If this percentage cannot be met because of a lack of qualifying candidates,

196.1 the remaining amount may be awarded to teacher candidates who intend to teach in a shortage
196.2 area.

196.3 Sec. 8. Minnesota Statutes 2016, section 136A.15, subdivision 8, is amended to read:

196.4 Subd. 8. **Eligible student.** "Eligible student" means a student who is officially registered
196.5 or accepted for enrollment at an eligible institution in Minnesota or a Minnesota resident
196.6 who is officially registered as a student or accepted for enrollment at an eligible institution
196.7 in another state or province. Non-Minnesota residents are eligible students if they are enrolled
196.8 or accepted for enrollment in a minimum of one course of at least 30 days in length during
196.9 the academic year that requires physical attendance at an eligible institution located in
196.10 Minnesota. Non-Minnesota resident students enrolled exclusively during the academic year
196.11 in correspondence courses or courses offered over the Internet are not eligible students.
196.12 Non-Minnesota resident students not physically attending classes in Minnesota due to
196.13 enrollment in a study abroad program for 12 months or less are eligible students.
196.14 Non-Minnesota residents enrolled in study abroad programs exceeding 12 months are not
196.15 eligible students. An eligible student, for section 136A.1701, means a student who gives
196.16 informed consent authorizing the disclosure of data specified in section 136A.162, paragraph
196.17 (c), to a consumer credit reporting agency.

196.18 Sec. 9. Minnesota Statutes 2016, section 136A.16, subdivision 1, is amended to read:

196.19 Subdivision 1. **Designation.** Notwithstanding chapter 16C, the office is designated as
196.20 the administrative agency for carrying out the purposes and terms of sections 136A.15 to
196.21 ~~136A.1702~~ 136A.1704. The office may establish one or more loan programs.

196.22 Sec. 10. Minnesota Statutes 2016, section 136A.16, subdivision 2, is amended to read:

196.23 Subd. 2. **Rules, policies, and conditions.** The office shall adopt policies and may
196.24 prescribe appropriate rules and conditions to carry out the purposes of sections 136A.15 to
196.25 136A.1702. ~~The policies and rules except as they relate to loans under section 136A.1701~~
196.26 ~~must be compatible with the provisions of the National Vocational Student Loan Insurance~~
196.27 ~~Act of 1965 and the provisions of title IV of the Higher Education Act of 1965, and any~~
196.28 ~~amendments thereof.~~

197.1 Sec. 11. Minnesota Statutes 2016, section 136A.16, subdivision 5, is amended to read:

197.2 Subd. 5. **Agencies.** The office may contract with loan servicers, collection agencies,
197.3 credit bureaus, or any other person, to carry out the purposes of sections 136A.15 to
197.4 ~~136A.1702~~ 136A.1704.

197.5 Sec. 12. Minnesota Statutes 2016, section 136A.16, subdivision 8, is amended to read:

197.6 Subd. 8. **Investment.** Money made available to the office that is not immediately needed
197.7 for the purposes of sections 136A.15 to ~~136A.1702~~ 136A.1704 may be invested by the
197.8 office. The money must be invested in bonds, certificates of indebtedness, and other fixed
197.9 income securities, except preferred stocks, which are legal investments for the permanent
197.10 school fund. The money may also be invested in prime quality commercial paper that is
197.11 eligible for investment in the state employees retirement fund. All interest and profits from
197.12 such investments inure to the benefit of the office or may be pledged for security of bonds
197.13 issued by the office or its predecessors.

197.14 Sec. 13. Minnesota Statutes 2016, section 136A.16, subdivision 9, is amended to read:

197.15 Subd. 9. **Staff.** The office may employ the professional and clerical staff the commissioner
197.16 deems necessary for the proper administration of the loan programs established and defined
197.17 by sections 136A.15 to ~~136A.1702~~ 136A.1704.

197.18 Sec. 14. Minnesota Statutes 2016, section 136A.162, is amended to read:

197.19 **136A.162 CLASSIFICATION OF DATA.**

197.20 (a) Except as provided in paragraphs (b) and (c), data on applicants for financial assistance
197.21 collected and used by the office for student financial aid programs administered by that
197.22 office are private data on individuals as defined in section 13.02, subdivision 12.

197.23 (b) Data on applicants may be disclosed to the commissioner of human services to the
197.24 extent necessary to determine eligibility under section 136A.121, subdivision 2, clause (5).

197.25 (c) The following data collected in the Minnesota supplemental loan program under
197.26 ~~section~~ sections 136A.1701 and 136A.1704 may be disclosed to a consumer credit reporting
197.27 agency only if the borrower and the cosigner give informed consent, according to section
197.28 13.05, subdivision 4, at the time of application for a loan:

197.29 (1) the lender-assigned borrower identification number;

197.30 (2) the name and address of borrower;

- 198.1 (3) the name and address of cosigner;
- 198.2 (4) the date the account is opened;
- 198.3 (5) the outstanding account balance;
- 198.4 (6) the dollar amount past due;
- 198.5 (7) the number of payments past due;
- 198.6 (8) the number of late payments in previous 12 months;
- 198.7 (9) the type of account;
- 198.8 (10) the responsibility for the account; and
- 198.9 (11) the status or remarks code.

198.10 Sec. 15. Minnesota Statutes 2016, section 136A.1701, subdivision 7, is amended to read:

198.11 Subd. 7. **Repayment of loans.** ~~(a) The office shall establish repayment procedures for~~
 198.12 ~~loans made under this section, but in no event shall the period of permitted repayment for~~
 198.13 ~~SELF II or SELF III loans exceed ten years from the eligible student's termination of the~~
 198.14 ~~student's postsecondary academic or vocational program, or 15 years from the date of the~~
 198.15 ~~student's first loan under this section, whichever is less. in accordance with the policies,~~
 198.16 ~~rules, and conditions authorized under section 136A.16, subdivision 2. The office will take~~
 198.17 ~~into consideration the loan limits and current financial market conditions when establishing~~
 198.18 ~~repayment terms.~~

198.19 ~~(b) For SELF IV loans, eligible students with aggregate principal loan balances from~~
 198.20 ~~all SELF phases that are less than \$18,750 shall have a repayment period not exceeding ten~~
 198.21 ~~years from the eligible student's graduation or termination date. For SELF IV loans, eligible~~
 198.22 ~~students with aggregate principal loan balances from all SELF phases of \$18,750 or greater~~
 198.23 ~~shall have a repayment period not exceeding 15 years from the eligible student's graduation~~
 198.24 ~~or termination date. For SELF IV loans, the loans shall enter repayment no later than seven~~
 198.25 ~~years after the first disbursement date on the loan.~~

198.26 ~~(c) For SELF loans from phases after SELF IV, eligible students with aggregate principal~~
 198.27 ~~loan balances from all SELF phases that are:~~

- 198.28 ~~(1) less than \$20,000, must have a repayment period not exceeding ten years from the~~
 198.29 ~~eligible student's graduation or termination date;~~
- 198.30 ~~(2) \$20,000 up to \$40,000, must have a repayment period not exceeding 15 years from~~
 198.31 ~~the eligible student's graduation or termination date; and~~

199.1 ~~(3) \$40,000 or greater, must have a repayment period not exceeding 20 years from the~~
 199.2 ~~eligible student's graduation or termination date. For SELF loans from phases after SELF~~
 199.3 ~~IV, the loans must enter repayment no later than nine years after the first disbursement date~~
 199.4 ~~of the loan.~~

199.5 Sec. 16. [136A.1705] STUDENT LOAN DEBT COUNSELING.

199.6 Subdivision 1. **Grant.** (a) A program is established under the Office of Higher Education
 199.7 to provide a grant to a Minnesota-based nonprofit qualified debt counseling organization
 199.8 to provide individual student loan debt repayment counseling to borrowers who are Minnesota
 199.9 residents concerning loans obtained to attend a Minnesota postsecondary institution. The
 199.10 number of individuals receiving counseling may be limited to those capable of being served
 199.11 with available appropriations for that purpose. A goal of the counseling program is to provide
 199.12 two counseling sessions to at least 75 percent of borrowers receiving counseling.

199.13 (b) The purpose of the counseling is to assist borrowers to:

199.14 (1) understand their loan and repayment options;

199.15 (2) manage loan repayment; and

199.16 (3) develop a workable budget based on the borrower's full financial situation regarding
 199.17 income, expenses, and other debt.

199.18 Subd. 2. **Qualified debt counseling organization.** A qualified debt counseling
 199.19 organization is an organization that:

199.20 (1) has experience in providing individualized student loan counseling;

199.21 (2) employs certified financial loan counselors; and

199.22 (3) is based in Minnesota and has offices at multiple rural and metropolitan area locations
 199.23 in the state to provide in-person counseling.

199.24 Subd. 3. **Grant application and award.** (a) Applications for a grant shall be on a form
 199.25 created by the commissioner and on a schedule set by the commissioner. Among other
 199.26 provisions, the application must include a description of:

199.27 (1) the characteristics of borrowers to be served;

199.28 (2) the services to be provided and a timeline for implementation of the services;

199.29 (3) how the services provided will help borrowers manage loan repayment;

199.30 (4) specific program outcome goals and performance measures for each goal; and

200.1 (5) how the services will be evaluated to determine whether the program goals were
200.2 met.

200.3 (b) The commissioner shall select one grant recipient for a two-year award every two
200.4 years. A grant may be renewed biennially.

200.5 Subd. 4. **Program evaluation.** (a) The grant recipient must submit a report to the
200.6 commissioner by January 15 of the second year of the grant award. The report must evaluate
200.7 and measure the extent to which program outcome goals have been met.

200.8 (b) The grant recipient must collect, analyze, and report on participation and outcome
200.9 data that enable the office to verify the outcomes.

200.10 (c) The evaluation must include information on the number of borrowers served with
200.11 on-time student loan payments, the numbers who brought their loans into good standing,
200.12 the number of student loan defaults, the number who developed a monthly budget plan, and
200.13 other information required by the commissioner. Recipients of the counseling must be
200.14 surveyed on their opinions about the usefulness of the counseling and the survey results
200.15 must be included in the report.

200.16 Subd. 5. **Report to legislature.** By February 1 of the second year of each grant award,
200.17 the commissioner must submit a report to the committees in the legislature with jurisdiction
200.18 over higher education finance regarding grant program outcomes.

200.19 Sec. 17. Minnesota Statutes 2017 Supplement, section 136A.1789, subdivision 2, is
200.20 amended to read:

200.21 Subd. 2. **Creation of account.** (a) An aviation degree loan forgiveness program account
200.22 is established in the special revenue fund to provide qualified pilots and qualified aircraft
200.23 technicians with financial assistance in repaying qualified education loans. The commissioner
200.24 must use money from the account to establish and administer the aviation degree loan
200.25 forgiveness program.

200.26 (b) Appropriations made to the aviation degree loan forgiveness program account do
200.27 not cancel and are available until expended.

200.28 Sec. 18. Minnesota Statutes 2016, section 136A.1791, subdivision 8, is amended to read:

200.29 Subd. 8. **Fund Account established.** A teacher shortage loan forgiveness repayment
200.30 fund account is created in the special revenue fund for depositing money appropriated to
200.31 or received by the commissioner for the program. Money deposited in the fund shall not

201.1 revert to any state fund at the end of any fiscal year but remains in the loan forgiveness
 201.2 repayment fund and is continuously available for loan forgiveness under this section.

201.3 Sec. 19. Minnesota Statutes 2016, section 136A.1795, subdivision 2, is amended to read:

201.4 Subd. 2. **Establishment; administration.** (a) The commissioner shall establish and
 201.5 administer a loan forgiveness program for large animal veterinarians who:

201.6 (1) agree to practice in designated rural areas that are considered underserved; and

201.7 (2) work full time in a practice that is at least 50 percent involved with the care of food
 201.8 animals.

201.9 (b) A large animal veterinarian loan forgiveness program account is established in the
 201.10 special revenue fund. The commissioner must use money from the account to establish and
 201.11 administer the program under this section. Appropriations to the commissioner for the
 201.12 program are for transfer to the fund. Appropriations made to the program do not cancel and
 201.13 are available until expended.

201.14 Sec. 20. Minnesota Statutes 2016, section 136A.64, subdivision 1, is amended to read:

201.15 Subdivision 1. **Schools to provide information.** As a basis for registration, schools
 201.16 shall provide the office with such information as the office needs to determine the nature
 201.17 and activities of the school, including but not limited to the following which shall be
 201.18 accompanied by an affidavit attesting to its accuracy and truthfulness:

201.19 (1) articles of incorporation, constitution, bylaws, or other operating documents;

201.20 (2) a duly adopted statement of the school's mission and goals;

201.21 (3) evidence of current school or program licenses granted by departments or agencies
 201.22 of any state;

201.23 (4) a fiscal balance sheet on an accrual basis, or a certified audit of the immediate past
 201.24 fiscal year including any management letters provided by the independent auditor or, if the
 201.25 school is a public institution outside Minnesota, an income statement for the immediate past
 201.26 fiscal year;

201.27 (5) all current promotional and recruitment materials and advertisements; and

201.28 (6) the current school catalog and, if not contained in the catalog:

201.29 (i) the members of the board of trustees or directors, if any;

201.30 (ii) the current institutional officers;

- 202.1 (iii) current full-time and part-time faculty with degrees held or applicable experience;
- 202.2 (iv) a description of all school facilities;
- 202.3 (v) a description of all current course offerings;
- 202.4 (vi) all requirements for satisfactory completion of courses, programs, and degrees;
- 202.5 (vii) the school's policy about freedom or limitation of expression and inquiry;
- 202.6 (viii) a current schedule of fees, charges for tuition, required supplies, student activities,
- 202.7 housing, and all other standard charges;
- 202.8 (ix) the school's policy about refunds and adjustments;
- 202.9 (x) the school's policy about granting credit for prior education, training, and experience;
- 202.10 ~~and~~
- 202.11 (xi) the school's policies about student admission, evaluation, suspension, and dismissal;
- 202.12 and
- 202.13 (xii) the school's disclosure to students on the student complaint process under section
- 202.14 136A.672.

202.15 Sec. 21. Minnesota Statutes 2017 Supplement, section 136A.646, is amended to read:

202.16 **136A.646 ADDITIONAL SECURITY.**

202.17 (a) New schools that have been granted conditional approval for degrees or names to

202.18 allow them the opportunity to apply for and receive accreditation under section 136A.65,

202.19 subdivision 7, ~~or shall provide a surety bond in a sum equal to ten percent of the net revenue~~

202.20 from tuition and fees in the registered institution's prior fiscal year, but in no case shall the

202.21 bond be less than \$10,000.

202.22 (b) Any registered institution that is notified by the United States Department of Education

202.23 that it has fallen below minimum financial standards and that its continued participation in

202.24 Title IV will be conditioned upon its satisfying either the Zone Alternative, Code of Federal

202.25 Regulations, title 34, section 668.175, paragraph (f), or a Letter of Credit Alternative, Code

202.26 of Federal Regulations, title 34, section 668.175, paragraph (c), shall provide a surety bond

202.27 in a sum equal to the "letter of credit" required by the United States Department of Education

202.28 in the Letter of Credit Alternative, but in no event shall such bond be less than \$10,000 nor

202.29 more than \$250,000. In the event the letter of credit required by the United States Department

202.30 of Education is higher than ten percent of the Title IV, Higher Education Act program funds

202.31 received by the institution during its most recently completed fiscal year, the office shall

203.1 reduce the office's surety requirement to represent ten percent of the Title IV, Higher
 203.2 Education Act program funds received by the institution during its most recently completed
 203.3 fiscal year, subject to the minimum and maximum in this paragraph.

203.4 ~~(b)~~ (c) In lieu of a bond, the applicant may deposit with the commissioner of management
 203.5 and budget:

203.6 (1) a sum equal to the amount of the required surety bond in cash;

203.7 (2) securities, as may be legally purchased by savings banks or for trust funds, in an
 203.8 aggregate market value equal to the amount of the required surety bond; or

203.9 (3) an irrevocable letter of credit issued by a financial institution to the amount of the
 203.10 required surety bond.

203.11 ~~(e)~~ (d) The surety of any bond may cancel it upon giving 60 days' notice in writing to
 203.12 the office and shall be relieved of liability for any breach of condition occurring after the
 203.13 effective date of cancellation.

203.14 ~~(d)~~ (e) In the event of a school closure, the additional security must first be used to
 203.15 destroy any private educational data under section 13.32 left at a physical campus in
 203.16 Minnesota after all other governmental agencies have recovered or retrieved records under
 203.17 their record retention policies. Any remaining funds must then be used to reimburse tuition
 203.18 and fee costs to students that were enrolled at the time of the closure or had withdrawn in
 203.19 the previous 120 calendar days but did not graduate. Priority for refunds will be given to
 203.20 students in the following order:

203.21 (1) cash payments made by the student or on behalf of a student;

203.22 (2) private student loans; and

203.23 (3) Veteran Administration education benefits that are not restored by the Veteran
 203.24 Administration. If there are additional security funds remaining, the additional security
 203.25 funds may be used to cover any administrative costs incurred by the office related to the
 203.26 closure of the school.

203.27 Sec. 22. Minnesota Statutes 2017 Supplement, section 136A.672, is amended by adding
 203.28 a subdivision to read:

203.29 Subd. 6. **Disclosure.** Schools must disclose on their Web site, student handbook, and
 203.30 student catalog the student complaint process under this section to students.

204.1 Sec. 23. Minnesota Statutes 2017 Supplement, section 136A.822, subdivision 6, is amended
204.2 to read:

204.3 Subd. 6. **Bond.** (a) No license shall be issued to any private career school which
204.4 maintains, conducts, solicits for, or advertises within the state of Minnesota any program,
204.5 unless the applicant files with the office a continuous corporate surety bond written by a
204.6 company authorized to do business in Minnesota conditioned upon the faithful performance
204.7 of all contracts and agreements with students made by the applicant.

204.8 (b)(1) The amount of the surety bond shall be ten percent of the preceding year's net
204.9 ~~income~~ revenue from student tuition, fees, and other required institutional charges collected,
204.10 but in no event less than \$10,000, except that a private career school may deposit a greater
204.11 amount at its own discretion. A private career school in each annual application for licensure
204.12 must compute the amount of the surety bond and verify that the amount of the surety bond
204.13 complies with this subdivision. A private career school that operates at two or more locations
204.14 may combine net ~~income~~ revenue from student tuition, fees, and other required institutional
204.15 charges collected for all locations for the purpose of determining the annual surety bond
204.16 requirement. The net revenue from tuition and fees used to determine the amount of the
204.17 surety bond required for a private career school having a license for the sole purpose of
204.18 recruiting students in Minnesota shall be only that paid to the private career school by the
204.19 students recruited from Minnesota.

204.20 (2) A person required to obtain a private career school license due to the use of
204.21 "academy," "institute," "college," or "university" in its name and which is also licensed by
204.22 another state agency or board, except not including those schools licensed exclusively in
204.23 order to participate in state grants or SELF loan financial aid programs, shall be required
204.24 to provide a school bond of \$10,000.

204.25 (c) The bond shall run to the state of Minnesota and to any person who may have a cause
204.26 of action against the applicant arising at any time after the bond is filed and before it is
204.27 canceled for breach of any contract or agreement made by the applicant with any student.
204.28 The aggregate liability of the surety for all breaches of the conditions of the bond shall not
204.29 exceed the principal sum deposited by the private career school under paragraph (b). The
204.30 surety of any bond may cancel it upon giving 60 days' notice in writing to the office and
204.31 shall be relieved of liability for any breach of condition occurring after the effective date
204.32 of cancellation.

204.33 (d) In lieu of bond, the applicant may deposit with the commissioner of management
204.34 and budget a sum equal to the amount of the required surety bond in cash, an irrevocable

205.1 letter of credit issued by a financial institution equal to the amount of the required surety
205.2 bond, or securities as may be legally purchased by savings banks or for trust funds in an
205.3 aggregate market value equal to the amount of the required surety bond.

205.4 (e) Failure of a private career school to post and maintain the required surety bond or
205.5 deposit under paragraph (d) may result in denial, suspension, or revocation of the school's
205.6 license.

205.7 Sec. 24. Minnesota Statutes 2016, section 136A.822, subdivision 10, is amended to read:

205.8 Subd. 10. **Catalog, brochure, or electronic display.** Before a license is issued to a
205.9 private career school, the private career school shall furnish to the office a catalog, brochure,
205.10 or electronic display including:

205.11 (1) identifying data, such as volume number and date of publication;

205.12 (2) name and address of the private career school and its governing body and officials;

205.13 (3) a calendar of the private career school showing legal holidays, beginning and ending
205.14 dates of each course quarter, term, or semester, and other important dates;

205.15 (4) the private career school policy and regulations on enrollment including dates and
205.16 specific entrance requirements for each program;

205.17 (5) the private career school policy and regulations about leave, absences, class cuts,
205.18 make-up work, tardiness, and interruptions for unsatisfactory attendance;

205.19 (6) the private career school policy and regulations about standards of progress for the
205.20 student including the grading system of the private career school, the minimum grades
205.21 considered satisfactory, conditions for interruption for unsatisfactory grades or progress, a
205.22 description of any probationary period allowed by the private career school, and conditions
205.23 of reentrance for those dismissed for unsatisfactory progress;

205.24 (7) the private career school policy and regulations about student conduct and conditions
205.25 for dismissal for unsatisfactory conduct;

205.26 (8) a detailed schedule of fees, charges for tuition, books, supplies, tools, student
205.27 activities, laboratory fees, service charges, rentals, deposits, and all other charges;

205.28 (9) the private career school policy and regulations, including an explanation of section
205.29 136A.827, about refunding tuition, fees, and other charges if the student does not enter the
205.30 program, withdraws from the program, or the program is discontinued;

205.31 (10) a description of the available facilities and equipment;

206.1 (11) a course outline syllabus for each course offered showing course objectives, subjects
206.2 or units in the course, type of work or skill to be learned, and approximate time, hours, or
206.3 credits to be spent on each subject or unit;

206.4 (12) the private career school policy and regulations about granting credit for previous
206.5 education and preparation;

206.6 (13) a notice to students relating to the transferability of any credits earned at the private
206.7 career school to other institutions;

206.8 (14) a procedure for investigating and resolving student complaints; ~~and~~

206.9 (15) the name and address of the office; and

206.10 (16) the student complaint process and rights under section 136A.8295.

206.11 A private career school that is exclusively a distance education school is exempt from
206.12 clauses (3) and (5).

206.13 Sec. 25. Minnesota Statutes 2017 Supplement, section 136A.8295, is amended by adding
206.14 a subdivision to read:

206.15 Subd. 6. **Disclosure.** Schools must disclose on their Web site, student handbook, and
206.16 student catalog the student complaint process under this section to students.

206.17 Sec. 26. Minnesota Statutes 2016, section 136A.901, subdivision 1, is amended to read:

206.18 Subdivision 1. **Grant program.** (a) The commissioner shall establish a grant program
206.19 to award grants to institutions in Minnesota for research into spinal cord injuries and traumatic
206.20 brain injuries. Grants shall be awarded to conduct research into new and innovative treatments
206.21 and rehabilitative efforts for the functional improvement of people with spinal cord and
206.22 traumatic brain injuries. Research topics may include, but are not limited to, pharmaceutical,
206.23 medical device, brain stimulus, and rehabilitative approaches and techniques. The
206.24 commissioner, in consultation with the advisory council established under section 136A.902,
206.25 shall award 50 percent of the grant funds for research involving spinal cord injuries and 50
206.26 percent to research involving traumatic brain injuries. In addition to the amounts appropriated
206.27 by law, the commissioner may accept additional funds from private and public sources.
206.28 Amounts received from these sources are appropriated to the commissioner for the purposes
206.29 of issuing grants under this section.

206.30 (b) A spinal cord and traumatic brain injury grant account is established in the special
206.31 revenue fund. The commissioner must use money from the account to administer the grant

207.1 program under this section. Appropriations to the commissioner for the program are for
 207.2 transfer to the fund, do not cancel, and are available until expended.

207.3 Sec. 27. Laws 2017, chapter 89, article 1, section 2, subdivision 18, is amended to read:

207.4	Subd. 18. MNSCU Two-Year Public College	3,481,000	
207.5	Program	<u>2,481,000</u>	-0-

207.6 (a) ~~\$2,780,000~~ \$1,780,000 in fiscal year 2018
 207.7 is for two-year public college program grants
 207.8 under Laws 2015, chapter 69, article 3, section
 207.9 20.

207.10 (b) \$545,000 in fiscal year 2018 is to provide
 207.11 mentoring and outreach as specified under
 207.12 Laws 2015, chapter 69, article 3, section 20.

207.13 (c) \$156,000 in fiscal year 2018 is for
 207.14 information technology and administrative
 207.15 costs associated with implementation of the
 207.16 grant program.

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

207.18 Sec. 28. Laws 2017, chapter 89, article 1, section 2, subdivision 20, is amended to read:

207.19	Subd. 20. Spinal Cord Injury and Traumatic		
207.20	Brain Injury Research Grant Program	3,000,000	3,000,000

207.21 ~~For spinal cord injury and traumatic brain~~
 207.22 ~~injury research grants authorized under~~
 207.23 ~~Minnesota Statutes, section 136A.901.~~

207.24 For transfer to the spinal cord and traumatic
 207.25 brain injury grant account in the special
 207.26 revenue fund under Minnesota Statutes,
 207.27 section 136A.901, subdivision 1.

207.28 The commissioner may use no more than three
 207.29 percent of this appropriation to administer the
 207.30 grant program under this subdivision.

208.1 Sec. 29. Laws 2017, chapter 89, article 1, section 2, subdivision 29, is amended to read:

208.2	Subd. 29. Emergency Assistance for	175,000	175,000
208.3	Postsecondary Students		

208.4 (a) This appropriation is for the Office of
 208.5 Higher Education to allocate grant funds on a
 208.6 matching basis to ~~schools~~ eligible institutions
 208.7 as defined under Minnesota Statutes, section
 208.8 136A.103, located in Minnesota with a
 208.9 demonstrable homeless student population.

208.10 (b) This appropriation shall be used to meet
 208.11 immediate student needs that could result in
 208.12 a student not completing the term or their
 208.13 program including, but not limited to,
 208.14 emergency housing, food, and transportation.
 208.15 Emergency assistance does not impact the
 208.16 amount of state financial aid received.

208.17 (c) The commissioner shall determine the
 208.18 application process and the grant amounts.
 208.19 Any balance in the first year does not cancel
 208.20 but shall be available in the second year. The
 208.21 Office of Higher Education shall partner with
 208.22 interested postsecondary institutions, other
 208.23 state agencies, and student groups to establish
 208.24 the programs.

208.25 Sec. 30. Laws 2017, chapter 89, article 1, section 2, subdivision 31, is amended to read:

208.26	Subd. 31. Teacher Shortage Loan Forgiveness	200,000	200,000
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208.27 For transfer to the teacher shortage loan
 208.28 forgiveness program repayment account in the
 208.29 special revenue fund under Minnesota
 208.30 Statutes, section 136A.1791, subdivision 8.

208.31 The commissioner may use no more than three
 208.32 percent of ~~this appropriation~~ the amount
 208.33 transferred under this subdivision to administer
 208.34 ~~the program under this subdivision.~~

209.1 Sec. 31. Laws 2017, chapter 89, article 1, section 2, subdivision 32, is amended to read:

209.2	Subd. 32. Large Animal Veterinarian Loan		
209.3	Forgiveness Program	375,000	375,000

209.4 For transfer to the large animal veterinarian
 209.5 loan forgiveness program account in the
 209.6 special revenue fund under Minnesota
 209.7 Statutes, section 136A.1795, subdivision 2.

209.8 Sec. 32. Laws 2017, chapter 89, article 1, section 2, subdivision 33, is amended to read:

209.9	Subd. 33. Agricultural Educators Loan		
209.10	Forgiveness	50,000	50,000

209.11 For ~~deposit in~~ transfer to the agricultural
 209.12 education loan forgiveness account in the
 209.13 special revenue fund under Minnesota
 209.14 Statutes, section 136A.1794, subdivision 2.

209.15 Sec. 33. Laws 2017, chapter 89, article 1, section 2, subdivision 34, is amended to read:

209.16	Subd. 34. Aviation Degree Loan Forgiveness		
209.17	Program	25,000	25,000

209.18 For transfer to the aviation degree loan
 209.19 forgiveness program account in the special
 209.20 revenue fund under Minnesota Statutes,
 209.21 section 136A.1789, subdivision 2.

209.22 Sec. 34. Laws 2017, chapter 89, article 1, section 2, subdivision 40, is amended to read:

209.23 **Subd. 40. Transfers**

209.24 The commissioner of the Office of Higher
 209.25 Education may transfer unencumbered
 209.26 balances from the appropriations in this
 209.27 section to the state grant appropriation, the
 209.28 interstate tuition reciprocity appropriation, the
 209.29 child care grant appropriation, the Indian
 209.30 scholarship appropriation, intervention for
 209.31 college attendance program grants
 209.32 appropriation, summer academic enrichment
 209.33 program appropriation, student-parent

210.1 information appropriation, the state
 210.2 work-study appropriation, the get ready
 210.3 appropriation, and the public safety officers'
 210.4 survivors appropriation. Transfers from the
 210.5 child care or state work-study appropriations
 210.6 may only be made to the extent there is a
 210.7 projected surplus in the appropriation. A
 210.8 transfer may be made only with prior written
 210.9 notice to the chairs and ranking minority
 210.10 members of the senate and house of
 210.11 representatives committees with jurisdiction
 210.12 over higher education finance.

210.13 **Sec. 35. AFFORDABLE TEXTBOOK PLAN AND REPORT.**

210.14 The Board of Trustees of the Minnesota State Colleges and Universities shall develop
 210.15 a plan to increase the use of affordable textbooks and instructional materials. The board
 210.16 must explore and study registration software or other systems and methods to disclose or
 210.17 display the cost of all textbooks and instructional materials required for a course at or prior
 210.18 to course registration. The plan must describe the systems or methods examined and the
 210.19 results of the study. The plan must establish a goal for the percentage of all courses offered
 210.20 at state colleges and universities that will use affordable textbooks and instructional materials.
 210.21 The plan must identify and describe key terms, including "affordable textbook," "instructional
 210.22 material," and "course." The board must submit the plan to the chairs and ranking minority
 210.23 members of the legislative committees with jurisdiction over higher education by January
 210.24 15, 2020.

210.25 **Sec. 36. TEACHER PREPARATION PROGRAM DESIGN GRANT.**

210.26 The commissioner of the Office of Higher Education shall make a grant to an institution
 210.27 of higher education, defined under Minnesota Statutes, section 135A.51, subdivision 5, to
 210.28 explore, design, and plan for a teacher preparation program leading to licensure as a teacher
 210.29 of the blind or visually impaired, consistent with Minnesota Rules, part 8710.5100. The
 210.30 commissioner may develop an application process and guidelines, as necessary, and may
 210.31 use up to two percent of the appropriation for administrative costs. The grant recipient shall
 210.32 submit a report describing the plan and identifying potential ongoing costs for the program
 210.33 to the chairs and ranking minority members of the legislative committees with jurisdiction
 210.34 over higher education finance and policy no later than January 15, 2020.

211.1 Sec. 37. **REPEALER.**

211.2 Minnesota Statutes 2016, sections 136A.15, subdivisions 2 and 7; and 136A.1701,
 211.3 subdivision 12, are repealed.

211.4 **ARTICLE 17**

211.5 **TRANSPORTATION**

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

211.8 Subd. 4. **Certain transit financial activity reporting.** (a) The legislative auditor must
 211.9 perform a transit financial activity review of financial information for the Metropolitan
 211.10 Council's Transportation Division ~~and the joint powers board under section 297A.992.~~
 211.11 ~~Within 14 days of the end of each fiscal quarter,~~ two times each year. The first report, due
 211.12 April 1, must include the quarters ending on September 30 and December 31 of the previous
 211.13 calendar year. The second report, due October 1, must include the quarters ending on March
 211.14 31 and June 30 of the current year. The legislative auditor must submit the review to the
 211.15 Legislative Audit Commission and the chairs and ranking minority members of the legislative
 211.16 committees with jurisdiction over transportation policy and finance, finance, and ways and
 211.17 means.

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

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

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

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

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

211.27 (i) all expenditure commitments;

211.28 (ii) cash flow;

211.29 (iii) sufficiency of estimated funds; and

211.30 (iv) financial solvency of anticipated transit projects; and

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

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

212.6 (d) This subdivision expires on April 15, 2023.

212.7 **EFFECTIVE DATE.** This section is effective June 1, 2018.

212.8 Sec. 2. Minnesota Statutes 2016, section 16A.88, subdivision 2, is amended to read:

212.9 Subd. 2. **Metropolitan area transit account.** The metropolitan area transit account is
212.10 established within the transit assistance fund in the state treasury. All money in the account
212.11 is annually appropriated to the Metropolitan Council for ~~the funding of transit systems~~
212.12 system operating expenditures within the metropolitan area under sections 473.384, 473.386,
212.13 473.387, 473.388, and 473.405 to 473.449.

212.14 **EFFECTIVE DATE; APPLICATION.** This section is effective June 1, 2018, and
212.15 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

212.16 Sec. 3. Minnesota Statutes 2016, section 80E.13, is amended to read:

212.17 **80E.13 UNFAIR PRACTICES BY MANUFACTURERS, DISTRIBUTORS,**
212.18 **FACTORY BRANCHES.**

212.19 It is unlawful and an unfair practice for a manufacturer, distributor, or factory branch
212.20 to engage in any of the following practices:

212.21 (a) delay, refuse, or fail to deliver new motor vehicles or new motor vehicle parts or
212.22 accessories in reasonable time and in reasonable quantity relative to the new motor vehicle
212.23 dealer's facilities and sales potential in the dealer's relevant market area, after having accepted
212.24 an order from a new motor vehicle dealer having a franchise for the retail sale of any new
212.25 motor vehicle sold or distributed by the manufacturer or distributor, if the new motor vehicle
212.26 or new motor vehicle parts or accessories are publicly advertised as being available for
212.27 delivery or actually being delivered. This clause is not violated, however, if the failure is
212.28 caused by acts or causes beyond the control of the manufacturer;

212.29 (b) refuse to disclose to any new motor vehicle dealer handling the same line make, the
212.30 manner and mode of distribution of that line make within the relevant market area;

213.1 (c) obtain money, goods, service, or any other benefit from any other person with whom
213.2 the dealer does business, on account of, or in relation to, the transaction between the dealer
213.3 and the other person, other than for compensation for services rendered, unless the benefit
213.4 is promptly accounted for, and transmitted to, the new motor vehicle dealer;

213.5 (d) increase prices of new motor vehicles which the new motor vehicle dealer had ordered
213.6 for private retail consumers prior to the dealer's receiving the written official price increase
213.7 notification. A sales contract signed by a private retail consumer shall constitute evidence
213.8 of each order if the vehicle is in fact delivered to that customer. In the event of manufacturer
213.9 price reductions, the amount of any reduction received by a dealer shall be passed on to the
213.10 private retail consumer by the dealer if the retail price was negotiated on the basis of the
213.11 previous higher price to the dealer;

213.12 (e) offer any refunds or other types of inducements to any new motor vehicle dealer for
213.13 the purchase of new motor vehicles of a certain line make without making the same offer
213.14 to all other new motor vehicle dealers in the same line make within geographic areas
213.15 reasonably determined by the manufacturer;

213.16 (f) release to any outside party, except under subpoena or in an administrative or judicial
213.17 proceeding involving the manufacturer or dealer, any business, financial, or personal
213.18 information which may be provided by the dealer to the manufacturer, without the express
213.19 written consent of the dealer or unless pertinent to judicial or governmental administrative
213.20 proceedings or to arbitration proceedings of any kind;

213.21 (g) deny any new motor vehicle dealer the right of free association with any other new
213.22 motor vehicle dealer for any lawful purpose;

213.23 (h) unfairly discriminate among its new motor vehicle dealers with respect to warranty
213.24 reimbursement or authority granted its new vehicle dealers to make warranty adjustments
213.25 with retail customers;

213.26 (i) compete with a new motor vehicle dealer in the same line make operating under an
213.27 agreement or franchise from the same manufacturer, distributor, or factory branch. A
213.28 manufacturer, distributor, or factory branch is considered to be competing when it has an
213.29 ownership interest, other than a passive interest held for investment purposes, in a dealership
213.30 of its line make located within the state. A manufacturer, distributor, or factory branch shall
213.31 not, however, be deemed to be competing when operating a dealership, either temporarily
213.32 or for a reasonable period, which is for sale to any qualified independent person at a fair
213.33 and reasonable price, or when involved in a bona fide relationship in which an independent
213.34 person has made a significant investment subject to loss in the dealership and can reasonably

214.1 expect to acquire full ownership and full management and operational control of the
214.2 dealership within a reasonable time on reasonable terms and conditions;

214.3 (j) prevent a new motor vehicle dealer from transferring or assigning a new motor vehicle
214.4 dealership to a qualified transferee. There shall be no transfer, assignment of the franchise,
214.5 or major change in the executive management of the dealership, except as is otherwise
214.6 provided in sections 80E.01 to 80E.17, without consent of the manufacturer, which shall
214.7 not be withheld without good cause. In determining whether good cause exists for
214.8 withholding consent to a transfer or assignment, the manufacturer, distributor, factory
214.9 branch, or importer has the burden of proving that the transferee is a person who is not of
214.10 good moral character or does not meet the franchisor's existing and reasonable capital
214.11 standards and, considering the volume of sales and service of the new motor vehicle dealer,
214.12 reasonable business experience standards in the market area. Denial of the request must be
214.13 in writing and delivered to the new motor vehicle dealer within 60 days after the manufacturer
214.14 receives the completed application customarily used by the manufacturer, distributor, factory
214.15 branch, or importer for dealer appointments. If a denial is not sent within this period, the
214.16 manufacturer shall be deemed to have given its consent to the proposed transfer or change.
214.17 In the event of a proposed sale or transfer of a franchise, the manufacturer, distributor,
214.18 factory branch, or importer shall be permitted to exercise a right of first refusal to acquire
214.19 the franchisee's assets or ownership if:

214.20 (1) the franchise agreement permits the manufacturer, distributor, factory branch, or
214.21 importer to exercise a right of first refusal to acquire the franchisee's assets or ownership
214.22 in the event of a proposed sale or transfer;

214.23 (2) the proposed transfer of the dealership or its assets is of more than 50 percent of the
214.24 ownership or assets;

214.25 (3) the manufacturer, distributor, factory branch, or importer notifies the dealer in writing
214.26 within 60 days of its receipt of the complete written proposal for the proposed sale or transfer
214.27 on forms generally utilized by the manufacturer, distributor, factory branch, or importer for
214.28 such purposes and containing the information required therein and all documents and
214.29 agreements relating to the proposed sale or transfer;

214.30 (4) the exercise of the right of first refusal will result in the dealer and dealer's owners
214.31 receiving the same or greater consideration with equivalent terms of sale as is provided in
214.32 the documents and agreements submitted to the manufacturer, distributor, factory branch,
214.33 or importer under clause (3);

215.1 (5) the proposed change of 50 percent or more of the ownership or of the dealership
215.2 assets does not involve the transfer or sale of assets or the transfer or issuance of stock by
215.3 the dealer or one or more dealer owners to a family member, including a spouse, child,
215.4 stepchild, grandchild, spouse of a child or grandchild, brother, sister, or parent of the dealer
215.5 owner; to a manager who has been employed in the dealership for at least four years and is
215.6 otherwise qualified as a dealer operator; or to a partnership or corporation owned and
215.7 controlled by one or more of such persons; and

215.8 (6) the manufacturer, distributor, factory branch, or importer agrees to pay the reasonable
215.9 expenses, including reasonable attorney fees, which do not exceed the usual customary and
215.10 reasonable fees charged for similar work done for other clients incurred by the proposed
215.11 new owner and transferee before the manufacturer, distributor, factory branch, or importer
215.12 exercises its right of first refusal, in negotiating and implementing the contract for the
215.13 proposed change of ownership or transfer of dealership assets. However, payment of such
215.14 expenses and attorney fees shall not be required if the dealer has not submitted or caused
215.15 to be submitted an accounting of those expenses within 20 days after the dealer's receipt of
215.16 the manufacturer, distributor, factory branch, or importer's written request for such an
215.17 accounting. The manufacturer, distributor, factory branch, or importer may request such an
215.18 accounting before exercising its right of first refusal. The obligation created under this clause
215.19 is enforceable by the transferee;

215.20 (k) threaten to modify or replace or modify or replace a franchise with a succeeding
215.21 franchise that would adversely alter the rights or obligations of a new motor vehicle dealer
215.22 under an existing franchise or that substantially impairs the sales or service obligations or
215.23 investments of the motor vehicle dealer;

215.24 (l) unreasonably deny the right to acquire factory program vehicles to any dealer holding
215.25 a valid franchise from the manufacturer to sell the same line make of vehicles, provided
215.26 that the manufacturer may impose reasonable restrictions and limitations on the purchase
215.27 or resale of program vehicles to be applied equitably to all of its franchised dealers. For the
215.28 purposes of this paragraph, "factory program vehicle" has the meaning given the term in
215.29 section 80E.06, subdivision 2;

215.30 (m) fail or refuse to offer to its same line make franchised dealers all models manufactured
215.31 for that line make, other than alternative fuel vehicles as defined in section 216C.01,
215.32 subdivision 1b. Failure to offer a model is not a violation of this section if the failure is not
215.33 arbitrary and is due to a lack of manufacturing capacity, a strike, labor difficulty, or other
215.34 cause over which the manufacturer, distributor, or factory branch has no control;

216.1 (n) require a dealer to pay an extra fee, or remodel, renovate, or recondition the dealer's
 216.2 existing facilities, or purchase unreasonable advertising displays, training, tools, or other
 216.3 materials, or to require the dealer to establish exclusive facilities or dedicated personnel as
 216.4 a prerequisite to receiving a model or a series of vehicles;

216.5 (o) require a dealer to adhere to performance standards that are not applied uniformly
 216.6 to other similarly situated dealers.

216.7 A performance standard, sales objective, or program for measuring dealership performance
 216.8 that may have a material effect on a dealer, including the dealer's right to payment under
 216.9 any incentive or reimbursement program, and the application of the standard or program
 216.10 by a manufacturer, distributor, or factory branch must be fair, reasonable, equitable, and
 216.11 based on accurate information.

216.12 A manufacturer, distributor, or factory branch has the burden of proving that the performance
 216.13 standard, sales objective, or program for measuring dealership performance is fair and
 216.14 reasonable under this subdivision;

216.15 (p) unreasonably reduce a dealer's area of sales effectiveness without giving at least 90
 216.16 days' notice of the proposed reduction. The change may not take effect if the dealer
 216.17 commences a civil action to determine whether there is good cause for the change within
 216.18 the 90 days' notice period. The burden of proof in such an action shall be on the manufacturer
 216.19 or distributor; ~~or~~

216.20 (q) to charge back, withhold payment, deny vehicle allocation, or take any other adverse
 216.21 action against a dealer when a new vehicle sold by the dealer has been exported to a foreign
 216.22 country, unless the manufacturer, distributor, or factory branch can show that at the time
 216.23 of sale, the customer's information was listed on a known or suspected exporter list made
 216.24 available to the dealer, or the dealer knew or reasonably should have known of the purchaser's
 216.25 intention to export or resell the motor vehicle in violation of the manufacturer's export
 216.26 policy. There is a rebuttable presumption that the dealer did not know or should not have
 216.27 reasonably known that the vehicle would be exported or resold in violation of the
 216.28 manufacturer's export policy if the vehicle is titled and registered in any state of the United
 216.29 States; or

216.30 (r) to implement a charge back or withhold payment to a dealer that is solely due to an
 216.31 unreasonable delay by the registrar, as defined in section 168.002, subdivision 29, in the
 216.32 transfer or registration of a new motor vehicle. The dealer must give the manufacturer notice
 216.33 of the state's delay in writing. Within 30 days of any notice of a charge back, withholding
 216.34 of payments, or denial of a claim, the dealer must transmit to the manufacturer (1)

217.1 documentation to demonstrate the vehicle sale and delivery as reported; and (2) a written
217.2 attestation signed by the dealer operator or general manager stating that the delay is
217.3 attributable to the state. This clause expires on June 30, 2021.

217.4 Sec. 4. Minnesota Statutes 2016, section 161.088, subdivision 2, is amended to read:

217.5 Subd. 2. **Program authority; funding.** (a) As provided in this section, the commissioner
217.6 shall establish a corridors of commerce program for trunk highway construction,
217.7 reconstruction, and improvement, including maintenance operations, that improves commerce
217.8 in the state.

217.9 (b) The commissioner may expend funds under the program from appropriations to the
217.10 commissioner that are:

217.11 (1) made specifically by law for use under this section;

217.12 (2) at the discretion of the commissioner, made for the budget activities in the state roads
217.13 program of operations and maintenance, program planning and delivery, or state road
217.14 construction; and

217.15 (3) made for the corridor investment management strategy program, unless specified
217.16 otherwise.

217.17 (c) The commissioner shall include in the program the cost participation policy for local
217.18 units of government.

217.19 (d) Program funds must be allocated so that no less than 49 percent are for projects
217.20 within the metropolitan area, as defined in section 473.121, subdivision 2, and no less than
217.21 49 percent are for projects outside the metropolitan area, as defined in section 473.121,
217.22 subdivision 2. Up to two percent of program funds may be allocated without regard to the
217.23 project's geographic location.

217.24 Sec. 5. Minnesota Statutes 2017 Supplement, section 161.088, subdivision 5, is amended
217.25 to read:

217.26 Subd. 5. **Project selection process; criteria.** (a) The commissioner must establish a
217.27 process to identify, evaluate, and select projects under the program. The process must be
217.28 consistent with the requirements of this subdivision and must not include any additional
217.29 evaluation criteria.

217.30 (b) As part of the project selection process, the commissioner must annually accept
217.31 recommendations on candidate projects from area transportation partnerships and other

218.1 interested stakeholders in each Department of Transportation district. The commissioner
 218.2 must determine the eligibility for each candidate project identified under this paragraph.
 218.3 For each eligible project, the commissioner must classify and evaluate the project for the
 218.4 program, using all of the criteria established under paragraph (c).

218.5 (c) Projects must be evaluated using all of the following criteria:

218.6 (1) a return on investment measure that provides for comparison across eligible projects;

218.7 (2) measurable impacts on commerce and economic competitiveness;

218.8 (3) efficiency in the movement of freight, including but not limited to:

218.9 (i) measures of annual average daily traffic and commercial vehicle miles traveled, which
 218.10 may include data near the project location on that trunk highway or on connecting trunk
 218.11 and local highways; and

218.12 (ii) measures of congestion or travel time reliability, which may be within or near the
 218.13 project limits, or both;

218.14 (4) improvements to traffic safety;

218.15 (5) connections to regional trade centers, local highway systems, and other transportation
 218.16 modes;

218.17 (6) the extent to which the project addresses multiple transportation system policy
 218.18 objectives and principles;

218.19 (7) support and consensus for the project among members of the surrounding community;
 218.20 and

218.21 (8) regional balance throughout the state, subject to the funding allocation in subdivision
 218.22 2, paragraph (d).

218.23 (d) The list of all projects evaluated must be made public and must include the score of
 218.24 each project.

218.25 (e) As part of the project selection process, the commissioner may divide funding to be
 218.26 separately available among projects within each classification under subdivision 3, and may
 218.27 apply separate or modified criteria among those projects falling within each classification.

218.28 Sec. 6. Minnesota Statutes 2016, section 161.115, subdivision 111, is amended to read:

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

219.1 ~~in a northeasterly direction to a point on~~ Route No. 181 as herein established at or near
219.2 Ottertail.

219.3 Sec. 7. Minnesota Statutes 2016, section 161.14, is amended by adding a subdivision to
219.4 read:

219.5 Subd. 87. **Officer Bill Mathews Memorial Highway.** That segment of marked U.S.
219.6 Highway 12 within the city limits of Wayzata is designated as "Officer Bill Mathews
219.7 Memorial Highway." Subject to section 161.139, the commissioner shall adopt a suitable
219.8 design to mark this highway and erect appropriate signs.

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

219.11 Subd. 88. **Trooper Ray Krueger Memorial Highway.** That segment of marked Trunk
219.12 Highway 210 within Cass County is designated as "Trooper Ray Krueger Memorial
219.13 Highway." Subject to section 161.139, the commissioner shall adopt a suitable design to
219.14 mark this highway and erect appropriate signs in the vicinity of the location where Trooper
219.15 Krueger died.

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

219.18 Subd. 89. **Trooper Dale G. Roehrich Memorial Highway.** That segment of marked
219.19 U.S. Highway 61 from Lake City to Wabasha is designated as "Trooper Dale G. Roehrich
219.20 Memorial Highway." Subject to section 161.139, the commissioner shall adopt a suitable
219.21 design to mark this highway and erect appropriate signs.

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

219.24 Subd. 90. **Warrant Officer Dennis A. Groth Memorial Bridge.** The bridge on marked
219.25 U.S. Highway 52 over Dakota County State-Aid Highway 42, known as 145th Street within
219.26 the city of Rosemount, is designated as "Warrant Officer Dennis A. Groth Memorial Bridge."
219.27 Subject to section 161.139, the commissioner shall adopt a suitable design to mark the
219.28 bridge and erect appropriate signs.

219.29 **EFFECTIVE DATE.** This section is effective June 1, 2018.

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

220.3 Subd. 91. **Specialist Noah Pierce Bridge.** The bridge on marked U.S. Highway 53 over
220.4 marked Trunk Highway 37 in the city of Eveleth is designated as "Specialist Noah Pierce
220.5 Bridge." Subject to section 161.139, the commissioner shall adopt a suitable design to mark
220.6 this bridge and erect appropriate signs.

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

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

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

220.16 As authorized by United States Code, title 23, section 140(d), the commissioner of
220.17 transportation may implement an Indian employment preference for members of federally
220.18 recognized tribes on projects carried out under United States Code, title 23, on or near an
220.19 Indian reservation. For purposes of this section, a project is on or near a reservation if: (1)
220.20 the project is within the distance a person seeking employment could reasonably be expected
220.21 to commute to and from each work day; or (2) the commissioner, in consultation with
220.22 federally recognized Minnesota tribes, determines a project is near an Indian reservation.

220.23 Sec. 14. Minnesota Statutes 2017 Supplement, section 168.013, subdivision 1a, is amended
220.24 to read:

220.25 Subd. 1a. **Passenger automobile; hearse.** (a) On passenger automobiles as defined in
220.26 section 168.002, subdivision 24, and hearses, except as otherwise provided, the tax is \$10
220.27 plus an additional tax equal to 1.25 percent of the base value.

220.28 (b) Subject to the classification provisions herein, "base value" means the manufacturer's
220.29 suggested retail price of the vehicle including destination charge using list price information
220.30 published by the manufacturer or determined by the registrar if no suggested retail price
220.31 exists, and shall not include the cost of each accessory or item of optional equipment
220.32 separately added to the vehicle and the suggested retail price. In the case of the first

221.1 registration of a new vehicle sold or leased by a licensed dealer, the dealer may elect to
 221.2 individually determine the base value of the vehicle using suggested retail price information
 221.3 provided by the manufacturer. The registrar must use the base value determined by the
 221.4 dealer to properly classify the vehicle. A dealer that elects to make the determination must
 221.5 retain a copy of the suggested retail price label or other supporting documentation with the
 221.6 vehicle transaction records maintained under Minnesota Rules, part 7400.5200.

221.7 (c) If the manufacturer's list price information contains a single vehicle identification
 221.8 number followed by various descriptions and suggested retail prices, the registrar shall
 221.9 select from those listings only the lowest price for determining base value.

221.10 (d) If unable to determine the base value because the vehicle is specially constructed,
 221.11 or for any other reason, the registrar may establish such value upon the cost price to the
 221.12 purchaser or owner as evidenced by a certificate of cost but not including Minnesota sales
 221.13 or use tax or any local sales or other local tax.

221.14 (e) The registrar shall classify every vehicle in its proper base value class as follows:

221.15	FROM	TO
221.16	\$ 0	\$ 199.99
221.17	\$ 200	\$ 399.99

221.18 and thereafter a series of classes successively set in brackets having a spread of \$200
 221.19 consisting of such number of classes as will permit classification of all vehicles.

221.20 (f) The base value for purposes of this section shall be the middle point between the
 221.21 extremes of its class.

221.22 (g) The registrar shall establish the base value, when new, of every passenger automobile
 221.23 and hearse registered prior to the effective date of Extra Session Laws 1971, chapter 31,
 221.24 using list price information published by the manufacturer or any nationally recognized
 221.25 firm or association compiling such data for the automotive industry. If unable to ascertain
 221.26 the base value of any registered vehicle in the foregoing manner, the registrar may use any
 221.27 other available source or method. The registrar shall calculate tax using base value
 221.28 information available to dealers and deputy registrars at the time the application for
 221.29 registration is submitted. The tax on all previously registered vehicles shall be computed
 221.30 upon the base value thus determined taking into account the depreciation provisions of
 221.31 paragraph (h).

221.32 (h) The annual additional tax must be computed upon a percentage of the base value as
 221.33 follows: during the first year of vehicle life, upon 100 percent of the base value; for the
 221.34 second year, 90 percent of such value; for the third year, 80 percent of such value; for the

222.1 fourth year, 70 percent of such value; for the fifth year, 60 percent of such value; for the
 222.2 sixth year, 50 percent of such value; for the seventh year, 40 percent of such value; for the
 222.3 eighth year, 30 percent of such value; for the ninth year, 20 percent of such value; for the
 222.4 tenth year, ten percent of such value; for the 11th and each succeeding year, the sum of \$25.

222.5 (i) In no event shall the annual additional tax be less than \$25.

222.6 (j) For any vehicle previously registered in Minnesota and regardless of prior ownership,
 222.7 the total amount due under this subdivision and subdivision 1m must not exceed the smallest
 222.8 total amount previously paid or due on the vehicle.

222.9 Sec. 15. Minnesota Statutes 2016, section 168.013, subdivision 6, is amended to read:

222.10 Subd. 6. **Listing by dealers.** The owner of every motor vehicle not exempted by section
 222.11 168.012 or 168.28, ~~shall~~ must, so long as it is subject to taxation within the state, annually
 222.12 list and register the same and pay the tax ~~herein provided annually under this section;~~
 222.13 provided, however, that any dealer in motor vehicles, to whom dealer's plates have been
 222.14 issued as provided in this chapter, coming into the possession of ~~any such~~ a motor vehicle
 222.15 to be held solely for the purpose of sale or demonstration or both, ~~shall be~~ is entitled to
 222.16 withhold the tax due on the vehicle from the prior registration period or becoming due on
 222.17 ~~such vehicle~~ for the following year and no lien for registration tax as provided in section
 222.18 168.31, subdivision 6, shall attach. When, thereafter, ~~such the~~ the vehicle is otherwise used or
 222.19 is sold, leased, or rented to another person, firm, corporation, or association, the tax for the
 222.20 remainder of the year, prorated on a monthly basis, ~~shall become~~ becomes payable
 222.21 immediately.

222.22 Sec. 16. Minnesota Statutes 2016, section 168.101, subdivision 2a, is amended to read:

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

222.28 Sec. 17. Minnesota Statutes 2016, section 168.127, subdivision 4, is amended to read:

222.29 Subd. 4. **Filing registration applications.** Initial fleet applications for registration and
 222.30 renewals must be filed with the registrar or ~~authorized~~ a deputy registrar.

223.1 Sec. 18. Minnesota Statutes 2016, section 168.127, subdivision 6, is amended to read:

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

223.4 (1) the filing fee in section 168.33, subdivision 7, for transactions processed by a deputy
223.5 registrar; or

223.6 (2) an equivalent administrative fee to the for transactions processed by the commissioner
223.7 for each vehicle in the fleet, which is imposed instead of the filing fee in section 168.33,
223.8 subdivision 7.

223.9 Sec. 19. Minnesota Statutes 2016, section 168.27, is amended by adding a subdivision to
223.10 read:

223.11 Subd. 32. **Multiple licenses.** If a single legal entity holds more than one new or used
223.12 vehicle dealer license, new and used vehicles owned by the entity may be held and offered
223.13 for sale at any of the licensed dealership locations without assigning vehicle ownership or
223.14 title from one licensee to another. This subdivision does not authorize the sale or offering
223.15 for sale of new vehicles by a licensee that is not authorized by the manufacturer to sell that
223.16 make of new vehicles.

223.17 Sec. 20. Minnesota Statutes 2016, section 168.27, is amended by adding a subdivision to
223.18 read:

223.19 Subd. 33. **Designated dealer title and registration liaison.** The registrar must designate
223.20 by name and provide contact information for one or more registrar employees as needed to
223.21 (1) promptly and effectively respond to questions from licensed dealers, and (2) troubleshoot
223.22 dealer issues related to vehicle titling and registration.

223.23 Sec. 21. Minnesota Statutes 2016, section 168.301, subdivision 3, is amended to read:

223.24 Subd. 3. **Late fee.** In addition to any fee or tax otherwise authorized or imposed upon
223.25 the transfer of title for a motor vehicle, the commissioner of public safety shall impose a
223.26 \$2 additional fee for failure to deliver a title transfer within ten business days. This
223.27 subdivision does not apply to transfers from licensed vehicle dealers.

223.28 Sec. 22. Minnesota Statutes 2016, section 168.326, is amended to read:

223.29 **168.326 EXPEDITED DRIVER AND VEHICLE SERVICES; FEE.**

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

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

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

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

224.17 (e) The expedited service fees collected under this section for an application for a driver's
224.18 license, driving instruction permit, or Minnesota identification card minus any portion
224.19 retained by a licensing agent or deputy registrar under paragraph (b) must be paid into the
224.20 driver services operating account in the special revenue fund specified under section
224.21 299A.705.

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

224.26 **EFFECTIVE DATE.** This section is effective November 1, 2018.

224.27 Sec. 23. Minnesota Statutes 2016, section 168.33, subdivision 8a, is amended to read:

224.28 Subd. 8a. **Electronic transmission.** (a) If the commissioner accepts electronic
224.29 transmission of a motor vehicle transfer and registration by a new or used motor vehicle
224.30 dealer, a deputy registrar who is equipped with electronic transmission technology and
224.31 trained in its use shall receive the filing fee provided for in subdivision 7 and review the
224.32 transfer of each new or used motor vehicle to determine its genuineness and regularity

225.1 before issuance of a certificate of title, and shall receive and retain the filing fee under
225.2 subdivision 7, paragraph (a), clause ~~(ii)~~ (2).

225.3 (b) The commissioner must establish reasonable performance, security, technical, and
225.4 financial standards to approve and allow companies that provide computer software and
225.5 services to motor vehicle dealers to electronically transmit vehicle title transfer and
225.6 registration information. An approved company must be offered access to department
225.7 facilities, staff, and technology on a fair and reasonable basis.

225.8 Sec. 24. Minnesota Statutes 2016, section 168.33, is amended by adding a subdivision to
225.9 read:

225.10 Subd. 8b. **Transactions by mail.** A deputy registrar may receive motor vehicle
225.11 applications and submissions under this chapter and chapter 168A by mail and may process
225.12 the transactions including retention of the appropriate filing fee under subdivision 7.

225.13 Sec. 25. Minnesota Statutes 2016, section 168.346, subdivision 1, is amended to read:

225.14 Subdivision 1. **Vehicle registration data; federal compliance.** (a) Data on an individual
225.15 provided to register a vehicle shall be treated as provided by United States Code, title 18,
225.16 section 2721, as in effect on May 23, 2005, and shall be disclosed as required or permitted
225.17 by that section. The commissioner is prohibited from restricting the uses for which a licensed
225.18 dealer may obtain data as permitted by United States Code, title 18, section 2721, subsections
225.19 (b)(2), (3), (7), and (13). The commissioner shall disclose the data in bulk form to an
225.20 authorized recipient upon request for any of the permissible uses described in United States
225.21 Code, title 18, section 2721.

225.22 (b) The registered owner of a vehicle who is an individual may consent in writing to the
225.23 commissioner to disclose the individual's personal information exempted by United States
225.24 Code, title 18, section 2721, to any person who makes a written request for the personal
225.25 information. If the registered owner is an individual and so authorizes disclosure, the
225.26 commissioner shall implement the request.

225.27 (c) If authorized by the registered owner as indicated in paragraph (b), the registered
225.28 owner's personal information may be used, rented, or sold solely for bulk distribution by
225.29 organizations for business purposes including surveys, marketing, or solicitation.

226.1 Sec. 26. Minnesota Statutes 2016, section 168A.05, is amended by adding a subdivision
226.2 to read:

226.3 Subd. 1d. **Issuance of certificate by deputy registrar.** (a) If an application for a vehicle's
226.4 certificate of title is received by a deputy registrar and the deputy registrar is satisfied as to
226.5 its genuineness and regularity and that the applicant is entitled to the issuance of a certificate
226.6 of title, the deputy registrar may issue a certificate of title for the vehicle.

226.7 (b) On or before August 1, 2019, the commissioner must authorize a deputy registrar to
226.8 issue a certificate of title, subject to procedures established by the commissioner.

226.9 Sec. 27. Minnesota Statutes 2016, section 168A.12, subdivision 2, is amended to read:

226.10 Subd. 2. **Owner's interest terminated or vehicle sold by secured party.** If the interest
226.11 of the owner is terminated or the vehicle is sold under a security agreement by a secured
226.12 party named in the certificate of title or an assignee of the secured party, the transferee shall
226.13 promptly mail or deliver to the department the last certificate of title, if available, an
226.14 application for a new certificate in the format the department prescribes, and an affidavit
226.15 made by or on behalf of the secured party or assignee that the interest of the owner was
226.16 lawfully terminated or the vehicle sold pursuant to the terms of the security agreement. If
226.17 the secured party or assignee succeeds to the interest of the owner and holds the vehicle for
226.18 resale, the secured party or assignee need not secure a new certificate of title; provided that
226.19 a notice thereof in a format designated by the department is mailed or delivered by the
226.20 secured party or assignee to the department in duplicate within 48 hours, but upon transfer
226.21 to another person the secured party or assignee shall promptly execute assignment and
226.22 warranty of title and mail or deliver to the transferee or the department the certificate, if
226.23 available, the affidavit, and other documents required to be sent to the department by the
226.24 transferee.

226.25 Sec. 28. Minnesota Statutes 2016, section 168A.151, subdivision 1, is amended to read:

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

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

227.3 (1) is a vehicle that was acquired by an insurer through payment of damages;

227.4 (2) is a vehicle for which the cost of repairs exceeds the value of the damaged vehicle;

227.5 or

227.6 (3) has an out-of-state salvage certificate of title as proof of ownership.

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

227.10 Sec. 29. Minnesota Statutes 2016, section 168A.17, is amended by adding a subdivision
 227.11 to read:

227.12 Subd. 4. **Notice of perfection by dealer.** When a security interest in a vehicle sold by
 227.13 a dealer licensed under section 168.27 is perfected under subdivision 2, the dealer may
 227.14 provide a statement of perfection to the secured party on a form provided by the department.
 227.15 The statement must certify compliance with subdivision 2 and contain the date of delivery
 227.16 to the department. The information provided in the dealer's statement is considered prima
 227.17 facie evidence of the facts contained in it.

227.18 Sec. 30. [168A.241] MOTOR VEHICLE TITLE TRANSFER AND REGISTRATION
 227.19 ADVISORY COMMITTEE.

227.20 Subdivision 1. **Members.** (a) The Motor Vehicle Title and Registration Advisory
 227.21 Committee consists of the following 13 members:

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

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

227.26 (3) one representative from the Minnesota Deputy Registrar's Association;

227.27 (4) one representative from the Minnesota Automobile Dealers Association;

227.28 (5) one representative from the Northland Independent Automobile Dealers Association;

227.29 (6) one staff member from the Department of Public Safety Driver and Vehicle Services
 227.30 Division;

228.1 (7) two representatives from deputy registrars, appointed by the commissioner;

228.2 (8) two representatives from dealers licensed under section 168.27, appointed by the
228.3 commissioner; and

228.4 (9) one representative who performs auctions exclusively for dealers licensed under
228.5 section 168.27 and not for the general public, appointed by the commissioner following
228.6 consultation with eligible auto auction businesses.

228.7 (b) Section 15.059 governs the Motor Vehicle Title and Registration Advisory Committee.

228.8 (c) Members of the advisory committee must be compensated and reimbursed for
228.9 expenses as provided in section 15.059, subdivision 3.

228.10 Subd. 2. **Organization.** (a) The members of the advisory committee must annually elect
228.11 a chair and other officers as the members deem necessary.

228.12 (b) The advisory committee must meet at least two times per year.

228.13 Subd. 3. **Open meetings.** The advisory committee is subject to chapter 13D. An advisory
228.14 committee meeting occurs when a quorum is present and the members receive information,
228.15 discuss, or take action on any matter relating to the advisory committee's duties . The advisory
228.16 committee may conduct meetings as provided in section 13D.015 or 13D.02. The advisory
228.17 committee may conduct meetings at any location in the state that is appropriate for the
228.18 purposes of the advisory committee, provided the location is open and accessible to the
228.19 public. For legislative members of the advisory committee, enforcement of this subdivision
228.20 is governed by section 3.055, subdivision 2. For nonlegislative members of the advisory
228.21 committee, enforcement of this subdivision is governed by section 13D.06, subdivisions 1
228.22 and 2.

228.23 Subd. 4. **Staff.** The commissioner must provide support staff, office space, and
228.24 administrative services to the advisory committee.

228.25 Subd. 5. **Duties.** The advisory committee's duties include but are not limited to:

228.26 (1) serving in an advisory capacity to the commissioner of public safety and the director
228.27 of driver and vehicle services on matters relevant to:

228.28 (i) effective and efficient systems relating to the ownership, transfer, and registration of
228.29 motor vehicles; and

228.30 (ii) planning and implementing future changes and enhancements to vehicle registration
228.31 systems; and

229.1 (2) reviewing and making recommendations with respect to work plans, policy initiatives,
 229.2 major activities, and strategic planning.

229.3 Subd. 6. Report and recommendations. Beginning February 15, 2019, and annually
 229.4 thereafter, the commissioner must prepare and submit to the chairs and ranking minority
 229.5 members of the committees of the house of representatives and the senate with jurisdiction
 229.6 over motor vehicle title and registration a report that summarizes the advisory committee's
 229.7 activities, issues identified by the advisory committee, methods taken to address the issues,
 229.8 and recommendations for legislative action, if needed.

229.9 Subd. 7. Expiration. The advisory committee expires June 30, 2021.

229.10 Sec. 31. Minnesota Statutes 2016, section 168A.29, subdivision 1, is amended to read:

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

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

229.14 ~~(i) until December 31, 2016, \$6.25 of which \$3.25 must be paid into the vehicle services~~
 229.15 ~~operating account of the special revenue fund under section 299A.705, and from July 1,~~
 229.16 ~~2012, to June 30, 2016, a surcharge of \$1 must be added to the fee and credited to the driver~~
 229.17 ~~and vehicle services technology account; and~~

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

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

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

229.29 ~~(4)~~ (3) for each assignment of a security interest when first noted on a certificate of title,
 229.30 unless noted concurrently with the security interest, ~~the sum of \$1~~; and

229.31 ~~(5)~~ (4) for issuing a duplicate certificate of title, ~~the sum of \$7.25~~, of which \$3.25 must
 229.32 be paid into the vehicle services operating account of the special revenue fund under section

230.1 299A.705; ~~from July 1, 2012, to June 30, 2016, a surcharge of \$1 must be added to the fee~~
230.2 ~~and credited to the driver and vehicle services technology account.~~

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

230.7 Sec. 32. Minnesota Statutes 2016, section 169.011, subdivision 60, is amended to read:

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

230.12 Sec. 33. Minnesota Statutes 2016, section 169.14, subdivision 5, is amended to read:

230.13 Subd. 5. **Zoning within local area.** (a) When local authorities believe that the existing
230.14 speed limit upon any street or highway, or part thereof, within their respective jurisdictions
230.15 and not a part of the trunk highway system is greater or less than is reasonable or safe under
230.16 existing conditions, they may request the commissioner to authorize, upon the basis of an
230.17 engineering and traffic investigation, the erection of appropriate signs designating what
230.18 speed is reasonable and safe, and the commissioner may authorize the erection of appropriate
230.19 signs designating a reasonable and safe speed limit thereat, which speed limit shall be
230.20 effective when such signs are erected. Any speeds in excess of these speed limits shall be
230.21 prima facie evidence that the speed is not reasonable or prudent and that it is unlawful;
230.22 except that any speed limit within any municipality shall be a maximum limit and any speed
230.23 in excess thereof shall be unlawful. Alteration of speed limits on streets and highways shall
230.24 be made only upon authority of the commissioner except as provided in subdivision 5a.

230.25 (b) At the request of a county board, the commissioner may establish a speed limit in
230.26 excess of 55 miles per hour on a county road or county engineer state-aid highway upon
230.27 the basis of an engineering and traffic investigation. The county engineer must erect
230.28 appropriate signs and the increased speed limit is effective when the signs are erected.

230.29 (c) Notwithstanding paragraphs (a) and (b), a county board may by resolution increase
230.30 or decrease the speed limit of any street or highway within the county's jurisdiction by five
230.31 or ten miles per hour. The county engineer must erect appropriate signs to display the new
230.32 speed limit.

231.1 **EFFECTIVE DATE.** This section is effective June 1, 2018.

231.2 Sec. 34. Minnesota Statutes 2017 Supplement, section 169.18, subdivision 7, is amended
231.3 to read:

231.4 Subd. 7. **Laned highway.** When any roadway has been divided into two or more clearly
231.5 marked lanes for traffic, the following rules, in addition to all others consistent ~~herewith~~
231.6 with this subdivision, shall apply:

231.7 ~~(a)~~ (1) A vehicle shall be driven as nearly as practicable entirely within a single lane
231.8 and shall not be moved from ~~such~~ the lane until the driver has first ascertained that ~~such~~ the
231.9 movement can be made with safety.;

231.10 ~~(b)~~ (2) Upon a roadway which is not a one-way roadway and which is divided into three
231.11 lanes, a vehicle shall not be driven in the center lane except when overtaking and passing
231.12 another vehicle where the roadway is clearly visible and ~~such~~ the center lane is clear of
231.13 traffic within a safe distance, or in preparation for a left turn or where ~~such~~ the center lane
231.14 is at the time allocated exclusively to traffic moving in the direction the vehicle is proceeding,
231.15 and is signposted to give notice of ~~such~~ the allocation. The left lane of a three-lane roadway
231.16 which is not a one-way roadway shall not be used for overtaking and passing another vehicle.;

231.17 ~~(c)~~ (3) Official signs may be erected directing slow-moving traffic to use a designated
231.18 lane or allocating specified lanes to traffic moving in the same direction, and drivers of
231.19 vehicles shall obey the ~~directions of every such~~ sign.;

231.20 ~~(d)~~ (4) Whenever a bicycle lane has been established on a roadway, any person operating
231.21 a motor vehicle on ~~such~~ the roadway shall not drive in the bicycle lane except to perform
231.22 parking maneuvers in order to park where parking is permitted, to enter or leave the highway,
231.23 to prepare for a turn as provided in section 169.19, subdivision 1, or to stop a school bus
231.24 for the purpose of receiving or discharging any person provided the school bus is equipped
231.25 and identified as provided in sections 169.441 and 169.442, subdivision 1, and the flashing
231.26 red signals are activated and stop-signal arm is extended; and

231.27 (5) notwithstanding clause (1), the operator of a vehicle or combination of vehicles with
231.28 a total length in excess of 40 feet or a total width exceeding ten feet may, with due regard
231.29 for all other traffic, deviate from the lane in which the operator is driving to the extent
231.30 necessary to approach and drive through a roundabout.

232.1 Sec. 35. Minnesota Statutes 2016, section 169.18, subdivision 10, is amended to read:

232.2 Subd. 10. **Slow-moving vehicle.** ~~Upon all roadways any~~ (a) A person operating a vehicle
 232.3 ~~proceeding~~ at less than the normal speed of traffic at the time and place and under the
 232.4 existing conditions then existing shall be driven must drive in the right-hand lane ~~then~~
 232.5 ~~available for traffic~~, or as close as practicable to the right-hand curb or edge of the roadway;
 232.6 ~~except when.~~ A person who violates this paragraph must pay a fine of not less than \$100.

232.7 (b) Paragraph (a) does not apply if:

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

232.10 (2) the vehicle is preparing for a left to turn left at an intersection or into a private road
 232.11 ~~or driveway, or when;~~

232.12 (3) a specific lane is designated and posted for a specific type of traffic; or

232.13 (4) the vehicle is preparing to exit a controlled access highway by using an exit on the
 232.14 left side of the road.

232.15 Sec. 36. Minnesota Statutes 2016, section 169.18, subdivision 11, is amended to read:

232.16 Subd. 11. **Passing parked emergency vehicle; citation; probable cause.** (a) When
 232.17 approaching and before passing an authorized emergency vehicle with its emergency lights
 232.18 activated that is parked or otherwise stopped on or next to a street or highway having two
 232.19 lanes in the same direction, the driver of a vehicle shall safely move the vehicle to the lane
 232.20 farthest away from the emergency vehicle, if it is possible to do so.

232.21 (b) When approaching and before passing an authorized emergency vehicle with its
 232.22 emergency lights activated that is parked or otherwise stopped on or next to a street or
 232.23 highway having more than two lanes in the same direction, the driver of a vehicle shall
 232.24 safely move the vehicle so as to leave a full lane vacant between the driver and any lane in
 232.25 which the emergency vehicle is completely or partially parked or otherwise stopped, if it is
 232.26 possible to do so.

232.27 (c) If a lane change under paragraph (a) or (b) is impossible, or when approaching and
 232.28 before passing an authorized emergency vehicle with its emergency lights activated that is
 232.29 parked or otherwise stopped on or next to a street or highway having only one lane in the
 232.30 same direction, the driver of a vehicle must reduce the speed of the motor vehicle to a speed
 232.31 that is reasonable and prudent under the conditions until the motor vehicle has completely
 232.32 passed the parked or stopped emergency vehicle, if it is possible to do so.

233.1 ~~(e)~~ (d) A peace officer may issue a citation to the driver of a motor vehicle if the peace
 233.2 officer has probable cause to believe that the driver has operated the vehicle in violation of
 233.3 this subdivision within the four-hour period following the termination of the incident or a
 233.4 receipt of a report under paragraph ~~(d)~~ (e). The citation may be issued even though the
 233.5 violation was not committed in the presence of the peace officer.

233.6 ~~(d)~~ (e) Although probable cause may be otherwise satisfied by other evidentiary elements
 233.7 or factors, probable cause is sufficient for purposes of this subdivision when the person
 233.8 cited is operating the vehicle described by a member of the crew of an authorized emergency
 233.9 vehicle responding to an incident in a timely report of the violation of this subdivision,
 233.10 which includes a description of the vehicle used to commit the offense and the vehicle's
 233.11 license plate number. For the purposes of issuance of a citation under paragraph ~~(e)~~ (d),
 233.12 "timely" means that the report must be made within a four-hour period following the
 233.13 termination of the incident.

233.14 ~~(e)~~ (f) For purposes of paragraphs (a) ~~and (b)~~ to (c) only, ~~the terms~~ "authorized emergency
 233.15 vehicle" and "emergency vehicle" include a towing vehicle defined in section 168B.011,
 233.16 subdivision 12a, that has activated flashing lights authorized under section 169.64,
 233.17 subdivision 3, in addition to the vehicles described in the definition for "authorized
 233.18 emergency vehicle" in section 169.011, subdivision 3.

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

233.21 Sec. 37. Minnesota Statutes 2016, section 169.18, subdivision 12, is amended to read:

233.22 Subd. 12. **Passing certain parked vehicles.** (a) When approaching and before passing
 233.23 a freeway service patrol vehicle, road maintenance vehicle, utility company vehicle, or
 233.24 construction vehicle with its warning lights activated that is parked or otherwise stopped
 233.25 on or next to a street or highway having two lanes in the same direction, the driver of a
 233.26 vehicle shall safely move the vehicle to the lane farthest away from the parked or stopped
 233.27 vehicle, if it is possible to do so.

233.28 (b) When approaching and before passing a freeway service patrol vehicle, road
 233.29 maintenance vehicle, utility company vehicle, or construction vehicle with its warning lights
 233.30 activated that is parked or otherwise stopped on or next to a street or highway having more
 233.31 than two lanes in the same direction, the driver of a vehicle shall safely move the vehicle
 233.32 so as to leave a full lane vacant between the driver and any lane in which the vehicle is
 233.33 completely or partially parked or otherwise stopped, if it is possible to do so.

234.1 (c) If a lane change under paragraph (a) or (b) is impossible, or when approaching and
234.2 before passing a freeway service patrol vehicle, road maintenance vehicle, utility company
234.3 vehicle, or construction vehicle with its warning lights activated that is parked or otherwise
234.4 stopped on or next to a street or highway having only one lane in the same direction, the
234.5 driver of a vehicle must reduce the speed of the motor vehicle to a speed that is reasonable
234.6 and prudent under the conditions until the motor vehicle has completely passed the parked
234.7 or stopped freeway service patrol vehicle, road maintenance vehicle, utility company vehicle,
234.8 or construction vehicle, if it is possible to do so.

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

234.11 Sec. 38. Minnesota Statutes 2016, section 169.20, is amended by adding a subdivision to
234.12 read:

234.13 Subd. 8. **Roundabouts.** If two vehicles or combinations of vehicles each having a total
234.14 length in excess of 40 feet or a total width in excess of ten feet approach or drive through
234.15 a roundabout at approximately the same time or so closely as to constitute a hazard of
234.16 collision, the operator of the vehicle or combination of vehicles on the right must yield the
234.17 right-of-way to the vehicle or combination of vehicles on the left and, if necessary, must
234.18 reduce speed or stop in order to so yield.

234.19 Sec. 39. Minnesota Statutes 2016, section 169.26, subdivision 1, is amended to read:

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

234.26 (1) a clearly visible electric or mechanical signal device warns of the immediate approach
234.27 of a railroad train; or

234.28 (2) an approaching railroad train is plainly visible and is in hazardous proximity.

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

234.31 (c) The driver of a vehicle shall stop and remain stopped and not traverse the grade
234.32 crossing when a human flagger signals the approach or passage of a railroad train or when

235.1 a crossing gate is lowered warning of the immediate approach or passage of a railroad train.
 235.2 No person may drive a vehicle past a flagger at a railroad crossing until the flagger signals
 235.3 that the way is clear to proceed or drive a vehicle past a lowered crossing gate.

235.4 Sec. 40. Minnesota Statutes 2016, section 169.28, is amended to read:

235.5 **169.28 CERTAIN VEHICLES TO STOP AT RAILROAD CROSSING.**

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

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

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

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

235.25 (1) the crossing occurs within the intersection of two or more public streets;

235.26 (2) the intersection is controlled by a traffic-control signal; and

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

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

236.1 (1) if the crossing is on a rail line on which service has been abandoned;

236.2 (2) if the crossing is on a rail line that carries fewer than five trains each year, traveling
236.3 at speeds of ten miles per hour or less; or

236.4 (3) as agreed to by the operating railroad and the Department of Transportation, following
236.5 a diagnostic review of the crossing.

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

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

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

236.15 Sec. 41. Minnesota Statutes 2016, section 169.29, is amended to read:

236.16 **169.29 CROSSING RAILROAD TRACKS WITH CERTAIN EQUIPMENT.**

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

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

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

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

237.1 Sec. 42. Minnesota Statutes 2016, section 169.71, subdivision 4, is amended to read:

237.2 Subd. 4. **Glazing material; prohibitions and exceptions.** (a) No person shall drive or
237.3 operate any motor vehicle required to be registered in the state of Minnesota upon any street
237.4 or highway under the following conditions:

237.5 (1) when the windshield is composed of, covered by, or treated with any material which
237.6 has the effect of making the windshield more reflective or in any other way reducing light
237.7 transmittance through the windshield;

237.8 (2) when any window on the vehicle is composed of, covered by, or treated with any
237.9 material that has a highly reflective or mirrored appearance;

237.10 (3) when any side window or rear window is composed of or treated with any material
237.11 so as to obstruct or substantially reduce the driver's clear view through the window or has
237.12 a light transmittance of less than 50 percent plus or minus three percent in the visible light
237.13 range or a luminous reflectance of more than 20 percent plus or minus three percent; or

237.14 (4) when any material has been applied after August 1, 1985, to any motor vehicle
237.15 window without an accompanying permanent marking which indicates the percent of
237.16 transmittance and the percent of reflectance afforded by the material. The marking must be
237.17 in a manner so as not to obscure vision and be readable when installed on the vehicle.

237.18 (b) This subdivision does not apply to glazing materials which:

237.19 (1) have not been modified since the original installation, nor to original replacement
237.20 windows and windshields, that were originally installed or replaced in conformance with
237.21 Federal Motor Vehicle Safety Standard 205;

237.22 (2) are required to satisfy prescription or medical needs of the driver of the vehicle or a
237.23 passenger if:

237.24 (i) the driver or passenger is in possession of the prescription or a physician's statement
237.25 of medical need;

237.26 (ii) the prescription or statement specifically states the minimum percentage that light
237.27 transmittance may be reduced to satisfy the prescription or medical needs of the patient;
237.28 and

237.29 (iii) the prescription or statement contains an expiration date, which must be no more
237.30 than two years after the date the prescription or statement was issued; or

237.31 (3) are applied to:

237.32 (i) the rear windows of a pickup truck as defined in section 168.002, subdivision 26;

238.1 (ii) the rear windows or the side windows on either side behind the driver's seat of a van
238.2 as defined in section 168.002, subdivision 40;

238.3 (iii) the side and rear windows of a vehicle used to transport human remains by a funeral
238.4 establishment holding a license under section 149A.50;

238.5 (iv) the side and rear windows of a limousine as defined in section 168.002, subdivision
238.6 15, that is registered in compliance with the requirements of section 168.128; or

238.7 (v) the rear and side windows of a police vehicle.

238.8 Sec. 43. Minnesota Statutes 2016, section 169.81, subdivision 5, is amended to read:

238.9 Subd. 5. **Manner of loading.** ~~No (a) A vehicle shall~~ must not be driven or moved on
238.10 any highway unless ~~such~~ the vehicle is so constructed, loaded, or the load securely covered
238.11 as to prevent any of its load from dropping, sifting, leaking, blowing, or otherwise escaping
238.12 ~~therefrom, except that.~~

238.13 (b) Notwithstanding paragraph (a), a vehicle or combination of vehicles may:

238.14 (1) drop sand ~~may be dropped for the purpose of securing to secure~~ traction, ~~or;~~

238.15 (2) sprinkle water or other substances ~~may be sprinkled on a roadway in cleaning or~~
238.16 ~~maintaining such~~ to clean or maintain the roadway; or

238.17 (3) leak liquid if transporting sugar beets.

238.18 (c) This subdivision shall does not apply to motor vehicles operated by a farmer or the
238.19 farmer's agent when transporting produce such as small grains, shelled corn, soybeans, or
238.20 other farm produce of a size and density not likely to cause injury to persons or damage to
238.21 property on escaping in small amounts from a vehicle.

238.22 (d) A violation of this subdivision by a vehicle that is carrying farm produce and that is
238.23 ~~not exempted by the preceding sentence~~ under paragraph (c) is a petty misdemeanor.

238.24 **EFFECTIVE DATE.** This section is effective June 1, 2018.

238.25 Sec. 44. Minnesota Statutes 2016, section 169.81, is amended by adding a subdivision to
238.26 read:

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

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

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

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

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

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

239.13 Sec. 45. Minnesota Statutes 2016, section 169.8261, subdivision 2, is amended to read:

239.14 Subd. 2. **Conditions.** (a) A vehicle or combination of vehicles described in subdivision
239.15 1 must:

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

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

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

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

239.22 (5) not be operated on interstate highways;

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

239.24 (7) obey all road postings; and

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

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

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

240.4 Sec. 46. Minnesota Statutes 2017 Supplement, section 169.829, subdivision 4, is amended
240.5 to read:

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

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

240.15 Sec. 47. Minnesota Statutes 2016, section 169.974, subdivision 2, is amended to read:

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

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

240.32 (c) The commissioner of public safety shall issue a two-wheeled vehicle instruction
240.33 permit to any person over 16 years of age who (1) is in possession of a valid driver's license,

241.1 (2) is enrolled in an approved two-wheeled vehicle driver's safety course, and (3) has passed
 241.2 a written examination for the permit and paid a fee prescribed by the commissioner of public
 241.3 safety. A two-wheeled vehicle instruction permit is effective for one year and may be
 241.4 renewed under rules prescribed by the commissioner of public safety.

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

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

241.9 (2) drive the motorcycle at night; or

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

241.12 ~~(4)~~ (3) drive the motorcycle without wearing protective headgear that complies with
 241.13 standards established by the commissioner of public safety.

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

241.18 Sec. 48. Minnesota Statutes 2016, section 174.12, subdivision 8, is amended to read:

241.19 Subd. 8. **Legislative report.** (a) By February 1 of each odd-numbered year, the
 241.20 commissioner of transportation, with assistance from the commissioner of employment and
 241.21 economic development, shall submit a report on the transportation economic development
 241.22 program to the chairs and ranking minority members of the legislative committees with
 241.23 jurisdiction over transportation policy and finance and economic development policy and
 241.24 finance.

241.25 (b) At a minimum, the report must:

241.26 (1) summarize the requirements and implementation of the transportation economic
 241.27 development program established in this section;

241.28 (2) review the criteria and economic impact performance measures used for evaluation,
 241.29 prioritization, and selection of projects;

241.30 (3) provide a brief overview of each project that received financial assistance under the
 241.31 program, which must at a minimum identify:

242.1 (i) basic project characteristics, such as funding recipient, geographic location, and type
 242.2 of transportation modes served;

242.3 (ii) sources and respective amounts of project funding; and

242.4 (iii) the degree of economic benefit anticipated or observed, following the economic
 242.5 impact performance measures established under subdivision 4;

242.6 (4) identify the allocation of funds, including but not limited to a breakdown of total
 242.7 project funds by transportation mode, the amount expended for administrative costs, and
 242.8 the amount transferred to the transportation economic development assistance account;

242.9 (5) evaluate the overall economic impact of the program; and

242.10 (6) provide recommendations for any legislative changes related to the program.

242.11 (c) Notwithstanding paragraph (a), a report is not required in an odd-numbered year if
 242.12 no project received financial assistance during the preceding 24 months.

242.13 Sec. 49. Minnesota Statutes 2016, section 174.37, subdivision 6, is amended to read:

242.14 Subd. 6. **Expiration.** The committee expires June 30, ~~2018~~ 2022.

242.15 Sec. 50. Minnesota Statutes 2016, section 174.66, is amended to read:

242.16 **174.66 CONTINUATION OF CARRIER RULES.**

242.17 (a) Orders and directives in force, issued, or promulgated under authority of chapters
 242.18 174A, 216A, 218, 219, 221, and 222 remain and continue in force and effect until repealed,
 242.19 modified, or superseded by duly authorized orders or directives of the commissioner of
 242.20 transportation. To the extent allowed under federal law or regulation, rules adopted under
 242.21 authority of the following sections are transferred to the commissioner of transportation
 242.22 and continue in force and effect until repealed, modified, or superseded by duly authorized
 242.23 rules of the commissioner:

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

242.26 (2) section 219.40;

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

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

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

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

243.5 Sec. 51. Minnesota Statutes 2016, section 221.031, subdivision 2d, is amended to read:

243.6 Subd. 2d. **Hours of service exemptions.** The federal regulations incorporated in section
 243.7 221.0314, subdivision 9, for ~~maximum driving and on-duty time,~~ hours of service do not
 243.8 apply to drivers engaged in intrastate transportation within a 150-air-mile radius from the
 243.9 source of the commodities, or from the retail or wholesale distribution point of the farm
 243.10 supplies, for:

243.11 (1) agricultural commodities; or

243.12 (2) farm supplies for agricultural purposes from March 15 to December 15 of each year;
 243.13 ~~or.~~

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

243.15 Sec. 52. Minnesota Statutes 2016, section 221.0314, subdivision 9, is amended to read:

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

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

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

243.25 Sec. 53. Minnesota Statutes 2016, section 221.036, subdivision 1, is amended to read:

243.26 Subdivision 1. **Order.** The commissioner may issue an order requiring violations to be
 243.27 corrected and administratively assessing monetary penalties for a violation of (1) section
 243.28 221.021; (2) section 221.033, subdivision 2b; (3) section 221.171; (4) section 221.141; (5)
 243.29 a federal, state, or local law, regulation, rule, or ordinance pertaining to railroad-highway
 243.30 grade crossings; or (6) rules of the commissioner relating to the transportation of hazardous

244.1 waste, motor carrier operations, or insurance, or tariffs and accounting. An order must be
244.2 issued as provided in this section.

244.3 Sec. 54. Minnesota Statutes 2016, section 221.036, subdivision 3, is amended to read:

244.4 Subd. 3. **Amount of penalty; considerations.** (a) The commissioner may issue an order
244.5 assessing a penalty of up to \$5,000 for all violations identified during a single audit or
244.6 investigation of (1) section 221.021^{1/2}, 221.141^{1/2}, or 221.171, or (2) rules of the commissioner
244.7 relating to motor carrier operations; or insurance, or tariffs and accounting, identified during
244.8 a single inspection, audit, or investigation.

244.9 (b) The commissioner may issue an order assessing a penalty up to a maximum of
244.10 \$10,000 for all violations of section 221.033, subdivision 2b, identified during a single
244.11 inspection or audit.

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

244.13 (1) the willfulness of the violation;

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

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

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

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

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

244.25 (1) a driver who is convicted of a violation of an out-of-service order;

244.26 (2) an employer who knowingly allows or requires an employee to operate a commercial
244.27 motor vehicle in violation of an out-of-service order; or

244.28 (3) an employer who knowingly allows or requires an employee to operate a commercial
244.29 motor vehicle in violation of a federal, state, or local law or regulation pertaining to
244.30 railroad-highway grade crossings.

245.1 Sec. 55. Minnesota Statutes 2016, section 221.122, subdivision 1, is amended to read:

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

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

245.6 (1) register vehicles which will be used to provide transportation under the permit or
245.7 certificate with the commissioner and pay the vehicle registration fees required by law; and

245.8 (2) file and maintain insurance or bond as required by section 221.141 and rules of the
245.9 commissioner; and

245.10 ~~(3) file rates and tariffs as required by section 221.161 and rules of the commissioner.~~

245.11 Sec. 56. Minnesota Statutes 2016, section 221.161, subdivision 1, is amended to read:

245.12 Subdivision 1. ~~Filing; hearing upon commissioner initiative~~ **Tariff maintenance and**

245.13 **contents.** A household goods carrier mover shall ~~file and maintain with the commissioner~~

245.14 a tariff showing rates and charges for transporting household goods. ~~Tariffs must be prepared~~

245.15 ~~and filed in accordance with the rules of the commissioner. When tariffs are filed in~~

245.16 ~~accordance with the rules and accepted by the commissioner, the filing constitutes notice~~

245.17 ~~to the public and interested parties of the contents of the tariffs. The commissioner shall not~~

245.18 ~~accept for filing tariffs that are unjust, unreasonable, unjustly discriminatory, unduly~~

245.19 ~~preferential or prejudicial, or otherwise in violation of this section or rules adopted under~~

245.20 ~~this section. If the tariffs appear to be unjust, unreasonable, unjustly discriminatory, unduly~~

245.21 ~~preferential or prejudicial, or otherwise in violation of this section or rules adopted under~~

245.22 ~~this section, after notification and investigation by the department, the commissioner may~~

245.23 ~~suspend and postpone the effective date of the tariffs and assign the tariffs for hearing upon~~

245.24 ~~notice to the household goods carrier filing the proposed tariffs and to other interested~~

245.25 ~~parties, including users of the service and competitive carriers by motor vehicle and rail.~~

245.26 ~~At the hearing, the burden of proof is on the household goods carrier filing the proposed~~

245.27 ~~tariff to sustain the validity of the proposed schedule of rates and charges. The tariffs and~~

245.28 ~~subsequent supplements to them or reissues of them must state the effective date, which~~

245.29 ~~may not be less than ten days following the date of filing, unless the period of time is reduced~~

245.30 ~~by special permission of the commissioner. A household goods mover must prepare a tariff~~

245.31 ~~under this section in accordance with Code of Federal Regulations, title 49, part 1310.3,~~

245.32 ~~which is incorporated by reference.~~

246.1 Sec. 57. Minnesota Statutes 2016, section 221.161, is amended by adding a subdivision
246.2 to read:

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

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

246.10 Sec. 58. Minnesota Statutes 2016, section 221.171, subdivision 1, is amended to read:

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

246.19 Sec. 59. Minnesota Statutes 2016, section 299A.01, is amended by adding a subdivision
246.20 to read:

246.21 Subd. 8. **Highway user tax distribution fund use limitation.** The commissioner must
246.22 not spend any money from the highway user tax distribution fund for employees working
246.23 in the public information center or comparable customer service positions elsewhere in the
246.24 department.

246.25 Sec. 60. **[299A.704] DRIVER AND VEHICLE SERVICES FUND.**

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

246.29 Sec. 61. Minnesota Statutes 2016, section 299A.705, is amended to read:

246.30 **299A.705 DRIVER AND VEHICLE SERVICES ACCOUNTS.**

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

247.5 (b) Funds appropriated ~~are available~~ from this account must be used by the commissioner
247.6 of public safety to administer the vehicle services as specified in chapters 168, 168A, and
247.7 168D, and section 169.345, including:

247.8 (1) designing, producing, issuing, and mailing vehicle registrations, plates, emblems,
247.9 and titles;

247.10 (2) collecting title and registration taxes and fees;

247.11 (3) transferring vehicle registration plates and titles;

247.12 (4) maintaining vehicle records;

247.13 (5) issuing disability certificates and plates;

247.14 (6) licensing vehicle dealers;

247.15 (7) appointing, monitoring, and auditing deputy registrars; and

247.16 (8) inspecting vehicles when required by law.

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

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

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

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

248.4 (c) ~~Following completion of the deposit of filing fee revenue into the driver and vehicle~~
 248.5 ~~services technology account as provided under section 168.33, subdivision 7~~ Annually by
 248.6 February 1, the commissioner ~~shall~~ must submit a ~~notification~~ report to the chairs and
 248.7 ranking minority members of the legislative committees with jurisdiction over transportation
 248.8 policy and finance ~~concerning driver and vehicle services information system implementation,~~
 248.9 ~~which must include information~~ on (1) total revenue deposited in the driver and vehicle
 248.10 services technology account for the previous calendar year, with a breakdown by sources
 248.11 of funds; (2) total project costs incurred through December 31 of the previous calendar year,
 248.12 with a breakdown by key project components; and (3) an estimate of ongoing system
 248.13 maintenance costs.

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

248.18 Sec. 62. Minnesota Statutes 2016, section 360.013, is amended by adding a subdivision
 248.19 to read:

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

248.22 Sec. 63. Minnesota Statutes 2016, section 360.017, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

249.11 Sec. 64. Minnesota Statutes 2016, section 360.021, subdivision 1, is amended to read:

249.12 Subdivision 1. **Authority to establish.** The commissioner is authorized and empowered,
249.13 on behalf of and in the name of this state, within the limitation of available appropriations,
249.14 to acquire, by purchase, gift, devise, lease, condemnation proceedings, or otherwise, property,
249.15 real or personal, for the purpose of establishing and constructing restricted landing areas
249.16 and other air navigation facilities and to acquire in like manner, own, control, establish,
249.17 construct, enlarge, improve, maintain, equip, operate, regulate, and police such restricted
249.18 landing areas and other air navigation facilities, either within or without this state; and to
249.19 make, prior to any such acquisition, investigations, surveys, and plans. The commissioner
249.20 may maintain, equip, operate, regulate, and police airports, either within or without this
249.21 state. The operation and maintenance of airports is an essential public service. The
249.22 commissioner may maintain at such airports facilities for the servicing of aircraft and for
249.23 the comfort and accommodation of air travelers. The commissioner may dispose of any
249.24 such property, airport, restricted landing area, or any other air navigation facility, by sale,
249.25 lease, or otherwise, in accordance with the laws of this state governing the disposition of
249.26 other like property of the state. The commissioner may not acquire or take over any restricted
249.27 landing area, or other air navigation facility without the consent of the owner. The
249.28 commissioner shall not acquire any additional state airports nor establish any additional
249.29 state-owned airports. The commissioner may erect, equip, operate, and maintain on any
249.30 airport buildings and equipment necessary and proper to maintain, and conduct such airport
249.31 and air navigation facilities connected therewith. The commissioner shall not expend money
249.32 for land acquisition, or for the construction, improvement, or maintenance of airports, or
249.33 for air navigation facilities for an airport, unless the ~~governmental unit~~ municipality, county,
249.34 or joint airport zoning board involved has or is establishing a zoning authority for that

250.1 airport, and the authority has made a good-faith showing that it is in the process of and will
 250.2 complete with due diligence, an airport zoning ordinance in accordance with sections 360.061
 250.3 to 360.074. The commissioner may provide funds to support airport safety projects that
 250.4 maintain existing infrastructure, regardless of a zoning authority's efforts to complete a
 250.5 zoning regulation. The commissioner may withhold funding from only the airport subject
 250.6 to the proposed zoning ordinance. Notwithstanding the foregoing prohibition, the
 250.7 commissioner may continue to maintain the state-owned airport at Pine Creek.

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

250.9 **360.062 AIRPORT HAZARD PREVENTION; PROTECTING EXISTING**
 250.10 **NEIGHBORHOOD LAND USES.**

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

250.18 (b) Accordingly, it is hereby declared: (1) ~~that~~ the creation or establishment of an airport
 250.19 hazard is a public nuisance and an injury to the community served by the airport in question;
 250.20 (2) ~~that~~ it is ~~therefor~~ necessary in the interest of the public health, public safety, and general
 250.21 welfare that the creation or establishment of airport hazards be prevented and that this should
 250.22 be accomplished to the extent legally possible, by exercise of the police power, without
 250.23 compensation; and (3) ~~that~~ the elimination or removal of existing land uses, ~~particularly~~
 250.24 ~~established residential neighborhoods in built-up urban areas~~, or their designation as
 250.25 nonconforming uses is not in the public interest and should be avoided whenever possible
 250.26 consistent with reasonable standards of safety.

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

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

250.32 Subdivision 1. **Enforcement under police power.** (a) In order to prevent the creation
 250.33 or establishment of airport hazards, every municipality having an airport hazard area within

251.1 its territorial limits may, unless a joint airport zoning board is permitted under subdivision
 251.2 3, adopt, amend from time to time, administer, and enforce, under the police power and in
 251.3 the manner and upon the conditions hereinafter prescribed, airport zoning regulations for
 251.4 such airport hazard area, which regulations may divide such area into zones, and, within
 251.5 such zones, specify the land uses permitted and regulate and restrict the height to which
 251.6 structures and trees may be erected or allowed to grow.

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

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

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

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

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

251.26 (1) to adopt and enforce airport zoning regulations for the area in question ~~that conform~~
 251.27 ~~to standards prescribed by the commissioner pursuant to subdivision 4~~ under sections
 251.28 360.0655 and 360.0656; or

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

252.1 (b) Where an airport is owned or controlled by a municipality and an airport hazard area
252.2 appertaining to the airport is located within the territorial limits of another county or
252.3 municipality, the municipality owning or controlling the airport and the county or other
252.4 municipality within which the airport hazard area is located may, by ordinance or resolution
252.5 duly adopted, create a joint airport zoning board, which board shall have the same power
252.6 to adopt, administer, and enforce airport zoning regulations applicable to the airport hazard
252.7 area in question as that vested by subdivision 1 in the municipality within which the area
252.8 is located. A joint board shall have as members two representatives appointed by the
252.9 municipality owning or controlling the airport and two from the county or municipality, or
252.10 in case more than one county or municipality is involved two from each county or
252.11 municipality, in which the airport hazard is located, and in addition a chair elected by a
252.12 majority of the members so appointed. All members shall serve at the pleasure of their
252.13 respective appointing authority. Notwithstanding any other provision of law to the contrary,
252.14 if the owning and controlling municipality is a city of the first class it shall appoint four
252.15 members to the board, and the chair of the board shall be elected from the membership of
252.16 the board.

252.17 (c) If a county or municipality, within 60 days of receiving a request from an owning
252.18 or controlling municipality pursuant to paragraph (a), fails to adopt, or thereafter fails to
252.19 enforce, the zoning regulations or fails to join in creating a joint airport zoning board, the
252.20 owning or controlling municipality, or a joint airport zoning board created without
252.21 participation by the subdivisions which fail to join the board, may itself adopt, administer,
252.22 and enforce airport zoning regulations for the airport hazard area in question. In the event
252.23 of conflict between the regulations and airport zoning regulations adopted by the county or
252.24 municipality within which the airport hazard area is located, section 360.064, subdivision
252.25 2, applies.

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

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

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

253.1 (3) the Metropolitan Airports Commission established and operated pursuant to chapter
253.2 473.

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

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

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

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

253.12 Subdivision 1. **Notice of proposed zoning regulations, hearing.** (a) No airport zoning
253.13 regulations shall be adopted, amended, or changed under sections 360.011 to 360.076,
253.14 except by action of the governing body of the municipality or, county in question, or joint
253.15 airport zoning board under section 360.0655 or 360.0656, or the boards provided for in
253.16 section 360.063, subdivisions 3 and 7, or by the commissioner as provided in subdivisions
253.17 6 and 8, after public hearings, at which parties in interest and citizens shall have an
253.18 opportunity to be heard.

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

253.27 (c) Notice of a hearing required pursuant to this subdivision shall must be published by
253.28 the local zoning authority municipality, county, or joint airport zoning board at least three
253.29 times during the period between 15 days and five days before the hearing in an official
253.30 newspaper and in a second newspaper designated by that authority which has a wide general
253.31 circulation in the area affected by the proposed regulations and posted on the municipality's,
253.32 county's, or joint airport zoning board's Web site. If there is not a second newspaper of wide
253.33 general circulation in the area that the municipality, county, or joint airport zoning board

254.1 can designate for the notice, the municipality, county, or joint airport zoning board is only
 254.2 required to publish the notice one in the official newspaper of the jurisdiction. The notice
 254.3 shall not be published in the legal notice section of a newspaper. The notice must specify
 254.4 the time, location, and purpose of the hearing, and must identify any additional location and
 254.5 time the proposed regulations will be available for public inspection. A copy of the published
 254.6 notice must be added to the record of the proceedings.

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

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

254.30 Subdivision 1. **Submission to commissioner; review.** (a) Except as provided in section
 254.31 360.0656, prior to adopting zoning regulations, the municipality, county, or joint airport
 254.32 zoning board must submit the proposed regulations to the commissioner for the commissioner
 254.33 to determine whether the regulations conform to the standards prescribed by the
 254.34 commissioner. The municipality, county, or joint airport zoning board may elect to complete

255.1 custom airport zoning under section 360.0656 instead of using the commissioner's standard,
255.2 but only after providing written notice to the commissioner.

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

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

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

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

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

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

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

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

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

256.3 Subd. 2. **Protection of existing land uses.** (a) In order to ensure minimum disruption
256.4 of existing land uses, the commissioner's airport zoning standards and local airport zoning
256.5 ordinances or regulations adopted under section 360.0655 must distinguish between the
256.6 creation or establishment of a use and the elimination of an existing use, and must avoid
256.7 the elimination, removal, or reclassification of existing uses to the extent consistent with
256.8 reasonable safety standards. The commissioner's standards must include criteria for
256.9 determining when an existing land use may constitute an airport hazard so severe that public
256.10 safety considerations outweigh the public interest in preventing disruption to that land use.

256.11 (b) Airport zoning regulations that classify as a nonconforming use or require
256.12 nonconforming use classification with respect to any existing low-density structure or
256.13 existing isolated low-density building lots must be adopted under sections 360.061 to
256.14 360.074.

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

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

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

256.23 Subdivision 1. **Custom airport zoning standards; factors.** (a) Notwithstanding section
256.24 360.0655, a municipality, county, or joint airport zoning board must provide notice to the
256.25 commissioner when the municipality, county, or joint airport zoning board intends to establish
256.26 and adopt custom airport zoning regulations under this section.

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

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

- 257.1 (1) the location of the airport, the surrounding land uses, and the character of
257.2 neighborhoods in the vicinity of the airport, including:
- 257.3 (i) the location of vulnerable populations, including schools, hospitals, and nursing
257.4 homes, in the airport hazard area;
- 257.5 (ii) the location of land uses that attract large assemblies of people in the airport hazard
257.6 area;
- 257.7 (iii) the availability of contiguous open spaces in the airport hazard area;
- 257.8 (iv) the location of wildlife attractants in the airport hazard area;
- 257.9 (v) airport ownership or control of the federal Runway Protection Zone and the
257.10 department's Clear Zone;
- 257.11 (vi) land uses that create or cause interference with the operation of radio or electronic
257.12 facilities used by the airport or aircraft;
- 257.13 (vii) land uses that make it difficult for pilots to distinguish between airport lights and
257.14 other lights, result in glare in the eyes of pilots using the airport, or impair visibility in the
257.15 vicinity of the airport;
- 257.16 (viii) land uses that otherwise inhibit a pilot's ability to land, take off, or maneuver the
257.17 aircraft;
- 257.18 (ix) airspace protection to prevent the creation of air navigation hazards in the airport
257.19 hazard area; and
- 257.20 (x) the social and economic costs of restricting land uses;
- 257.21 (2) the airport's type of operations and how the operations affect safety surrounding the
257.22 airport;
- 257.23 (3) the accident rate at the airport compared to a statistically significant sample, including
257.24 an analysis of accident distribution based on the rate with a higher accident incidence;
- 257.25 (4) the planned land uses within an airport hazard area, including any applicable platting,
257.26 zoning, comprehensive plan, or transportation plan; and
- 257.27 (5) any other information relevant to safety or the airport.
- 257.28 Subd. 2. **Submission to commissioner; review.** (a) Except as provided in section
257.29 360.0655, prior to adopting zoning regulations, the municipality, county, or joint airport
257.30 zoning board must submit its proposed regulations and the supporting record to the
257.31 commissioner for review. The commissioner must determine whether the proposed custom

258.1 airport zoning regulations and supporting record (1) evaluate the criteria under subdivision
258.2 1, and (2) provide a reasonable level of safety.

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

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

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

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

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

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

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

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

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

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

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

259.22 (1) pose a hazard to air navigation;

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

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

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

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

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

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

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

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

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

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

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

260.30 **394.23 COMPREHENSIVE PLAN.**

260.31 The board has the power and authority to prepare and adopt by ordinance, a
 260.32 comprehensive plan. A comprehensive plan or plans when adopted by ordinance must be

261.1 the basis for official controls adopted under the provisions of sections 394.21 to 394.37.
 261.2 The commissioner of natural resources must provide the natural heritage data from the
 261.3 county biological survey, if available, to each county for use in the comprehensive plan.
 261.4 When adopting or updating the comprehensive plan, the board must, if the data is available
 261.5 to the county, consider natural heritage data resulting from the county biological survey. In
 261.6 a county that is not a greater than 80 percent area, as defined in section 103G.005, subdivision
 261.7 10b, the board must consider adopting goals and objectives that will protect open space and
 261.8 the environment. The board must consider the location and dimensions of airport safety
 261.9 zones in any portion of the county, and of any airport improvements, identified in the airport's
 261.10 most recent approved airport layout plan.

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

261.12 **394.231 COMPREHENSIVE PLANS IN GREATER MINNESOTA; OPEN SPACE.**

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

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

261.23 (2) minimizing further development in sensitive shoreland areas;

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

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

261.28 ~~(4)~~ (5) identification of areas of preference for higher density, including consideration
 261.29 of existing and necessary water and wastewater services, infrastructure, other services, and
 261.30 to the extent feasible, encouraging full development of areas previously zoned for
 261.31 nonagricultural uses;

261.32 ~~(5)~~ (6) encouraging development close to places of employment, shopping centers,
 261.33 schools, mass transit, and other public and private service centers;

262.1 ~~(6)~~ (7) identification of areas where other developments are appropriate; and

262.2 ~~(7)~~ (8) other goals and objectives a county may identify.

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

262.4 Subd. 3. **In district zoning, maps.** Within each such district zoning ordinances or maps
 262.5 may also be adopted designating or limiting the location, height, width, bulk, type of
 262.6 foundation, number of stories, size of, and the specific uses for which dwellings, buildings,
 262.7 and structures may be erected or altered; the minimum and maximum size of yards, courts,
 262.8 or other open spaces; setback from existing roads and highways and roads and highways
 262.9 designated on an official map; protective measures necessary to protect the public interest
 262.10 including but not limited to controls relating to appearance, signs, lighting, hours of operation
 262.11 and other aesthetic performance characteristics including but not limited to noise, heat,
 262.12 glare, vibrations and smoke; the area required to provide for off street loading and parking
 262.13 facilities; heights of trees and structures near airports; and to avoid too great concentration
 262.14 or scattering of the population. All such provisions shall be uniform for each class of land
 262.15 or building throughout each district, but the provisions in one district may differ from those
 262.16 in other districts. No provision may prohibit earth sheltered construction as defined in section
 262.17 216C.06, subdivision 14, or manufactured homes built in conformance with sections 327.31
 262.18 to 327.35 that comply with all other zoning ordinances promulgated pursuant to this section.
 262.19 Airport safety zones must be included on maps that illustrate boundaries of zoning districts
 262.20 and that are adopted as official controls.

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

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

262.25 Subd. 1a. **Airport safety zone.** "Airport safety zone" has the meaning given in section
 262.26 394.22, subdivision 1a.

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

262.28 Subdivision 1. **Preparation and review.** The planning agency shall prepare the
 262.29 comprehensive municipal plan. In discharging this duty the planning agency shall consult
 262.30 with and coordinate the planning activities of other departments and agencies of the
 262.31 municipality to insure conformity with and to assist in the development of the comprehensive
 262.32 municipal plan. In its planning activities the planning agency shall take due cognizance of

263.1 the planning activities of adjacent units of government and other affected public agencies.
 263.2 The planning agency shall periodically review the plan and recommend amendments
 263.3 whenever necessary. When preparing or recommending amendments to the comprehensive
 263.4 plan, the planning agency of a municipality located within a county that is not a greater than
 263.5 80 percent area, as defined in section 103G.005, subdivision 10b, must consider adopting
 263.6 goals and objectives that will protect open space and the environment. When preparing or
 263.7 recommending amendments to the comprehensive plan, the planning agency must consider
 263.8 (1) the location and dimensions of airport safety zones in any portion of the municipality,
 263.9 and (2) any airport improvements identified in the airport's most recent approved airport
 263.10 layout plan.

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

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

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

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

263.18 **Subd. 9. Development goals and objectives.** In adopting official controls after July 1,
 263.19 2008, in a municipality outside the metropolitan area, as defined by section 473.121,
 263.20 subdivision 2, the municipality shall consider restricting new residential, commercial, and
 263.21 industrial development so that the new development takes place in areas subject to the
 263.22 following goals and objectives:

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

263.25 (2) minimizing further development in sensitive shoreland areas;

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

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

263.30 ~~(4)~~ (5) identification of areas of preference for higher density, including consideration
 263.31 of existing and necessary water and wastewater services, infrastructure, other services, and

264.1 to the extent feasible, encouraging full development of areas previously zoned for
 264.2 nonagricultural uses;

264.3 ~~(5)~~ (6) encouraging development close to places of employment, shopping centers,
 264.4 schools, mass transit, and other public and private service centers;

264.5 ~~(6)~~ (7) identification of areas where other developments are appropriate; and

264.6 ~~(7)~~ (8) other goals and objectives a municipality may identify.

264.7 Sec. 84. Minnesota Statutes 2016, section 473.13, subdivision 1, is amended to read:

264.8 Subdivision 1. **Budget.** (a) Except as provided in paragraph (b), on or before December
 264.9 20 of each year, the council shall adopt a final budget covering its anticipated receipts and
 264.10 disbursements for the ensuing year and shall decide upon the total amount necessary to be
 264.11 raised from ad valorem tax levies to meet its budget. The budget ~~shall~~ must state in detail
 264.12 the expenditures for each program to be undertaken, including the expenses for salaries,
 264.13 consultant services, overhead, travel, ~~printing,~~ and other items. The budget ~~shall~~ must state
 264.14 in detail the council's nontransportation capital expenditures of the council for the budget
 264.15 year, based on a five-year capital program adopted by the council and transmitted to the
 264.16 legislature. After adoption of the budget and no later than five working days after December
 264.17 20, the council shall certify to the auditor of each metropolitan county the share of the tax
 264.18 to be levied within that county, which must be an amount bearing the same proportion to
 264.19 the total levy agreed on by the council as the net tax capacity of the county bears to the net
 264.20 tax capacity of the metropolitan area. The maximum amount of any levy made for the
 264.21 purpose of this chapter may not exceed the limits set by the statute authorizing the levy.

264.22 (b) For the transportation components of the council's budgeting, each fiscal year starts
 264.23 July 1 and ends the following June 30. On or before June 15 of each year, the council must
 264.24 adopt a final budget for the transportation components that identifies its anticipated receipts
 264.25 and disbursements for the next fiscal year. The budget must state in detail the expenditures
 264.26 to be undertaken for each program, including the expenses for salaries, consultant services,
 264.27 overhead, travel, and other items. The budget must state in detail the council's transportation
 264.28 capital expenditures for the budget year, based on a five-year capital program adopted by
 264.29 the council and transmitted to the legislature.

264.30 ~~(b)~~ (c) As part of the budget under paragraph (b) in each even-numbered year, the council
 264.31 ~~shall~~ must prepare for its transit programs a financial plan for the succeeding three ~~calendar~~
 264.32 fiscal years, in half-year segments. The financial plan must contain schedules of user charges
 264.33 and any changes in user charges planned or anticipated by the council during the period of

265.1 the plan. The financial plan must contain a proposed request for state financial assistance
265.2 for the succeeding biennium.

265.3 ~~(e)~~ (d) In addition, ~~the~~ each budget under paragraphs (a) and (b) must show for each
265.4 year:

265.5 (1) the estimated operating revenues from all sources including funds on hand at the
265.6 beginning of the year, and estimated expenditures for costs of operation, administration,
265.7 maintenance, and debt service;

265.8 (2) capital improvement funds estimated to be on hand at the beginning of the year and
265.9 estimated to be received during the year from all sources and estimated cost of capital
265.10 improvements to be paid out or expended during the year, all in such detail and form as the
265.11 council may prescribe; and

265.12 (3) the estimated source and use of pass-through funds.

265.13 **EFFECTIVE DATE; APPLICATION.** This section is effective beginning with the
265.14 transportation budget period under paragraph (b) that starts July 1, 2019, and applies in the
265.15 counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

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

265.18 **Subd. 1d. Budget changes or variances; reports.** At least quarterly by January 1, April
265.19 1, July 1, and October 1, the council must submit a summary to the chairs and ranking
265.20 minority members of the house of representatives and senate committees with jurisdiction
265.21 over transportation policy and finance and to the Legislative Commission on Metropolitan
265.22 Government on any changes to or variances from the budget adopted under subdivision 1.

265.23 **EFFECTIVE DATE; APPLICATION.** This section is effective June 1, 2018, and
265.24 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

265.25 Sec. 86. Minnesota Statutes 2016, section 473.13, subdivision 4, is amended to read:

265.26 **Subd. 4. Accounts; accounting system; controls; audits.** (a) The council shall keep
265.27 an accurate account of its receipts and disbursements. For the transportation and transit
265.28 components of the council's financial activity, the council must use the state accounting
265.29 system maintained by the commissioner of management and budget under sections 16A.14
265.30 and 16A.15.

266.1 (b) Disbursements of council money must be made by check or by electronic funds
266.2 transfer, signed or authorized by the chair or vice-chair of the council, and countersigned
266.3 or authorized by its regional administrator or designee after whatever auditing and approval
266.4 of the expenditure may be required by the council.

266.5 (c) The state auditor shall audit the books and accounts of the council once each year,
266.6 or as often as funds and personnel of the state auditor permit. The council shall pay to the
266.7 state the total cost and expenses of the examination, including the salaries paid to the auditors
266.8 while actually engaged in making the examination. The general fund must be credited with
266.9 all collections made for any examination.

266.10 **EFFECTIVE DATE; APPLICATION.** This section is effective July 1, 2019, for the
266.11 transportation budget period that starts on that date and applies in the counties of Anoka,
266.12 Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

266.13 Sec. 87. Minnesota Statutes 2016, section 473.13, is amended by adding a subdivision to
266.14 read:

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

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

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

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

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

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

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

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

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

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

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

267.9 **EFFECTIVE DATE; APPLICATION.** This section is effective June 1, 2018, and
 267.10 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

267.11 Sec. 88. Minnesota Statutes 2016, section 473.13, is amended by adding a subdivision to
 267.12 read:

267.13 Subd. 7. **Budget assumptions.** (a) As part of the budget submission to the legislature
 267.14 under section 16A.11, the council must explicitly identify the assumptions used (1) to prepare
 267.15 the budget submission, and (2) for any underlying documentation or plans regarding
 267.16 transportation and transit.

267.17 (b) As part of the budget submission to the legislature under section 16A.11, the council
 267.18 must include copies of any report, application, or related document submitted to the Federal
 267.19 Transit Administration since the previous budget submission was provided to the legislature.
 267.20 In the budget submission, the council must explicitly identify the assumptions used to
 267.21 prepare each of the reports, applications, or related documents.

267.22 (c) In the budget submission to the legislature under section 16A.11, the council must
 267.23 include a section that provides a detailed explanation of the impact each assumption identified
 267.24 in paragraphs (a) and (b) has on the council's financial forecast.

267.25 Sec. 89. Minnesota Statutes 2016, section 473.146, subdivision 1, is amended to read:

267.26 Subdivision 1. **Requirement.** The council ~~shall~~ must adopt a long-range comprehensive
 267.27 policy ~~plan~~ plans for transportation and wastewater treatment. ~~The plans~~ Each policy plan
 267.28 must substantially conform to all policy statements, purposes, goals, standards, and maps
 267.29 in the development guide developed and adopted by the council under section 473.145 and
 267.30 this chapter. Each policy plan must include, to the extent appropriate to the functions,
 267.31 services, and systems covered, the following:

268.1 (1) forecasts of changes in the general levels and distribution of population, households,
268.2 employment, land uses, and other relevant matters, for the metropolitan area and appropriate
268.3 subareas;

268.4 (2) a statement of issues, problems, needs, and opportunities with respect to the functions,
268.5 services, and systems covered;

268.6 (3) a statement of the council's goals, objectives, and priorities with respect to the
268.7 functions, services, and systems covered, addressing areas and populations to be served,
268.8 the levels, distribution, and staging of services; a general description of the facility systems
268.9 required to support the services; the estimated cost of improvements required to achieve
268.10 the council's goals for the regional systems, including an analysis of what portion of the
268.11 funding for each improvement is proposed to come from the state, Metropolitan Council
268.12 levies, and cities, counties, and towns in the metropolitan area, respectively, and other
268.13 similar matters;

268.14 (4) a statement of policies to effectuate the council's goals, objectives, and priorities;

268.15 (5) a statement of the fiscal implications of the council's plan, including a statement of:
268.16 (i) the resources available under existing fiscal policy; (ii) the adequacy of resources under
268.17 existing fiscal policy and any shortfalls and unattended needs; (iii) additional resources, if
268.18 any, that are or may be required to effectuate the council's goals, objectives, and priorities;
268.19 and (iv) any changes in existing fiscal policy, on regional revenues and intergovernmental
268.20 aids respectively, that are expected or that the council has recommended or may recommend;

268.21 (6) a statement of the relationship of the policy plan to other policy plans and ~~chapters~~
268.22 relevant portions of the ~~Metropolitan~~ development guide;

268.23 (7) a statement of the relationships to local comprehensive plans prepared under sections
268.24 473.851 to 473.871; and

268.25 (8) additional general information as may be necessary to develop the policy plan or as
268.26 may be required by the laws relating to the metropolitan agency and function covered by
268.27 the policy plan.

268.28 **EFFECTIVE DATE; APPLICATION.** This section is effective June 1, 2018, and
268.29 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

269.1 Sec. 90. Minnesota Statutes 2016, section 473.146, subdivision 3, is amended to read:

269.2 Subd. 3. ~~Development guide: Transportation policy plan.~~ (a) The transportation
269.3 ~~chapter policy plan~~ must include policies relating to all transportation forms and be designed
269.4 to promote the legislative determinations, policies, and goals set forth in section 473.371.

269.5 (b) In addition to the requirements regarding the contents of the policy plan under
269.6 subdivision 1, the plan must include:

269.7 (1) a fully constrained scenario that assumes no revenue increase from current law and
269.8 no inflationary increases;

269.9 (2) a partially constrained scenario that assumes no revenue increase from current law
269.10 but includes reasonable inflationary increases; and

269.11 (3) an envisioned revenue scenario that identifies a revenue increase in an amount that
269.12 accommodates transportation system maintenance, improvements, and expansion, including
269.13 for state and local roads, regular route bus service, busways, and guideways.

269.14 (c) The estimates under each scenario in paragraph (b) must identify anticipated long-term
269.15 transit system impacts, including unfunded costs for each transit mode and any reductions
269.16 in regular route bus service hours.

269.17 (d) In addition to the requirements of subdivision 1 regarding the contents of the policy
269.18 plan, the nontransit element portion of the ~~transportation chapter~~ plan must include the
269.19 following:

269.20 (1) a statement of the needs and problems of the metropolitan area with respect to the
269.21 functions covered, including the present and prospective demand for and constraints on
269.22 access to regional business concentrations and other major activity centers and the constraints
269.23 on and acceptable levels of development and vehicular trip generation at such centers;

269.24 (2) the objectives of and the policies to be forwarded by the policy plan;

269.25 (3) a general description of the physical facilities and services to be developed;

269.26 (4) a statement as to the general location of physical facilities and service areas;

269.27 (5) a general statement of timing and priorities in the development of those physical
269.28 facilities and service areas;

269.29 (6) a detailed statement, updated every two years, of timing and priorities for
269.30 improvements and expenditures needed on the metropolitan highway system;

270.1 (7) a general statement on the level of public expenditure appropriate to the facilities;
270.2 and

270.3 (8) a long-range assessment of air transportation trends and factors that may affect airport
270.4 development in the metropolitan area and policies and strategies that will ensure a
270.5 comprehensive, coordinated, and timely investigation and evaluation of alternatives for
270.6 airport development.

270.7 (e) The council shall develop the nontransit element portion in consultation with the
270.8 transportation advisory board and the Metropolitan Airports Commission and cities having
270.9 an airport located within or adjacent to its corporate boundaries. The council shall also take
270.10 into consideration the airport development and operations plans and activities of the
270.11 commission. The council shall transmit the results to the state Department of Transportation.

270.12 **EFFECTIVE DATE; APPLICATION.** This section is effective June 1, 2018, applies
270.13 for the next regular update to the transportation policy plan, and applies in the counties of
270.14 Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

270.15 Sec. 91. Minnesota Statutes 2016, section 473.3994, is amended by adding a subdivision
270.16 to read:

270.17 Subd. 15. **Rail colocation prohibition.** The responsible authority is prohibited from
270.18 constructing a light rail transit line or extension in a shared use rail corridor for freight rail
270.19 and light rail transit.

270.20 **EFFECTIVE DATE; APPLICATION.** This section is effective June 1, 2018. The
270.21 portion of this section applicable to the Metropolitan Council applies in the counties of
270.22 Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

270.23 Sec. 92. Minnesota Statutes 2017 Supplement, section 473.4051, subdivision 2, is amended
270.24 to read:

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

270.28 (b) Notwithstanding paragraph (a), all operating and ongoing capital maintenance costs
270.29 must be paid from nonstate sources for a segment of a light rail transit line or line extension
270.30 project that formally entered the engineering phase of the Federal Transit Administration's
270.31 "New Starts" capital investment grant program between August 1, 2016, and December 31,
270.32 2016.

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

271.6 Sec. 93. Minnesota Statutes 2017 Supplement, section 473.4485, subdivision 2, is amended
271.7 to read:

271.8 Subd. 2. **Legislative report.** (a) By October 15 in every even-numbered year, the council
271.9 must prepare, in collaboration with the commissioner, a report on comprehensive transit
271.10 finance in the metropolitan area. The council must submit the report electronically to the
271.11 chairs and ranking minority members of the legislative committees with jurisdiction over
271.12 transportation policy and finance.

271.13 (b) The report must be structured to provide financial information in six-month increments
271.14 corresponding to state and local fiscal years, and must use consistent assumptions and
271.15 methodologies. The report must explicitly identify and explain the assumptions and
271.16 methodologies used to prepare the report. The report must comprehensively identify all
271.17 funding sources and expenditures related to transit in the metropolitan area, including but
271.18 not limited to:

271.19 (1) sources and uses of funds from regional railroad authorities, joint powers agreements,
271.20 counties, and cities;

271.21 (2) expenditures for transit planning, feasibility studies, alternatives analysis, and other
271.22 transit project development; and

271.23 (3) expenditures for guideways, busways, regular route bus service, demand-response
271.24 service, and special transportation service under section 473.386.

271.25 (c) The report must include a section that summarizes the status of (1) guideways in
271.26 revenue operation, and (2) guideway projects (i) currently in study, planning, development,
271.27 or construction; (ii) identified in the transportation policy plan under section 473.146; or
271.28 (iii) identified in the comprehensive statewide freight and passenger rail plan under section
271.29 174.03, subdivision 1b.

271.30 (d) At a minimum, the guideways status section of the report must provide for each
271.31 guideway project wholly or partially in the metropolitan area:

271.32 (1) a brief description of the project, including projected ridership;

- 272.1 (2) a summary of the overall status and current phase of the project;
- 272.2 (3) a timeline that includes (i) project phases or milestones, including any federal
272.3 approvals; (ii) expected and known dates of commencement of each phase or milestone;
272.4 and (iii) expected and known dates of completion of each phase or milestone;
- 272.5 (4) a brief progress update on specific project phases or milestones completed since the
272.6 last previous submission of a report under this subdivision; and
- 272.7 (5) a summary financial plan that identifies, as reflected by the data and level of detail
272.8 available in the latest phase of project development and to the extent available:
- 272.9 (i) capital expenditures, including expenditures to date and total projected expenditures,
272.10 with a breakdown by committed and proposed sources of funds for the project;
- 272.11 (ii) estimated annual operations and maintenance expenditures reflecting the level of
272.12 detail available in the current phase of the project development, with a breakdown by
272.13 committed and proposed sources of funds for the project; and
- 272.14 (iii) if feasible, project expenditures by budget activity.
- 272.15 (e) The report must include a section that summarizes the status of (1) busways in revenue
272.16 operation, and (2) busway projects currently in study, planning, development, or construction.
- 272.17 (f) The report must include a section that identifies the total ridership, farebox recovery
272.18 ratio, and per-passenger operating subsidy for (1) each route and line in revenue operation
272.19 by a transit provider, including guideways, busways, and regular route bus service; and (2)
272.20 demand-response service and special transportation service. The section must provide data,
272.21 as available on a per-passenger mile basis and must provide information for at least the
272.22 previous three years. The section must identify performance standards for farebox recovery
272.23 and identify each route and line that does not meet the standards.
- 272.24 (g) The report must also include a systemwide capacity analysis for transit operations
272.25 and investment in expansion and maintenance that:
- 272.26 (1) provides a funding projection, annually over the ensuing ten years, and with a
272.27 breakdown by committed and proposed sources of funds, of:
- 272.28 (i) total capital expenditures for guideways and for busways;
- 272.29 (ii) total operations and maintenance expenditures for guideways and for busways;
- 272.30 (iii) total funding available for guideways and for busways, including from projected or
272.31 estimated farebox recovery; and

273.1 (iv) total funding available for transit service in the metropolitan area; and

273.2 (2) evaluates the availability of funds and distribution of sources of funds for guideway
273.3 and for busway investments.

273.4 (h) The capacity analysis under paragraph (g) must include all guideway and busway
273.5 lines for which public funds are reasonably expected to be expended in planning,
273.6 development, construction, revenue operation, or capital maintenance during the ensuing
273.7 ten years.

273.8 (i) Local units of government must provide assistance and information in a timely manner
273.9 as requested by the commissioner or council for completion of the report.

273.10 Sec. 94. Minnesota Statutes 2016, section 473.606, subdivision 5, is amended to read:

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

273.23 Sec. 95. Minnesota Statutes 2016, section 574.26, subdivision 1a, is amended to read:

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

273.31 (b) At the discretion of the commissioner of transportation, sections 574.26 to 574.32
273.32 do not apply to any projects of the Department of Transportation (1) costing less than the

274.1 amount in section 471.345, subdivision 3, ~~or~~ (2) involving the permanent or semipermanent
 274.2 installation of heavy machinery, fixtures, or other capital equipment to be used primarily
 274.3 for maintenance or repair, or (3) awarded under section 161.32, subdivision 2.

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

274.6 Sec. 96. Laws 2017, First Special Session chapter 3, article 1, section 4, subdivision 1, is
 274.7 amended to read:

274.8 Subdivision 1. **Total Appropriation** \$ 199,838,000 \$ 199,407,000

274.9 Appropriations by Fund

	2018	2019
274.10		
274.11 General	19,971,000	14,381,000
274.12		65,087,000
274.13 Special Revenue	63,945,000	<u>1,439,000</u>
274.14 H.U.T.D.	10,474,000	10,486,000
274.15 Trunk Highway	105,448,000	109,453,000
274.16 <u>Driver and Vehicle</u>		
274.17 <u>Services</u>	<u>0</u>	<u>63,648,000</u>

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

274.22 Sec. 97. Laws 2017, First Special Session chapter 3, article 1, section 4, subdivision 2, is
 274.23 amended to read:

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

274.25 (a) **Office of Communications** 553,000 573,000

274.26 Appropriations by Fund

	2018	2019
274.27		
274.28 General	127,000	130,000
274.29 Trunk Highway	426,000	443,000

274.30 (b) **Public Safety Support** 6,372,000 6,569,000

274.31 Appropriations by Fund

	2018	2019
274.32		
274.33 General	1,225,000	1,235,000
274.34 H.U.T.D.	1,366,000	1,366,000

275.1 Trunk Highway 3,781,000 3,968,000

275.2 The commissioner must not spend any money
 275.3 from the highway user tax distribution fund
 275.4 for employees working at the public
 275.5 information center or comparable customer
 275.6 service positions elsewhere in the department.

275.7 **(c) Public Safety Officer Survivor Benefits** 640,000 640,000

275.8 This appropriation is from the general fund
 275.9 for payment of public safety officer survivor
 275.10 benefits under Minnesota Statutes, section
 275.11 299A.44.

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

275.15 **(d) Public Safety Officer Reimbursements** 1,367,000 1,367,000

275.16 This appropriation is from the general fund to
 275.17 be deposited in the public safety officer's
 275.18 benefit account. This money is available for
 275.19 reimbursements under Minnesota Statutes,
 275.20 section 299A.465.

275.21 **(e) Soft Body Armor Reimbursements** 700,000 700,000

275.22 Appropriations by Fund

275.23 2018 2019

275.24 General 600,000 600,000

275.25 Trunk Highway 100,000 100,000

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

275.29 **(f) Technology and Support Service** 3,777,000 3,814,000

275.30 Appropriations by Fund

275.31 2018 2019

275.32 General 1,353,000 1,365,000

275.33 H.U.T.D. 19,000 19,000

275.34 Trunk Highway 2,405,000 2,430,000

276.1 Sec. 98. Laws 2017, First Special Session chapter 3, article 1, section 4, subdivision 4, is
 276.2 amended to read:

276.3 **Subd. 4. Driver and Vehicle Services**

276.4 **(a) Vehicle Services** 30,745,000 31,159,000

276.5 Appropriations by Fund

276.6		2018	2019
276.7			22,923,000
276.8	Special Revenue	22,509,000	<u>0</u>
276.9	H.U.T.D.	8,236,000	8,236,000
276.10	<u>Driver and Vehicle</u>		
276.11	<u>Services</u>	<u>0</u>	<u>22,923,000</u>

276.12 The special revenue fund appropriation in
 276.13 fiscal year 2018 is from the vehicle services
 276.14 operating account. The driver and vehicle
 276.15 services fund appropriation in fiscal year 2019
 276.16 is from the vehicle services operating account.

276.17 **(b) Driver Services** 32,014,000 32,725,000

276.18 Appropriations by Fund

276.19		<u>2018</u>	<u>2019</u>
276.20	<u>Special Revenue</u>	<u>32,014,000</u>	<u>0</u>
276.21	<u>Driver and Vehicle</u>		
276.22	<u>Services</u>	<u>0</u>	<u>32,725,000</u>

276.23 This appropriation is from the driver services
 276.24 operating account ~~in the special revenue fund~~
 276.25 under Minnesota Statutes, section 299A.705.

276.26 \$156,000 in each year is to maintain the
 276.27 automated knowledge test system.

276.28 **(c) Minnesota Licensing and Registration System**
 276.29 **(MNLARS)** 8,000,000 8,000,000

276.30 Appropriations by Fund

276.31		<u>2018</u>	<u>2019</u>
276.32	<u>Special Revenue</u>	<u>8,000,000</u>	<u>0</u>
276.33	<u>Driver and Vehicle</u>		
276.34	<u>Services</u>	<u>0</u>	<u>8,000,000</u>

276.35 This appropriation is for operations and
 276.36 maintenance of the driver and vehicle

277.1 information system known as the Minnesota
277.2 Licensing and Registration System.

277.3 \$1,000,000 in the first year and \$5,265,000 in
277.4 the second year are from the driver services
277.5 operating account ~~in the special revenue fund~~
277.6 under Minnesota Statutes, section 299A.705.

277.7 This is a onetime appropriation.

277.8 \$7,000,000 in the first year and \$2,735,000 in
277.9 the second year are from the vehicle services
277.10 operating account ~~in the special revenue fund~~
277.11 under Minnesota Statutes, section 299A.705.

277.12 This is a onetime appropriation.

277.13 **Sec. 99. CANCELLATION AND TRANSFER; PUBLIC SAFETY.**

277.14 (a) By June 30, 2018, the commissioner of management and budget, in consultation with
277.15 the commissioner of public safety, must cancel \$1,900,000 of fiscal year 2018 appropriations
277.16 to the commissioner of public safety from the general fund and special revenue fund in
277.17 Laws 2017, First Special Session chapter 3. The commissioner must exclude any
277.18 appropriations made for state patrol, homeland security and emergency management, criminal
277.19 apprehension, fire marshal, the Firefighter Training and Education Board, alcohol and
277.20 gambling enforcement, the Office of Justice Programs, and emergency communication
277.21 networks.

277.22 (b) On July 1, 2018, the commissioner of management and budget must transfer the total
277.23 amounts canceled under paragraph (a) to the driver and vehicle services technology account
277.24 under Minnesota Statutes, section 299A.705.

277.25 **Sec. 100. EDITING MNLARS TRANSACTIONS.**

277.26 (a) The commissioner of public safety must ensure deputy registrars are able to edit, at
277.27 a minimum, the following information as part of a Minnesota Licensing and Registration
277.28 System (MNLARS) transaction:

277.29 (1) personal information of the applicant;

277.30 (2) vehicle classification and information about a vehicle or trailer;

277.31 (3) sale price of a vehicle or trailer;

278.1 (4) the amount of taxes and fees; and

278.2 (5) the base value of a vehicle or trailer.

278.3 The ability to edit the transactions in this paragraph must be available until the end of the
278.4 business day following the day the transaction was initially completed.

278.5 (b) For each transaction edited, MNLARS must record which individual edited the
278.6 record, the date and time the record was edited, what information was edited, and include
278.7 a notation that the transaction was edited.

278.8 Sec. 101. **ENGINE BRAKES; REGULATION BY MINNEAPOLIS.**

278.9 Notwithstanding any other law or charter provision, the governing body of the city of
278.10 Minneapolis may by ordinance restrict or prohibit the use of an engine brake on motor
278.11 vehicles along Legislative Route No. 392, also known as marked Interstate Highway 94, in
278.12 the westbound lane beginning at LaSalle Avenue and extending west to the Lowry Tunnel.
278.13 Upon notification by the city of Minneapolis to the commissioner of transportation of the
278.14 city's adoption of the ordinance, the commissioner of transportation shall erect the appropriate
278.15 signs, with the cost of the signs to be paid by the city. For purposes of this section, "engine
278.16 brake" means any device that uses the engine and transmission to impede the forward motion
278.17 of the motor vehicle by compression of the engine.

278.18 **EFFECTIVE DATE.** This section is effective June 1, 2018.

278.19 Sec. 102. **INTERSTATE HIGHWAY 35 AT COUNTY ROAD 9 IN RICE COUNTY**
278.20 **INTERCHANGE FEASIBILITY STUDY; APPROPRIATION.**

278.21 \$1,450,000 in fiscal year 2019 is appropriated to the commissioner of transportation to
278.22 conduct a study on the feasibility of an interchange at marked Interstate Highway 35 and
278.23 County Road 9 in Rice County. Of this appropriation, \$950,000 is from the general fund
278.24 and \$500,000 is from the trunk highway fund. At a minimum, the commissioner's study
278.25 must include estimated construction costs, traffic modeling, an environmental analysis, and
278.26 a potential design layout for an interchange. This is a onetime appropriation.

278.27 Sec. 103. **LEGISLATIVE ROUTE NO. 180 TURNBACK; SPEED LIMIT.**

278.28 If the commissioner of transportation turns back any portion of Legislative Route No.
278.29 180 to Grant County, the speed limit on that portion of the road after it is turned back must
278.30 remain 60 miles per hour.

278.31 **EFFECTIVE DATE.** This section is effective June 1, 2018.

279.1 Sec. 104. **LEGISLATIVE ROUTE NO. 222 REMOVED.**

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

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

279.10 Sec. 105. **LEGISLATIVE ROUTE NO. 253 REMOVED.**

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

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

279.19 Sec. 106. **LEGISLATIVE ROUTE NO. 254 REMOVED.**

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

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

279.28 Sec. 107. **LEGISLATIVE ROUTE NO. 277 REMOVED.**

279.29 (a) Minnesota Statutes, section 161.115, subdivision 208, is repealed effective the latter
279.30 of June 1, 2018, or the day after the commissioner of transportation receives a copy of the
279.31 agreement between the commissioner and the governing body of Chippewa County to

280.1 transfer jurisdiction of Legislative Route No. 277 and after the commissioner notifies the
280.2 revisor of statutes under paragraph (b).

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

280.6 **Sec. 108. LEGISLATIVE ROUTE NO. 298 REMOVED.**

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

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

280.15 **Sec. 109. LEGISLATIVE ROUTE NO. 299 REMOVED.**

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

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

280.24 **Sec. 110. LEGISLATIVE ROUTE NO. 323 REMOVED.**

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

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

281.4 Sec. 111. **MARKED INTERSTATE HIGHWAY 35 SIGNS.**

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

281.11 **EFFECTIVE DATE.** This section is effective June 1, 2018.

281.12 Sec. 112. **MARKED INTERSTATE HIGHWAY 94 STUDY; APPROPRIATION.**

281.13 \$1,450,000 in fiscal year 2019 is appropriated to the commissioner of transportation to
281.14 conduct a study on the feasibility of expanding or reconstructing marked Interstate Highway
281.15 94 from the city of St. Michael to the city of St. Cloud. Of this appropriation, \$950,000 is
281.16 from the general fund and \$500,000 is from the trunk highway fund. At a minimum, the
281.17 commissioner's study must include traffic modeling and an environmental analysis. This is
281.18 a onetime appropriation.

281.19 Sec. 113. **MNLARS REIMBURSEMENT FROM THE JOINT HOUSE AND SENATE**
281.20 **SUBCOMMITTEE ON CLAIMS.**

281.21 Any person may seek reimbursement from the joint house and senate Subcommittee on
281.22 Claims for any personal or business costs that would not have been incurred but for an
281.23 unreasonable delay caused by the Minnesota Licensing and Registration System (MNLARS)
281.24 or improper functioning of MNLARS. The subcommittee must determine whether a delay
281.25 is unreasonable compared to the length of time it took to complete a similar transaction
281.26 prior to the use of MNLARS.

281.27 **EFFECTIVE DATE.** This section is effective June 1, 2018.

282.1 Sec. 114. **MOTOR VEHICLE TITLE TRANSFER AND REGISTRATION**
282.2 **ADVISORY COMMITTEE; FIRST APPOINTMENTS; FIRST MEETING.**

282.3 Subdivision 1. **First appointments.** Appointment authorities must make first
282.4 appointments to the Motor Vehicle Title Transfer and Registration Advisory Committee by
282.5 September 15, 2018.

282.6 Subd. 2. **First meeting.** The commissioner of public safety or a designee shall convene
282.7 the first meeting of the advisory committee by November 1, 2018.

282.8 Sec. 115. **PUBLIC AWARENESS CAMPAIGN.**

282.9 The commissioner of public safety shall conduct a public awareness campaign to increase
282.10 public knowledge about Minnesota Statutes, section 169.18, subdivision 10.

282.11 Sec. 116. **TRANSFER; DRIVER AND VEHICLE SERVICES TECHNOLOGY**
282.12 **ACCOUNT.**

282.13 On July 1, 2018, the remaining balance in the driver and vehicle services technology
282.14 account in the special revenue fund is transferred to the driver and vehicle services technology
282.15 account in the driver and vehicle services fund.

282.16 Sec. 117. **TRANSFER; DRIVER SERVICES OPERATING ACCOUNT.**

282.17 On July 1, 2018, the remaining balance in the driver services operating account in the
282.18 special revenue fund is transferred to the driver services operating account in the driver and
282.19 vehicle services fund.

282.20 Sec. 118. **TRANSFER; VEHICLE SERVICES OPERATING ACCOUNT.**

282.21 On July 1, 2018, the remaining balance in the vehicle services operating account in the
282.22 special revenue fund is transferred to the vehicle services operating account in the driver
282.23 and vehicle services fund.

282.24 Sec. 119. **APPROPRIATION; DEPUTY REGISTRAR REIMBURSEMENTS.**

282.25 (a) \$9,000,000 in fiscal year 2018 is appropriated from the special revenue fund to the
282.26 commissioner of management and budget for grants to deputy registrars under Minnesota
282.27 Statutes, section 168.33. Of this amount, \$3,000,000 is from the vehicle services operating
282.28 account and \$6,000,000 is from the driver services operating account. This is a onetime
282.29 appropriation and is available until June 30, 2019.

283.1 (b) The reimbursement to each deputy registrar is calculated as follows:

283.2 (1) 50 percent of available funds allocated proportionally based on (i) the number of
283.3 transactions where a filing fee under Minnesota Statutes, section 168.33, subdivision 7, is
283.4 retained by each deputy registrar from August 1, 2017, through January 31, 2018, compared
283.5 to (ii) the total number of transactions where a filing fee is retained by all deputy registrars
283.6 during that time period; and

283.7 (2) 50 percent of available funds, or 100 percent of available funds if there is insufficient
283.8 data to perform the calculation under clause (1), allocated proportionally based on (i) the
283.9 number of transactions where a filing fee is retained by each deputy registrar from July 1,
283.10 2014, through June 30, 2017, compared to (ii) the total number of transactions where a filing
283.11 fee is retained by all deputy registrars during that time period.

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

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

283.22 (e) Except as provided in paragraph (c), in the calculations under paragraph (b) the
283.23 commissioner of management and budget must exclude transactions for (1) a deputy registrar
283.24 that is no longer operating as of the effective date of this section, and (2) a deputy registrar
283.25 office operated by the state.

283.26 (f) A deputy registrar office operated by the state is not eligible to receive funds under
283.27 this section.

283.28 (g) The commissioner of management and budget must make efforts to reimburse deputy
283.29 registrars within 30 days of the effective date of this section. The commissioner must use
283.30 existing resources to administer the reimbursements.

283.31 **EFFECTIVE DATE.** This section is effective June 1, 2018.

284.1 Sec. 120. **APPROPRIATION; MNLARS FUNDING.**

284.2 Subdivision 1. Appropriations. \$13,200,000 in fiscal year 2019 is appropriated to the
284.3 commissioner of public safety for contracted technical staff and technical costs related to
284.4 continued development, improvement, operations, and deployment of MNLARS. Of this
284.5 appropriation, \$12,600,000 is from the general fund, \$200,000 is from the vehicle services
284.6 operating account in the driver and vehicle services fund, and \$400,000 is from the driver
284.7 services operating account in the driver and vehicle services fund. The base for this
284.8 appropriation from the general fund is \$1,400,000 in fiscal year 2020 and \$0 in fiscal year
284.9 2021. The base for this appropriation from the vehicle services operating account is
284.10 \$1,300,000 in fiscal year 2020 and \$0 in fiscal year 2021. The base for this appropriation
284.11 from the driver services operating account is \$2,800,000 in fiscal year 2020 and \$0 in fiscal
284.12 year 2021. The planning estimates in fiscal year 2020 may only be used for a FAST
284.13 Enterprise contract payment related to the driver licensing system.

284.14 Subd. 2. Quarterly funding review. The appropriations in this section are subject to
284.15 the quarterly review process established in Laws 2018, chapter 101, section 5, subdivision
284.16 5.

284.17 Subd. 3. Use of funds. The appropriation in subdivision 1 for fiscal year 2019 may be
284.18 expended only for:

284.19 (1) contracting to perform software development on the vehicle services component of
284.20 MNLARS; and

284.21 (2) technology costs.

284.22 The appropriation in this paragraph must not be expended on additional full or part-time
284.23 employees employed by the Department of Public Safety.

284.24 Sec. 121. **APPROPRIATION; CAT II APPROACH SYSTEM; ROCHESTER.**

284.25 (a) \$285,000 in fiscal year 2019 is appropriated from the state airport fund to the
284.26 commissioner of transportation for a grant to the city of Rochester to acquire and install a
284.27 CAT II approach system at the Rochester International Airport. This is a onetime
284.28 appropriation.

284.29 (b) This appropriation is available when the commissioner of management and budget
284.30 determines that sufficient resources have been committed to complete the project, as required
284.31 by Minnesota Statutes, section 16A.502, and is available until June 30, 2023, subject to
284.32 Minnesota Statutes, section 16A.642.

285.1 Sec. 122. **REVISOR'S INSTRUCTION.**

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

285.5 Sec. 123. **REPEALER.**

285.6 (a) Minnesota Statutes 2016, sections 168.013, subdivision 21; and 221.161, subdivisions
 285.7 2, 3, and 4, are repealed.

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

285.10 Sec. 124. **APPLICATION.**

285.11 (a) Sections 62 to 83 and section 123, paragraph (b), are effective August 1, 2018, and
 285.12 apply to airport sponsors that make or plan to make changes to runway lengths or
 285.13 configurations on or after that date.

285.14 (b) Sections 62 to 83 and section 123, paragraph (b), do not apply to airports that (1)
 285.15 have airport safety zoning ordinances approved by this commissioner in effect on August
 285.16 1, 2018; (2) have not made and are not planning to make changes to runway lengths or
 285.17 configurations; and (3) are not required to update airport safety zoning ordinances.

285.18 **ARTICLE 18**285.19 **AGRICULTURE AND RURAL DEVELOPMENT APPROPRIATIONS**285.20 Section 1. **APPROPRIATIONS.**

285.21 The sums shown in the columns marked "Appropriations" are added to the appropriations
 285.22 in Laws 2017, chapter 88, or appropriated to the agencies and for the purposes specified in
 285.23 this article. The appropriations are from the general fund, or another named fund, and are
 285.24 available for the fiscal year indicated for each purpose. The figures "2018" and "2019" used
 285.25 in this article mean that the addition to the appropriations listed under them are available
 285.26 for the fiscal year ending June 30, 2018, or June 30, 2019, respectively. "The first year" is
 285.27 fiscal year 2018. "The second year" is fiscal year 2019. Appropriations for fiscal year 2018
 285.28 are effective the day following final enactment.

285.29

APPROPRIATIONS

285.30

Available for the Year

285.31

Ending June 30

286.1		<u>2018</u>	<u>2019</u>
286.2	Sec. 2. <u>DEPARTMENT OF AGRICULTURE.</u> \$	..... \$	.....

286.3 (a) \$200,000 the second year is for additional
 286.4 statewide mental health counseling support to
 286.5 farm families and business operators. This
 286.6 amount is added to the appropriation in Laws
 286.7 2017, chapter 88, article 1, section 2,
 286.8 subdivision 5, paragraph (h), and to the
 286.9 department's base budget.

286.10 (b) \$200,000 the second year is a reduction to
 286.11 the administration and financial assistance
 286.12 division.

286.13 Sec. 3. Laws 2017, chapter 88, article 1, section 2, subdivision 2, is amended to read:

286.14	Subd. 2. Protection Services	17,821,000	17,825,000
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286.15	Appropriations by Fund		
286.16	2018	2019	
286.17	General	17,428,000	17,428,000
286.18	Remediation	393,000	397,000

286.19 (a) \$25,000 the first year and \$25,000 the
 286.20 second year are to develop and maintain
 286.21 cottage food license exemption outreach and
 286.22 training materials.

286.23 (b) \$75,000 the first year and \$75,000 the
 286.24 second year are to coordinate the correctional
 286.25 facility vocational training program and to
 286.26 assist entities that have explored the feasibility
 286.27 of establishing a USDA-certified or state
 286.28 "equal to" food processing facility within 30
 286.29 miles of the Northeast Regional Corrections
 286.30 Center.

286.31 (c) \$125,000 the first year and \$125,000 the
 286.32 second year are for additional funding for the

287.1 noxious weed and invasive plant program.
287.2 These are onetime appropriations.

287.3 (d) \$250,000 the first year and \$250,000 the
287.4 second year are for transfer to the pollinator
287.5 habitat and research account in the agricultural
287.6 fund. These are onetime transfers.

287.7 (e) \$393,000 the first year and \$397,000 the
287.8 second year are from the remediation fund for
287.9 administrative funding for the voluntary
287.10 cleanup program.

287.11 (f) \$200,000 the first year and \$200,000 the
287.12 second year are for the industrial hemp pilot
287.13 program under Minnesota Statutes, section
287.14 18K.09. These are onetime appropriations.

287.15 (g) \$175,000 the first year and \$175,000 the
287.16 second year are for compensation for
287.17 destroyed or crippled livestock under
287.18 Minnesota Statutes, section 3.737. This
287.19 appropriation may be spent to compensate for
287.20 livestock that were destroyed or crippled
287.21 during fiscal year 2017. If the amount in the
287.22 first year is insufficient, the amount in the
287.23 second year is available in the first year. The
287.24 commissioner may use up to \$5,000 of this
287.25 appropriation the second year to reimburse
287.26 expenses incurred by university extension
287.27 agents to provide fair market values of
287.28 destroyed or crippled livestock.

287.29 (h) \$155,000 the first year and \$155,000 the
287.30 second year are for compensation for crop
287.31 damage under Minnesota Statutes, section
287.32 3.7371. If the amount in the first year is
287.33 insufficient, the amount in the second year is
287.34 available in the first year. The commissioner

288.1 may use up to \$30,000 of the appropriation
288.2 each year to reimburse expenses incurred by
288.3 the commissioner or the commissioner's
288.4 approved agent to investigate and resolve
288.5 claims.

288.6 If the commissioner determines that claims
288.7 made under Minnesota Statutes, section 3.737
288.8 or 3.7371, are unusually high, amounts
288.9 appropriated for either program may be
288.10 transferred to the appropriation for the other
288.11 program.

288.12 (i) \$250,000 the first year and \$250,000 the
288.13 second year are to expand current capabilities
288.14 for rapid detection, identification, containment,
288.15 control, and management of high priority plant
288.16 pests and pathogens. These are onetime
288.17 appropriations.

288.18 (j) \$300,000 the first year and \$300,000 the
288.19 second year are for transfer to the noxious
288.20 weed and invasive plant species assistance
288.21 account in the agricultural fund to award
288.22 grants to local units of government under
288.23 Minnesota Statutes, section 18.90, with
288.24 preference given to local units of government
288.25 responding to Palmer amaranth or other weeds
288.26 on the eradicate list. These are onetime
288.27 transfers.

288.28 (k) \$120,000 the first year and \$120,000 the
288.29 second year are for wolf-livestock conflict
288.30 prevention grants under article 2, section 89.
288.31 The commissioner must submit a report to the
288.32 chairs and ranking minority members of the
288.33 legislative committees with jurisdiction over
288.34 agriculture policy and finance by January 15,
288.35 2020, on the outcomes of the wolf-livestock

289.1 conflict prevention grants and whether
 289.2 livestock compensation claims were reduced
 289.3 in the areas that grants were awarded. These
 289.4 are onetime appropriations.

289.5 Sec. 4. Laws 2017, chapter 88, article 1, section 2, subdivision 4, is amended to read:

289.6 **Subd. 4. Agriculture, Bioenergy, and Bioproduct**
 289.7 **Advancement**

22,581,000

22,636,000

289.8 (a) \$9,300,000 the first year and \$9,300,000
 289.9 the second year are for transfer to the
 289.10 agriculture research, education, extension, and
 289.11 technology transfer account under Minnesota
 289.12 Statutes, section 41A.14, subdivision 3. Of
 289.13 these amounts: at least \$600,000 the first year
 289.14 and \$600,000 the second year are for the
 289.15 Minnesota Agricultural Experiment Station's
 289.16 agriculture rapid response fund under
 289.17 Minnesota Statutes, section 41A.14,
 289.18 subdivision 1, clause (2); \$2,000,000 the first
 289.19 year and \$2,000,000 the second year are for
 289.20 grants to the Minnesota Agriculture Education
 289.21 Leadership Council to enhance agricultural
 289.22 education with priority given to Farm Business
 289.23 Management challenge grants; \$350,000 the
 289.24 first year and \$350,000 the second year are
 289.25 for potato breeding; and \$450,000 the first
 289.26 year and \$450,000 the second year are for the
 289.27 cultivated wild rice breeding project at the
 289.28 North Central Research and Outreach Center
 289.29 to include a tenure track/research associate
 289.30 plant breeder. The commissioner shall transfer
 289.31 the remaining funds in this appropriation each
 289.32 year to the Board of Regents of the University
 289.33 of Minnesota for purposes of Minnesota
 289.34 Statutes, section 41A.14. Of the amount
 289.35 transferred to the Board of Regents, up to

290.1 \$1,000,000 each year is for research on avian
290.2 influenza, including prevention measures that
290.3 can be taken.

290.4 To the extent practicable, funds expended
290.5 under Minnesota Statutes, section 41A.14,
290.6 subdivision 1, clauses (1) and (2), must
290.7 supplement and not supplant existing sources
290.8 and levels of funding. The commissioner may
290.9 use up to one percent of this appropriation for
290.10 costs incurred to administer the program.

290.11 (b) \$13,256,000 the first year and \$13,311,000
290.12 the second year are for the agricultural growth,
290.13 research, and innovation program in
290.14 Minnesota Statutes, section 41A.12. Except
290.15 as provided below, the commissioner may
290.16 allocate the appropriation each year among
290.17 the following areas: facilitating the start-up,
290.18 modernization, or expansion of livestock
290.19 operations including beginning and
290.20 transitioning livestock operations; developing
290.21 new markets for Minnesota farmers by
290.22 providing more fruits, vegetables, meat, grain,
290.23 and dairy for Minnesota school children;
290.24 assisting value-added agricultural businesses
290.25 to begin or expand, access new markets, or
290.26 diversify; providing funding not to exceed
290.27 \$250,000 each year for urban youth
290.28 agricultural education or urban agriculture
290.29 community development; providing funding
290.30 not to exceed \$250,000 each year for the good
290.31 food access program under Minnesota
290.32 Statutes, section 17.1017; facilitating the
290.33 start-up, modernization, or expansion of other
290.34 beginning and transitioning farms including
290.35 by providing loans under Minnesota Statutes,

291.1 section 41B.056; sustainable agriculture
291.2 on-farm research and demonstration;
291.3 development or expansion of food hubs and
291.4 other alternative community-based food
291.5 distribution systems; enhancing renewable
291.6 energy infrastructure and use; crop research;
291.7 Farm Business Management tuition assistance;
291.8 good agricultural practices/good handling
291.9 practices certification assistance; establishing
291.10 and supporting farmer-led water management
291.11 councils; and implementing farmer-led water
291.12 quality improvement practices. The
291.13 commissioner may use up to 6.5 percent of
291.14 this appropriation for costs incurred to
291.15 administer the program.

291.16 Of the amount appropriated for the agricultural
291.17 growth, research, and innovation program in
291.18 Minnesota Statutes, section 41A.12:

291.19 (1) \$1,000,000 the first year and \$1,000,000
291.20 the second year are for distribution in equal
291.21 amounts to each of the state's county fairs to
291.22 preserve and promote Minnesota agriculture;
291.23 and

291.24 (2) \$1,500,000 the first year and \$1,500,000
291.25 the second year are for incentive payments
291.26 under Minnesota Statutes, sections 41A.16,
291.27 41A.17, and 41A.18. Notwithstanding
291.28 Minnesota Statutes, section 16A.28, the first
291.29 year appropriation is available until June 30,
291.30 2019, and the second year appropriation is
291.31 available until June 30, 2020. If this
291.32 appropriation exceeds the total amount for
291.33 which all producers are eligible in a fiscal
291.34 year, the commissioner must issue incentive
291.35 payments under Minnesota Statutes, section

292.1 41A.17, to facilities that otherwise satisfy the
292.2 criteria and requirements in that section but
292.3 began producing renewable chemical from
292.4 forestry biomass between January 1, 2013,
292.5 and January 1, 2015, and any remaining
292.6 balance of the appropriation is available for
292.7 the agricultural growth, research, and
292.8 innovation program.

292.9 The commissioner may use funds appropriated
292.10 under this subdivision to award up to two
292.11 value-added agriculture grants per year of up
292.12 to \$1,000,000 per grant for new or expanding
292.13 agricultural production or processing facilities
292.14 that provide significant economic impact to
292.15 the region. The commissioner may use funds
292.16 appropriated under this subdivision for
292.17 additional value-added agriculture grants for
292.18 awards between \$1,000 and \$200,000 per
292.19 grant.

292.20 Appropriations in clauses (1) and (2) are
292.21 onetime. Any unencumbered balance does not
292.22 cancel at the end of the first year and is
292.23 available for the second year. Notwithstanding
292.24 Minnesota Statutes, section 16A.28,
292.25 appropriations encumbered under contract on
292.26 or before June 30, 2019, for agricultural
292.27 growth, research, and innovation grants are
292.28 available until June 30, 2021.

292.29 The base budget for the agricultural growth,
292.30 research, and innovation program is
292.31 \$14,275,000 for fiscal years 2020 and 2021
292.32 and includes funding for incentive payments
292.33 under Minnesota Statutes, sections 41A.16,
292.34 41A.17, 41A.18, and 41A.20.

293.1 The commissioner must develop additional
 293.2 innovative production incentive programs to
 293.3 be funded by the agricultural growth, research,
 293.4 and innovation program.

293.5 The commissioner must consult with the
 293.6 commissioner of transportation, the
 293.7 commissioner of administration, and local
 293.8 units of government to identify parcels of
 293.9 publicly owned land that are suitable for urban
 293.10 agriculture.

293.11 (c) \$25,000 the first year and \$25,000 the
 293.12 second year are for grants to the Southern
 293.13 Minnesota Initiative Foundation to promote
 293.14 local foods through an annual event that raises
 293.15 public awareness of local foods and connects
 293.16 local food producers and processors with
 293.17 potential buyers.

293.18 ARTICLE 19

293.19 AGRICULTURE STATUTORY CHANGES

293.20 Section 1. Minnesota Statutes 2016, section 17.494, is amended to read:

293.21 **17.494 AQUACULTURE PERMITS; RULES.**

293.22 (a) The commissioner shall act as permit or license coordinator for aquatic farmers and
 293.23 shall assist aquatic farmers to obtain licenses or permits.

293.24 ~~By July 1, 1992,~~ (b) A state agency issuing multiple permits or licenses for aquaculture
 293.25 shall consolidate the permits or licenses required for every aquatic farm location. The
 293.26 Department of Natural Resources transportation permits are exempt from this requirement.
 293.27 State agencies shall adopt rules or issue commissioner's orders that establish permit and
 293.28 license requirements, approval timelines, and compliance standards. Saltwater aquatic farms,
 293.29 as defined in section 17.4982, and processing facilities for saltwater aquatic life, as defined
 293.30 in section 17.4982, must be classified as agricultural operations for purposes of any
 293.31 construction, discharge, or other permit issued by the Pollution Control Agency.

293.32 Nothing in this section modifies any state agency's regulatory authority over aquaculture
 293.33 production.

294.1 Sec. 2. Minnesota Statutes 2016, section 17.4982, is amended by adding a subdivision to
294.2 read:

294.3 Subd. 20a. **Saltwater aquaculture.** "Saltwater aquaculture" means the commercial
294.4 propagation and rearing of saltwater aquatic life including, but not limited to, crustaceans,
294.5 primarily for consumption as human food.

294.6 Sec. 3. Minnesota Statutes 2016, section 17.4982, is amended by adding a subdivision to
294.7 read:

294.8 Subd. 20b. **Saltwater aquatic farm.** "Saltwater aquatic farm" means a facility used for
294.9 saltwater aquaculture including but not limited to artificial ponds, vats, tanks, raceways,
294.10 and other facilities that an aquatic farmer owns or has exclusive control of for the sole
294.11 purpose of producing saltwater aquatic life.

294.12 Sec. 4. Minnesota Statutes 2016, section 17.4982, is amended by adding a subdivision to
294.13 read:

294.14 Subd. 20c. **Saltwater aquatic life.** "Saltwater aquatic life" means aquatic species that
294.15 are saltwater obligates or perform optimally when raised in salinities closer to that of natural
294.16 seawater and need saltwater to survive.

294.17 Sec. 5. **[17.499] TRANSPORTATION OR IMPORTATION OF SALTWATER**
294.18 **AQUATIC LIFE; QUARANTINE REQUIREMENT.**

294.19 Subdivision 1. **Purpose.** The legislature finds that it is in the public interest to increase
294.20 private saltwater aquaculture production and processing in this state under the coordination
294.21 of the commissioner of agriculture. Additional private production will reduce dependence
294.22 on foreign suppliers and benefit the rural economy by creating new jobs and economic
294.23 activity.

294.24 Subd. 2. **Transportation permit.** (a) Notwithstanding the requirements in section
294.25 17.4985, saltwater aquatic life transportation and importation requirements are governed
294.26 by this section. A transportation permit is required prior to any importation or intrastate
294.27 transportation of saltwater aquatic life not exempted under subdivision 3. A transportation
294.28 permit may be used for multiple shipments within the 30-day term of the permit if the source
294.29 and the destination remain the same. Transportation permits must be obtained from the
294.30 commissioner prior to shipment of saltwater aquatic life.

294.31 (b) An application for a transportation permit must be made in the form required by the
294.32 commissioner. The commissioner may reject an incomplete application.

295.1 (c) An application for a transportation permit must be accompanied by satisfactory
295.2 evidence, as determined by the commissioner, that the shipment is free of any nonindigenous
295.3 species of animal other than the saltwater aquatic species and either:

295.4 (1) the facility from which the saltwater aquatic life originated has provided
295.5 documentation of 36 or more consecutive months of negative testing by an approved
295.6 laboratory as free of any disease listed by OIE - the World Organisation for Animal Health
295.7 for that species following the testing guidelines outlined in the OIE Aquatic Animal Health
295.8 Code for crustaceans or the AFS Fish Health Blue Book for other species, as appropriate;
295.9 or

295.10 (2) the saltwater aquatic life to be imported or transported includes documentation of
295.11 negative testing for that specific lot by an approved laboratory as free of any disease listed
295.12 by OIE - the World Organisation for Animal Health for crustaceans or in the AFS Fish
295.13 Health Blue Book for other species, as appropriate.

295.14 If a shipment authorized by the commissioner under clause (1) includes saltwater aquatic
295.15 life that originated in a foreign country, the shipment must be quarantined at the receiving
295.16 facility according to a quarantine plan approved by the commissioner. A shipment authorized
295.17 by the commissioner under clause (2) must be quarantined at the receiving facility according
295.18 to a quarantine plan approved by the commissioner.

295.19 (d) For purposes of this subdivision, "approved laboratory" means a laboratory approved
295.20 by the commissioner or the United States Department of Agriculture, Animal and Plant
295.21 Health Inspection Services.

295.22 (e) No later than 14 calendar days after a completed transportation permit application
295.23 is received, the commissioner must approve or deny the transportation permit application.

295.24 (f) A copy of the transportation permit must accompany a shipment of saltwater aquatic
295.25 life while in transit and must be available for inspection by the commissioner.

295.26 (g) A vehicle used by a licensee for transporting aquatic life must be identified with the
295.27 license number and the licensee's name and town of residence as it appears on the license.
295.28 A vehicle used by a licensee must have identification displayed so that it is readily visible
295.29 from either side of the vehicle in letters and numbers not less than 2-1/2 inches high and
295.30 three-eighths inch wide. Identification may be permanently affixed to vehicles or displayed
295.31 on removable plates or placards placed on opposite doors of the vehicle or on the tanks
295.32 carried on the vehicle.

296.1 (h) An application to license a vehicle for brood stock or larvae transport or for use as
 296.2 a saltwater aquatic life vendor that is received by the commissioner is a temporary license
 296.3 until approved or denied by the commissioner.

296.4 Subd. 3. Exemptions. (a) A transportation permit is not required to transport or import
 296.5 saltwater aquatic life:

296.6 (1) previously processed for use as food or other purposes unrelated to propagation;

296.7 (2) transported directly to an outlet for processing as food or for other food purposes if
 296.8 accompanied by shipping documents;

296.9 (3) that is being exported if accompanied by shipping documents;

296.10 (4) that is being transported through the state if accompanied by shipping documents;

296.11 or

296.12 (5) transported intrastate within or between facilities licensed for saltwater aquaculture
 296.13 by the commissioner if accompanied by shipping documents.

296.14 (b) Shipping documents required under paragraph (a) must include the place of origin,
 296.15 owner or consignee, destination, number, species, and satisfactory evidence, as determined
 296.16 by the commissioner, of the disease-free certification required under subdivision 2, paragraph
 296.17 (c), clauses (1) and (2).

296.18 Sec. 6. Minnesota Statutes 2016, section 18.83, subdivision 7, is amended to read:

296.19 Subd. 7. **Expenses; reimbursements.** A claim for the expense of controlling or
 296.20 eradicating noxious weeds, which may include the costs of serving notices, is a legal charge
 296.21 against the county in which the land is located. The officers having the work done must file
 296.22 with the county auditor a verified and itemized statement of cost for all services rendered
 296.23 on each separate tract or lot of land. The county auditor shall immediately issue proper
 296.24 warrants to the persons named on the statement as having rendered services. To reimburse
 296.25 the county for its expenditure in this regard, the county auditor shall certify the total amount
 296.26 due and, unless an appeal is made in accordance with section 18.84, enter it on the tax roll
 296.27 as a tax upon the land and it must be collected as other real estate taxes are collected.

296.28 If ~~public~~ publicly owned or managed land is involved, the amount due must be paid
 296.29 from ~~funds provided~~ money appropriated for maintenance of the land or from the general
 296.30 revenue or operating fund of the agency responsible for the land. ~~Each claim for control or~~
 296.31 ~~eradication of noxious weeds on public lands must first be approved by the commissioner~~
 296.32 ~~of agriculture.~~

297.1 Sec. 7. Minnesota Statutes 2016, section 18C.425, subdivision 6, is amended to read:

297.2 Subd. 6. **Payment of inspection fee.** (a) The person who registers and distributes in the
297.3 state a specialty fertilizer, soil amendment, or plant amendment under section 18C.411 shall
297.4 pay the inspection fee to the commissioner.

297.5 (b) The person licensed under section 18C.415 who distributes a fertilizer to a person
297.6 not required to be so licensed shall pay the inspection fee to the commissioner, except as
297.7 exempted under section 18C.421, subdivision 1, paragraph (b).

297.8 (c) The person responsible for payment of the inspection fees for fertilizers, soil
297.9 amendments, or plant amendments sold and used in this state must pay an inspection fee of
297.10 39 cents per ton, and until June 30, ~~2019~~ 2029, an additional 40 cents per ton, of fertilizer,
297.11 soil amendment, and plant amendment sold or distributed in this state, with a minimum of
297.12 \$10 on all tonnage reports. Notwithstanding section 18C.131, the commissioner must deposit
297.13 all revenue from the additional 40 cents per ton fee in the agricultural fertilizer research and
297.14 education account in section 18C.80. Products sold or distributed to manufacturers or
297.15 exchanged between them are exempt from the inspection fee imposed by this subdivision
297.16 if the products are used exclusively for manufacturing purposes.

297.17 (d) A registrant or licensee must retain invoices showing proof of fertilizer, plant
297.18 amendment, or soil amendment distribution amounts and inspection fees paid for a period
297.19 of three years.

297.20 Sec. 8. Minnesota Statutes 2017 Supplement, section 18C.70, subdivision 5, is amended
297.21 to read:

297.22 Subd. 5. **Expiration.** This section expires June 30, ~~2020~~ 2030.

297.23 Sec. 9. Minnesota Statutes 2017 Supplement, section 18C.71, subdivision 4, is amended
297.24 to read:

297.25 Subd. 4. **Expiration.** This section expires June 30, ~~2020~~ 2030.

297.26 Sec. 10. Minnesota Statutes 2016, section 18C.80, subdivision 2, is amended to read:

297.27 Subd. 2. **Expiration.** This section expires June 30, ~~2020~~ 2030.

297.28 Sec. 11. Minnesota Statutes 2016, section 21.89, subdivision 2, is amended to read:

297.29 Subd. 2. **Permits; issuance and revocation.** The commissioner shall issue a permit to
297.30 the initial labeler of agricultural, vegetable, flower, and wildflower seeds which are sold

298.1 for use in Minnesota and which conform to and are labeled under sections 21.80 to 21.92.

298.2 The categories of permits are as follows:

298.3 (1) for initial labelers who sell 50,000 pounds or less of agricultural seed each calendar
298.4 year, an annual permit issued for a fee established in section 21.891, subdivision 2, paragraph
298.5 (b);

298.6 (2) for initial labelers who sell vegetable, flower, and wildflower seed packed for use
298.7 in home gardens or household plantings, ~~and initial labelers who sell native grasses and~~
298.8 ~~wildflower seed in commercial or agricultural quantities~~, an annual permit issued for a fee
298.9 established in section 21.891, subdivision 2, paragraph (c), based upon the gross sales from
298.10 the previous year; and

298.11 (3) for initial labelers who sell more than 50,000 pounds of agricultural seed each calendar
298.12 year, a permanent permit issued for a fee established in section 21.891, subdivision 2,
298.13 paragraph (d).

298.14 In addition, the person shall furnish to the commissioner an itemized statement of all
298.15 seeds sold in Minnesota for the periods established by the commissioner. This statement
298.16 shall be delivered, along with the payment of the fee, based upon the amount and type of
298.17 seed sold, to the commissioner no later than 30 days after the end of each reporting period.
298.18 Any person holding a permit shall show as part of the analysis labels or invoices on all
298.19 agricultural, vegetable, flower, wildflower, tree, or shrub seeds all information the
298.20 commissioner requires. The commissioner may revoke any permit in the event of failure to
298.21 comply with applicable laws and rules.

298.22 Sec. 12. Minnesota Statutes 2016, section 41A.16, subdivision 1, is amended to read:

298.23 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must
298.24 source at least 80 percent raw materials from Minnesota. If a facility is sited 50 miles or
298.25 less from the state border, raw materials may be sourced from within a 100-mile radius.
298.26 Raw materials must be from agricultural or forestry sources or from solid waste. The facility
298.27 must be located in Minnesota, must begin production at a specific location by June 30, 2025,
298.28 and must not begin operating above ~~23,750~~ 1,500 MMbtu of quarterly advanced biofuel
298.29 production before July 1, 2015. Eligible facilities include existing companies and facilities
298.30 that are adding advanced biofuel production capacity, or retrofitting existing capacity, as
298.31 well as new companies and facilities. Production of conventional corn ethanol and
298.32 conventional biodiesel is not eligible. Eligible advanced biofuel facilities must produce at
298.33 least ~~23,750~~ 1,500 MMbtu of advanced biofuel quarterly.

299.1 (b) No payments shall be made for advanced biofuel production that occurs after June
299.2 30, 2035, for those eligible biofuel producers under paragraph (a).

299.3 (c) An eligible producer of advanced biofuel shall not transfer the producer's eligibility
299.4 for payments under this section to an advanced biofuel facility at a different location.

299.5 (d) A producer that ceases production for any reason is ineligible to receive payments
299.6 under this section until the producer resumes production.

299.7 (e) Renewable chemical production for which payment has been received under section
299.8 41A.17, and biomass thermal production for which payment has been received under section
299.9 41A.18, are not eligible for payment under this section.

299.10 (f) Biobutanol is eligible under this section.

299.11 Sec. 13. Minnesota Statutes 2016, section 41A.16, subdivision 2, is amended to read:

299.12 Subd. 2. **Payment amounts; limits.** (a) The commissioner shall make payments to
299.13 eligible producers of advanced biofuel. The amount of the payment for each eligible
299.14 producer's annual production is \$2.1053 per MMbtu for advanced biofuel production from
299.15 cellulosic biomass, and \$1.053 per MMbtu for advanced biofuel production from sugar ~~or~~₂
299.16 starch, oil, or animal fat at a specific location for ten years after the start of production.

299.17 (b) Total payments under this section to an eligible biofuel producer in a fiscal year may
299.18 not exceed the amount necessary for 2,850,000 MMbtu of biofuel production. Total payments
299.19 under this section to all eligible biofuel producers in a fiscal year may not exceed the amount
299.20 necessary for 17,100,000 MMbtu of biofuel production. The commissioner shall award
299.21 payments on a first-come, first-served basis within the limits of available funding.

299.22 (c) For purposes of this section, an entity that holds a controlling interest in more than
299.23 one advanced biofuel facility is considered a single eligible producer.

299.24 Sec. 14. Minnesota Statutes 2016, section 41A.17, subdivision 1, is amended to read:

299.25 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this program must
299.26 source at least 80 percent of the biobased content used to produce a renewable chemical
299.27 from the state of Minnesota. If a facility is sited 50 miles or less from the state border, the
299.28 facility must source at least 80 percent of the biobased content ~~must be sourced~~ used to
299.29 produce a renewable chemical from within a 100-mile radius of the facility. Biobased content
299.30 must be from agricultural or forestry sources or from solid waste. The facility must be
299.31 located in Minnesota, must begin production at a specific location by June 30, 2025, and
299.32 must not begin production of ~~750,000~~ 250,000 pounds of chemicals quarterly before January

300.1 1, 2015. Eligible facilities include existing companies and facilities that are adding production
300.2 capacity, or retrofitting existing capacity, as well as new companies and facilities. Eligible
300.3 renewable chemical facilities must produce at least ~~750,000~~ 250,000 pounds of renewable
300.4 chemicals quarterly. Renewable chemicals produced through processes that are fully
300.5 commercial before January 1, 2000, are not eligible.

300.6 (b) No payments shall be made for renewable chemical production that occurs after June
300.7 30, 2035, for those eligible renewable chemical producers under paragraph (a).

300.8 (c) An eligible producer of renewable chemicals shall not transfer the producer's eligibility
300.9 for payments under this section to a renewable chemical facility at a different location.

300.10 (d) A producer that ceases production for any reason is ineligible to receive payments
300.11 under this section until the producer resumes production.

300.12 (e) Advanced biofuel production for which payment has been received under section
300.13 41A.16, and biomass thermal production for which payment has been received under section
300.14 41A.18, are not eligible for payment under this section.

300.15 Sec. 15. Minnesota Statutes 2016, section 103H.275, subdivision 1, is amended to read:

300.16 Subdivision 1. **Areas where groundwater pollution is detected.** (a) If groundwater
300.17 pollution is detected, a state agency or political subdivision that regulates an activity causing
300.18 or potentially causing a contribution to the pollution identified shall promote implementation
300.19 of best management practices to prevent or minimize the source of pollution to the extent
300.20 practicable.

300.21 (b) The Pollution Control Agency, or for agricultural chemicals and practices, the
300.22 commissioner of agriculture may adopt water source protection requirements under
300.23 subdivision 2 that are consistent with the goal of section 103H.001 and are commensurate
300.24 with the groundwater pollution if the implementation of best management practices has
300.25 proven to be ineffective.

300.26 (c) The water resources protection requirements must be:

300.27 (1) designed to prevent and minimize the pollution to the extent practicable;

300.28 (2) designed to prevent the pollution from exceeding the health risk limits; and

300.29 (3) submitted to the house of representatives and senate committees with jurisdiction
300.30 over the environment, natural resources, and agriculture.

301.1 (d) The commissioner of agriculture shall not adopt water resource protection
301.2 requirements under subdivision 2 for nitrogen fertilizer unless the water resource protection
301.3 requirements are specifically approved by law.

301.4 **ARTICLE 20**

301.5 **HOUSING STATUTORY CHANGES**

301.6 Section 1. Minnesota Statutes 2016, section 327.31, is amended by adding a subdivision
301.7 to read:

301.8 Subd. 23. **Modular home.** "Modular home" means a building or structural unit of closed
301.9 construction that has been substantially manufactured or constructed, in whole or in part,
301.10 at an off-site location, with the final assembly occurring on site alone or with other units
301.11 and attached to a foundation designed to the State Building Code and occupied as a
301.12 single-family dwelling. Modular home construction must comply with applicable standards
301.13 adopted in Minnesota Rules, chapter 1360 or 1361.

301.14 Sec. 2. **[327.335] PLACEMENT OF MODULAR HOMES.**

301.15 A modular home may be placed in a manufactured home park as defined in section
301.16 327.14, subdivision 3. A modular home placed in a manufactured home park is a
301.17 manufactured home for purposes of chapters 327C and 504B and all rights, obligations, and
301.18 duties, under those chapters apply. A modular home may not be placed in a manufactured
301.19 home park without prior written approval of the park owner. Nothing in this section shall
301.20 be construed to inhibit the application of zoning, subdivision, architectural, or esthetic
301.21 requirements pursuant to chapters 394 and 462 that otherwise apply to manufactured homes
301.22 and manufactured home parks.

301.23 Sec. 3. Minnesota Statutes 2016, section 327C.095, subdivision 4, is amended to read:

301.24 Subd. 4. **Public hearing; relocation compensation; neutral third party.** Within 60
301.25 days after receiving notice of a closure statement, the governing body of the affected
301.26 municipality shall hold a public hearing to review the closure statement and any impact that
301.27 the park closing may have on the displaced residents and the park owner. At the time of,
301.28 and in the notice for, the public hearing, displaced residents must be informed that they may
301.29 be eligible for payments from the Minnesota manufactured home relocation trust fund under
301.30 section 462A.35 as compensation for reasonable relocation costs under subdivision 13,
301.31 paragraphs (a) and (e).

302.1 The governing body of the municipality may also require that other parties, including
 302.2 the municipality, but excluding the park owner or its purchaser, involved in the park closing
 302.3 provide additional compensation to residents to mitigate the adverse financial impact of the
 302.4 park closing upon the residents.

302.5 At the public hearing, the municipality shall appoint a qualified neutral third party, to
 302.6 be agreed upon by both the manufactured home park owner and manufactured home owners,
 302.7 whose hourly cost must be reasonable and paid from the Minnesota manufactured home
 302.8 relocation trust fund. The neutral third party shall act as a paymaster and arbitrator, with
 302.9 decision-making authority to resolve any questions or disputes regarding any contributions
 302.10 or disbursements to and from the Minnesota manufactured home relocation trust fund by
 302.11 either the manufactured home park owner or the manufactured home owners. If the parties
 302.12 cannot agree on a neutral third party, the municipality will ~~make a determination~~ determine
 302.13 who shall act as the neutral third party.

302.14 The qualified neutral third party shall be familiar with manufactured housing and the
 302.15 requirements of this section. The neutral third party shall keep an overall receipts and cost
 302.16 summary together with a detailed accounting, for each manufactured lot, of the payments
 302.17 received by the manufactured home park owner, and expenses approved and payments
 302.18 disbursed to the manufactured home owners, pursuant to subdivisions 12 and 13, as well
 302.19 as a record of all services and hours it provided and at what hourly rate it charged to the
 302.20 Minnesota manufactured home trust fund. This detailed accounting shall be provided to the
 302.21 manufactured home park owner, the municipality, and the Minnesota Housing Finance
 302.22 Agency to be included in its yearly October 15 report as required in subdivision 13, paragraph
 302.23 (h), not later than 30 days after the expiration of the nine-month notice provided in the
 302.24 closure statement.

302.25 Sec. 4. Minnesota Statutes 2016, section 327C.095, subdivision 6, is amended to read:

302.26 **Subd. 6. Intent to convert use of park at time of purchase.** Before the execution of
 302.27 an agreement to purchase a manufactured home park, the purchaser must notify the park
 302.28 owner, in writing, if the purchaser intends to close the manufactured home park or convert
 302.29 it to another use within one year of the execution of the agreement. The park owner shall
 302.30 provide a resident of each manufactured home with a 45-day written notice of the purchaser's
 302.31 intent to close the park or convert it to another use. The notice must state that the park owner
 302.32 will provide information on the cash price and the terms and conditions of the purchaser's
 302.33 offer to residents requesting the information. The notice must be sent by first class mail to
 302.34 a resident of each manufactured home in the park. The notice period begins on the postmark

303.1 date affixed to the notice and ends 45 days after it begins. During the notice period required
303.2 in this subdivision, the owners of at least 51 percent of the manufactured homes in the park
303.3 or a nonprofit organization which has the written permission of the owners of at least 51
303.4 percent of the manufactured homes in the park to represent them in the acquisition of the
303.5 park shall have the right to meet the cash price and execute an agreement to purchase the
303.6 park for the purposes of keeping the park as a manufactured housing community, provided
303.7 that the owners or nonprofit organization will covenant and warrant to the park owner in
303.8 the agreement that they will continue to operate the park for not less than six years from
303.9 the date of closing. The park owner must accept the offer if it meets the cash price and the
303.10 same terms and conditions set forth in the purchaser's offer except that the seller is not
303.11 obligated to provide owner financing. For purposes of this section, cash price means the
303.12 cash price offer or equivalent cash offer as defined in section 500.245, subdivision 1,
303.13 paragraph (d).

303.14 Sec. 5. Minnesota Statutes 2016, section 327C.095, subdivision 12, is amended to read:

303.15 Subd. 12. **Payment to the Minnesota manufactured home relocation trust fund.** (a)
303.16 If a manufactured home owner is required to move due to the conversion of all or a portion
303.17 of a manufactured home park to another use, the closure of a park, or cessation of use of
303.18 the land as a manufactured home park, the manufactured park owner shall, upon the change
303.19 in use, pay to the commissioner of management and budget for deposit in the Minnesota
303.20 manufactured home relocation trust fund under section 462A.35, the lesser amount of the
303.21 actual costs of moving or purchasing the manufactured home approved by the neutral third
303.22 party and paid by the Minnesota Housing Finance Agency under subdivision 13, paragraph
303.23 (a) or (e), or \$3,250 for each single section manufactured home, and \$6,000 for each
303.24 multisection manufactured home, for which a manufactured home owner has made
303.25 application for payment of relocation costs under subdivision 13, paragraph (c). The
303.26 manufactured home park owner shall make payments required under this section to the
303.27 Minnesota manufactured home relocation trust fund within 60 days of receipt of invoice
303.28 from the neutral third party.

303.29 (b) A manufactured home park owner is not required to make the payment prescribed
303.30 under paragraph (a), nor is a manufactured home owner entitled to compensation under
303.31 subdivision 13, paragraph (a) or (e), if:

303.32 (1) the manufactured home park owner relocates the manufactured home owner to
303.33 another space in the manufactured home park or to another manufactured home park at the
303.34 park owner's expense;

304.1 (2) the manufactured home owner is vacating the premises and has informed the
 304.2 manufactured home park owner or manager of this prior to the mailing date of the closure
 304.3 statement under subdivision 1;

304.4 (3) a manufactured home owner has abandoned the manufactured home, or the
 304.5 manufactured home owner is not current on the monthly lot rental, personal property taxes;

304.6 (4) the manufactured home owner has a pending eviction action for nonpayment of lot
 304.7 rental amount under section 327C.09, which was filed against the manufactured home owner
 304.8 prior to the mailing date of the closure statement under subdivision 1, and the writ of recovery
 304.9 has been ordered by the district court;

304.10 (5) the conversion of all or a portion of a manufactured home park to another use, the
 304.11 closure of a park, or cessation of use of the land as a manufactured home park is the result
 304.12 of a taking or exercise of the power of eminent domain by a governmental entity or public
 304.13 utility; or

304.14 (6) the owner of the manufactured home is not a resident of the manufactured home
 304.15 park, as defined in section 327C.01, subdivision 9, or the owner of the manufactured home
 304.16 is a resident, but came to reside in the manufactured home park after the mailing date of
 304.17 the closure statement under subdivision 1.

304.18 (c) If the unencumbered fund balance in the manufactured home relocation trust fund
 304.19 is less than ~~\$1,000,000~~ \$3,000,000 as of June 30 of each year, the commissioner of
 304.20 management and budget shall assess each manufactured home park owner by mail the total
 304.21 amount of \$15 for each licensed lot in their park, payable on or before ~~September~~ November
 304.22 15 of that year. The commissioner of management Failure to notify and budget shall deposit
 304.23 any payments in the Minnesota timely assess the manufactured home relocation trust fund.
 304.24 On or before July 15 of park owner by August 30 of any year shall waive the assessment
 304.25 and payment obligations of the manufactured home park owner for that year. Together with
 304.26 said assessment notice, each year; the commissioner of management and budget shall prepare
 304.27 and distribute to park owners a letter explaining whether funds are being collected for that
 304.28 year, information about the collection, an invoice for all licensed lots, and a sample form
 304.29 for the park owners to collect information on which park residents have been accounted
 304.30 for. If assessed under this paragraph, the park owner may recoup the cost of the \$15
 304.31 assessment as a lump sum or as a monthly fee of no more than \$1.25 collected from park
 304.32 residents together with monthly lot rent as provided in section 327C.03, subdivision 6. Park
 304.33 owners may adjust payment for lots in their park that are vacant or otherwise not eligible
 304.34 for contribution to the trust fund under section 327C.095, subdivision 12, paragraph (b),

305.1 and for park residents who have not paid the \$15 assessment to the park owner by October
305.2 15, and deduct from the assessment accordingly. The commissioner of management and
305.3 budget shall deposit any payments in the Minnesota manufactured home relocation trust
305.4 fund.

305.5 (d) This subdivision and subdivision 13, paragraph (c), clause (5), are enforceable by
305.6 the neutral third party, on behalf of the Minnesota Housing Finance Agency, or by action
305.7 in a court of appropriate jurisdiction. The court may award a prevailing party reasonable
305.8 attorney fees, court costs, and disbursements.

305.9 Sec. 6. Minnesota Statutes 2016, section 327C.095, subdivision 13, is amended to read:

305.10 Subd. 13. **Change in use, relocation expenses; payments by park owner.** (a) If a
305.11 manufactured home owner is required to relocate due to the conversion of all or a portion
305.12 of a manufactured home park to another use, the closure of a manufactured home park, or
305.13 cessation of use of the land as a manufactured home park under subdivision 1, and the
305.14 manufactured home owner complies with the requirements of this section, the manufactured
305.15 home owner is entitled to payment from the Minnesota manufactured home relocation trust
305.16 fund equal to the manufactured home owner's actual relocation costs for relocating the
305.17 manufactured home to a new location within a ~~25~~ 50-mile radius of the park that is being
305.18 closed, up to a maximum of \$7,000 for a single-section and \$12,500 for a multisection
305.19 manufactured home. The actual relocation costs must include the reasonable cost of taking
305.20 down, moving, and setting up the manufactured home, including equipment rental, utility
305.21 connection and disconnection charges, minor repairs, modifications necessary for
305.22 transportation of the home, necessary moving permits and insurance, moving costs for any
305.23 appurtenances, which meet applicable local, state, and federal building and construction
305.24 codes.

305.25 (b) A manufactured home owner is not entitled to compensation under paragraph (a) if
305.26 the manufactured home park owner is not required to make a payment to the Minnesota
305.27 manufactured home relocation trust fund under subdivision 12, paragraph (b).

305.28 (c) Except as provided in paragraph (e), in order to obtain payment from the Minnesota
305.29 manufactured home relocation trust fund, the manufactured home owner shall submit to the
305.30 neutral third party and the Minnesota Housing Finance Agency, with a copy to the park
305.31 owner, an application for payment, which includes:

305.32 (1) a copy of the closure statement under subdivision 1;

306.1 (2) a copy of the contract with a moving or towing contractor, which includes the
306.2 relocation costs for relocating the manufactured home;

306.3 (3) a statement with supporting materials of any additional relocation costs as outlined
306.4 in subdivision 1;

306.5 (4) a statement certifying that none of the exceptions to receipt of compensation under
306.6 subdivision 12, paragraph (b), apply to the manufactured home owner;

306.7 (5) a statement from the manufactured park owner that the lot rental is current and that
306.8 the annual \$15 ~~payments~~ payment to the Minnesota manufactured home relocation trust
306.9 fund ~~have~~ has been paid when due; and

306.10 (6) a statement from the county where the manufactured home is located certifying that
306.11 personal property taxes for the manufactured home are paid through the end of that year.

306.12 (d) The neutral third party shall promptly process all payments for completed applications
306.13 within 14 days. If the neutral third party has acted reasonably and does not approve or deny
306.14 payment within 45 days after receipt of the information set forth in paragraph (c), the
306.15 payment is deemed approved. Upon approval and request by the neutral third party, the
306.16 Minnesota Housing Finance Agency shall issue two checks in equal amount for 50 percent
306.17 of the contract price payable to the mover and towing contractor for relocating the
306.18 manufactured home in the amount of the actual relocation cost, plus a check to the home
306.19 owner for additional certified costs associated with third-party vendors, that were necessary
306.20 in relocating the manufactured home. The moving or towing contractor shall receive 50
306.21 percent upon execution of the contract and 50 percent upon completion of the relocation
306.22 and approval by the manufactured home owner. The moving or towing contractor may not
306.23 apply the funds to any other purpose other than relocation of the manufactured home as
306.24 provided in the contract. A copy of the approval must be forwarded by the neutral third
306.25 party to the park owner with an invoice for payment of the amount specified in subdivision
306.26 12, paragraph (a).

306.27 (e) In lieu of collecting a relocation payment from the Minnesota manufactured home
306.28 relocation trust fund under paragraph (a), the manufactured home owner may collect an
306.29 amount from the fund after reasonable efforts to relocate the manufactured home have failed
306.30 due to the age or condition of the manufactured home, or because there are no manufactured
306.31 home parks willing or able to accept the manufactured home within a 25-mile radius. A
306.32 manufactured home owner may tender title of the manufactured home in the manufactured
306.33 home park to the manufactured home park owner, and collect an amount to be determined
306.34 by an independent appraisal. The appraiser must be agreed to by both the manufactured

307.1 home park owner and the manufactured home owner. If the appraised market value cannot
307.2 be determined, the tax market value, averaged over a period of five years, can be used as a
307.3 substitute. The maximum amount that may be reimbursed under the fund is \$8,000 for a
307.4 single-section and \$14,500 for a multisection manufactured home. The minimum amount
307.5 that may be reimbursed under the fund is \$2,000 for a single section and \$4,000 for a
307.6 multisection manufactured home. The manufactured home owner shall deliver to the
307.7 manufactured home park owner the current certificate of title to the manufactured home
307.8 duly endorsed by the owner of record, and valid releases of all liens shown on the certificate
307.9 of title, and a statement from the county where the manufactured home is located evidencing
307.10 that the personal property taxes have been paid. The manufactured home owner's application
307.11 for funds under this paragraph must include a document certifying that the manufactured
307.12 home cannot be relocated, that the lot rental is current, that the annual \$15 payments to the
307.13 Minnesota manufactured home relocation trust fund have been paid when due, that the
307.14 manufactured home owner has chosen to tender title under this section, and that the park
307.15 owner agrees to make a payment to the commissioner of management and budget in the
307.16 amount established in subdivision 12, paragraph (a), less any documented costs submitted
307.17 to the neutral third party, required for demolition and removal of the home, and any debris
307.18 or refuse left on the lot, not to exceed ~~\$1,000~~ \$3,000. The manufactured home owner must
307.19 also provide a copy of the certificate of title endorsed by the owner of record, and certify
307.20 to the neutral third party, with a copy to the park owner, that none of the exceptions to
307.21 receipt of compensation under subdivision 12, paragraph (b), clauses (1) to (6), apply to the
307.22 manufactured home owner, and that the home owner will vacate the home within 60 days
307.23 after receipt of payment or the date of park closure, whichever is earlier, provided that the
307.24 monthly lot rent is kept current.

307.25 (f) The Minnesota Housing Finance Agency must make a determination of the amount
307.26 of payment a manufactured home owner would have been entitled to under a local ordinance
307.27 in effect on May 26, 2007. Notwithstanding paragraph (a), the manufactured home owner's
307.28 compensation for relocation costs from the fund under section 462A.35, is the greater of
307.29 the amount provided under this subdivision, or the amount under the local ordinance in
307.30 effect on May 26, 2007, that is applicable to the manufactured home owner. Nothing in this
307.31 paragraph is intended to increase the liability of the park owner.

307.32 (g) Neither the neutral third party nor the Minnesota Housing Finance Agency shall be
307.33 liable to any person for recovery if the funds in the Minnesota manufactured home relocation
307.34 trust fund are insufficient to pay the amounts claimed. The Minnesota Housing Finance
307.35 Agency shall keep a record of the time and date of its approval of payment to a claimant.

308.1 (h) The Minnesota Housing Finance Agency shall post on its Web site and report to the
308.2 chairs of the senate Finance Committee and house of representatives Ways and Means
308.3 Committee by ~~January~~ October 15 of each year on the Minnesota manufactured home
308.4 relocation trust fund, including the aggregate account balance, the aggregate assessment
308.5 payments received, summary information regarding each closed park including the total
308.6 payments to claimants and payments received from each closed park, the amount of any
308.7 advances to the fund, the amount of any insufficiencies encountered during the previous
308.8 ~~calendar~~ fiscal year, reports of neutral third parties provided pursuant to subdivision 4, and
308.9 any itemized administrative charges or expenses deducted from the trust fund balance, all
308.10 of which should be reconciled to the previous year's trust fund balance. If sufficient funds
308.11 become available, the Minnesota Housing Finance Agency shall pay the manufactured home
308.12 owner whose unpaid claim is the earliest by time and date of approval.

308.13 Sec. 7. Minnesota Statutes 2016, section 327C.095, is amended by adding a subdivision
308.14 to read:

308.15 Subd. 16. **Reporting of licensed manufactured home parks.** The Department of Health
308.16 or, if applicable, local units of government that have entered into a delegation of authority
308.17 agreement with the Department of Health as provided in section 145A.07 shall provide, by
308.18 March 31 of each year, a list of names and addresses of the manufactured home parks
308.19 licensed in the previous year, and for each manufactured home park, the current licensed
308.20 owner, the owner's address, the number of licensed manufactured home lots, and other data
308.21 as they may request for the Department of Management and Budget to invoice each licensed
308.22 manufactured home park in the state of Minnesota.

308.23 Sec. 8. Minnesota Statutes 2017 Supplement, section 462A.2035, subdivision 1, is amended
308.24 to read:

308.25 Subdivision 1. **Establishment.** The agency shall establish a manufactured home park
308.26 redevelopment program for the purpose of making manufactured home park redevelopment
308.27 grants or loans to ~~cities, counties, community action programs, nonprofit organizations, and~~
308.28 ~~cooperatives created under chapter 308A or 308B~~ for the purposes specified in this section.

308.29 Sec. 9. Minnesota Statutes 2017 Supplement, section 462A.2035, subdivision 1b, is
308.30 amended to read:

308.31 Subd. 1b. **Manufactured home park infrastructure grants.** Eligible recipients may
308.32 use manufactured home park infrastructure grants under this program for:

309.1 (1) acquisition of and improvements in manufactured home parks; and

309.2 (2) infrastructure, including storm shelters and community facilities.

309.3 Sec. 10. Minnesota Statutes 2016, section 462A.33, subdivision 1, is amended to read:

309.4 Subdivision 1. **Created.** The economic development and housing challenge program is
309.5 created to be administered by the agency.

309.6 (a) The program shall provide grants or loans for the purpose of construction, acquisition,
309.7 rehabilitation, demolition or removal of existing structures, construction financing, permanent
309.8 financing, interest rate reduction, refinancing, and gap financing of housing or manufactured
309.9 home parks, as defined in section 327C.01, to support economic development and
309.10 redevelopment activities or job creation or job preservation within a community or region
309.11 by meeting locally identified housing needs.

309.12 Gap financing is either:

309.13 (1) the difference between the costs of the property, including acquisition, demolition,
309.14 rehabilitation, and construction, and the market value of the property upon sale; or

309.15 (2) the difference between the cost of the property and the amount the targeted household
309.16 can afford for housing, based on industry standards and practices.

309.17 (b) Preference for grants and loans shall be given to comparable proposals that include
309.18 regulatory changes or waivers that result in identifiable cost avoidance or cost reductions,
309.19 such as increased density, flexibility in site development standards, or zoning code
309.20 requirements. Preference must also be given among comparable proposals to proposals for
309.21 projects that are accessible to transportation systems, jobs, schools, and other services.

309.22 (c) If a grant or loan is used for demolition or removal of existing structures, the cleared
309.23 land must be used for the construction of housing to be owned or rented by persons who
309.24 meet the income limits of this section or for other housing-related purposes that primarily
309.25 benefit the persons residing in the adjacent housing. In making selections for grants or loans
309.26 for projects that demolish affordable housing units, the agency must review the potential
309.27 displacement of residents and consider the extent to which displacement of residents is
309.28 minimized.

309.29 Sec. 11. Minnesota Statutes 2016, section 462A.33, subdivision 2, is amended to read:

309.30 Subd. 2. **Eligible recipients.** Challenge grants or loans may be made to a city, a federally
309.31 recognized American Indian tribe or subdivision located in Minnesota, a tribal housing

310.1 corporation, a private developer, a nonprofit organization, or the owner of the housing or
310.2 the manufactured home park, including individuals. For the purpose of this section, "city"
310.3 has the meaning given it in section 462A.03, subdivision 21. To the extent practicable,
310.4 grants and loans shall be made so that an approximately equal number of housing units are
310.5 financed in the metropolitan area and in the nonmetropolitan area.

310.6 Sec. 12. Minnesota Statutes 2016, section 462A.37, subdivision 1, is amended to read:

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

310.9 (b) "Abandoned property" has the meaning given in section 117.025, subdivision 5.

310.10 (c) "Community land trust" means an entity that meets the requirements of section
310.11 462A.31, subdivisions 1 and 2.

310.12 (d) "Debt service" means the amount payable in any fiscal year of principal, premium,
310.13 if any, and interest on housing infrastructure bonds and the fees, charges, and expenses
310.14 related to the bonds.

310.15 (e) "Foreclosed property" means residential property where foreclosure proceedings
310.16 have been initiated or have been completed and title transferred or where title is transferred
310.17 in lieu of foreclosure.

310.18 (f) "Housing infrastructure bonds" means bonds issued by the agency under this chapter
310.19 that are qualified 501(c)(3) bonds, within the meaning of Section 145(a) of the Internal
310.20 Revenue Code, finance qualified residential rental projects within the meaning of Section
310.21 142(d) of the Internal Revenue Code, or are tax-exempt bonds that are not private activity
310.22 bonds, within the meaning of Section 141(a) of the Internal Revenue Code, for the purpose
310.23 of financing or refinancing affordable housing authorized under this chapter.

310.24 (g) "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended.

310.25 (h) "Senior" means a person 62 years of age or older with an annual income not greater
310.26 than 50 percent of:

310.27 (1) the metropolitan area median income for persons in the metropolitan area; or

310.28 (2) the statewide median income for persons outside the metropolitan area.

310.29 (i) "Senior housing" means housing intended and operated for occupancy by at least one
310.30 senior per unit with at least 80 percent of the units occupied by at least one senior per unit,
310.31 and for which there is publication of, and adherence to, policies and procedures that
310.32 demonstrate an intent by the owner or manager to provide housing for seniors. Senior

311.1 housing may be developed in conjunction with and as a distinct portion of mixed-income
 311.2 senior housing developments that use a variety of public or private financing sources.

311.3 ~~(h)~~ (j) "Supportive housing" means housing that is not time-limited and provides or
 311.4 coordinates with linkages to services necessary for residents to maintain housing stability
 311.5 and maximize opportunities for education and employment.

311.6 Sec. 13. Minnesota Statutes 2016, section 462A.37, subdivision 2, is amended to read:

311.7 Subd. 2. **Authorization.** (a) The agency may issue up to \$30,000,000 in aggregate
 311.8 principal amount of housing infrastructure bonds in one or more series to which the payment
 311.9 made under this section may be pledged. The housing infrastructure bonds authorized in
 311.10 this subdivision may be issued to fund loans or grants for the purposes of clause (4), on
 311.11 terms and conditions the agency deems appropriate, made for one or more of the following
 311.12 purposes:

311.13 (1) to finance the costs of the construction, acquisition, and rehabilitation of supportive
 311.14 housing for individuals and families who are without a permanent residence;

311.15 (2) to finance the costs of the acquisition and rehabilitation of foreclosed or abandoned
 311.16 housing to be used for affordable rental housing and the costs of new construction of rental
 311.17 housing on abandoned or foreclosed property where the existing structures will be demolished
 311.18 or removed;

311.19 (3) to finance that portion of the costs of acquisition of property that is attributable to
 311.20 the land to be leased by community land trusts to low- and moderate-income homebuyers;
 311.21 ~~and~~

311.22 (4) to finance that portion of the acquisition, improvement, and infrastructure of
 311.23 manufactured home parks under section 462A.2035, subdivision 1b, that is attributable to
 311.24 land to be leased to low- and moderate-income manufactured home owners;

311.25 (5) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction
 311.26 of senior housing; and

311.27 (6) to finance the costs of acquisition and rehabilitation of federally assisted rental
 311.28 housing and for the refinancing of costs of the construction, acquisition, and rehabilitation
 311.29 of federally assisted rental housing, including providing funds to refund, in whole or in part,
 311.30 outstanding bonds previously issued by the agency or another government unit to finance
 311.31 or refinance such costs.

312.1 (b) Among comparable proposals for permanent supportive housing, preference shall
312.2 be given to permanent supportive housing for veterans and other individuals or families
312.3 who:

312.4 (1) either have been without a permanent residence for at least 12 months or at least four
312.5 times in the last three years; or

312.6 (2) are at significant risk of lacking a permanent residence for 12 months or at least four
312.7 times in the last three years.

312.8 (c) Among comparable proposals for senior housing, the agency must give priority to
312.9 requests for projects that:

312.10 (1) demonstrate a commitment to maintaining the housing financed as affordable to
312.11 seniors;

312.12 (2) leverage other sources of funding to finance the project, including the use of
312.13 low-income housing tax credits;

312.14 (3) provide access to services to residents and demonstrate the ability to increase physical
312.15 supports and support services as residents age and experience increasing levels of disability;

312.16 (4) provide a service plan containing the elements of clause (3) reviewed by the housing
312.17 authority, economic development authority, public housing authority, or community
312.18 development agency that has an area of operation for the jurisdiction in which the project
312.19 is located; and

312.20 (5) include households with incomes that do not exceed 30 percent of the median
312.21 household income for the metropolitan area.

312.22 To the extent practicable, the agency shall balance the loans made between projects in the
312.23 metropolitan area and projects outside the metropolitan area. Of the loans made to projects
312.24 outside the metropolitan area, the agency shall, to the extent practicable, balance the loans
312.25 made between projects in counties or cities with a population of 20,000 or less, as established
312.26 by the most recent decennial census, and projects in counties or cities with populations in
312.27 excess of 20,000.

312.28 Sec. 14. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision
312.29 to read:

312.30 Subd. 30. **Preservation project.** "Preservation project" means any residential rental
312.31 project, regardless of whether or not the project is restricted to persons of a certain age or
312.32 older that receive federal project-based rental subsidies. In addition, to qualify as a

313.1 preservation project, the amount of bonds requested in the application must not exceed the
313.2 aggregate bond limitation.

313.3 Sec. 15. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision
313.4 to read:

313.5 Subd. 31. **30 percent AMI residential rental project.** "30 percent AMI residential
313.6 rental project" means a residential rental project that does not otherwise qualify as a
313.7 preservation project, is expected to generate low-income housing tax credits under section
313.8 42 of the Internal Revenue Code from 100 percent of its residential units, and: (1) in which
313.9 all the residential units of the project: (i) are reserved for tenants whose income, on average
313.10 is 30 percent of AMI or less; (ii) are rent restricted in accordance with section 42(g)(2) of
313.11 the Internal Revenue Code; and (iii) are subject to the rent and income restrictions for a
313.12 period of not less than 30 years; or (2)(i) is located within a home rule charter or statutory
313.13 city located outside of the metropolitan area as defined in section 473.121, subdivision 2,
313.14 with a population exceeding 500; a community that has a combined population of 1,500
313.15 residents located within 15 miles of a home rule charter or statutory city located outside the
313.16 metropolitan area as defined in section 473.121, subdivision 2, and that has a current area
313.17 median gross income that is less than the statewide area median income for the state of
313.18 Minnesota; (ii) all of the units of the project are rent restricted in accordance with section
313.19 42(g)(2) of the Internal Revenue Code; and (iii) all of the units of the project are subject to
313.20 the applicable rent and income restrictions for a period of not less than 30 years. In addition,
313.21 to qualify as a 30 percent AMI residential rental project, the amount of bonds requested in
313.22 the application must not exceed the aggregate bond limitation. For purposes of this
313.23 subdivision, "on average" means the average of the applicable income limitation level for
313.24 a project determined on a unit-by-unit basis e.g., a project with one-half of its units subject
313.25 to income limitations of not greater than 20 percent AMI and one-half subject to income
313.26 limitations of not greater than 40 percent AMI would be subject to an income limitation on
313.27 average of not greater than 30 percent AMI.

313.28 Sec. 16. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision
313.29 to read:

313.30 Subd. 32. **50 percent AMI residential rental project.** "50 percent AMI residential
313.31 rental project" means a residential rental project that does not qualify as a preservation
313.32 project or a 30 percent AMI residential rental project, is expected to generate low-income
313.33 housing tax credits under section 42 of the Internal Revenue Code from 100 percent of its
313.34 residential units, and in which all the residential units of the project: (1) are reserved for

314.1 tenants whose income on average is 50 percent of AMI or less; (2) are rent restricted in
314.2 accordance with section 42(g)(2) of the Internal Revenue Code; and (3) are subject to the
314.3 rent and income restrictions for a period of not less than 30 years. In addition, to qualify as
314.4 a 50 percent AMI residential rental project, the amount of bonds requested in the application
314.5 must not exceed the aggregate bond limitation. For purposes of this subdivision, "on average"
314.6 means the average of the applicable income limitation level for a project determined on a
314.7 unit-by-unit basis e.g., a project with one-half of its units subject to income limitations of
314.8 not greater than 40 percent AMI and one-half subject to income limitations of not greater
314.9 than 60 percent AMI would be subject to an income limitation on average of not greater
314.10 than 50 percent AMI.

314.11 Sec. 17. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision
314.12 to read:

314.13 Subd. 33. **100 percent LIHTC project.** "100 percent LIHTC project" means a residential
314.14 rental project that is expected to generate low-income housing tax credits under section 42
314.15 of the Internal Revenue Code from 100 percent of its residential units and does not otherwise
314.16 qualify as a preservation project, a 30 percent AMI residential rental project, or a 50 percent
314.17 AMI residential rental project. In addition, to qualify as a 100 percent LIHTC project, the
314.18 amount of bonds requested in the application must not exceed the aggregate bond limitation.

314.19 Sec. 18. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision
314.20 to read:

314.21 Subd. 34. **20 percent LIHTC project.** "20 percent LIHTC project" means a residential
314.22 rental project that is expected to generate low-income housing tax credits under section 42
314.23 of the Internal Revenue Code from at least 20 percent of its residential units and does not
314.24 otherwise qualify as a preservation project, a 30 percent AMI residential rental project, a
314.25 50 percent AMI residential rental project, or a 100 percent LIHTC project. In addition, to
314.26 qualify as a 20 percent LIHTC project, the amount of bonds requested in the application
314.27 must not exceed the aggregate bond limitation.

314.28 Sec. 19. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision
314.29 to read:

314.30 Subd. 35. **AMI.** "AMI" means the area median income for the applicable county or
314.31 metropolitan area as published by the Department of Housing and Urban Development, as
314.32 adjusted for household size.

315.1 Sec. 20. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision
315.2 to read:

315.3 Subd. 36. **Aggregate bond limitation.** "Aggregate bond limitation" means up to 55
315.4 percent of the reasonably expected aggregate basis of a residential rental project and the
315.5 land on which the project is or will be located.

315.6 Sec. 21. Minnesota Statutes 2016, section 474A.03, subdivision 1, is amended to read:

315.7 Subdivision 1. **Under federal tax law; allocations.** At the beginning of each calendar
315.8 year ~~after December 31, 2001~~, the commissioner shall determine the aggregate dollar amount
315.9 of the annual volume cap under federal tax law for the calendar year, and of this amount
315.10 the commissioner shall make the following allocation:

315.11 (1) \$74,530,000 to the small issue pool;

315.12 (2) \$122,060,000 to the housing pool, of which 31 percent of the adjusted allocation is
315.13 reserved until the last Monday in ~~July~~ June for single-family housing programs;

315.14 (3) \$12,750,000 to the public facilities pool; and

315.15 (4) amounts to be allocated as provided in subdivision 2a.

315.16 If the annual volume cap is greater or less than the amount of bonding authority allocated
315.17 under clauses (1) to (4) and subdivision 2a, paragraph (a), clauses (1) to (4), the allocation
315.18 must be adjusted so that each adjusted allocation is the same percentage of the annual volume
315.19 cap as each original allocation is of the total bonding authority originally allocated.

315.20 Sec. 22. Minnesota Statutes 2016, section 474A.04, subdivision 1a, is amended to read:

315.21 Subd. 1a. **Entitlement reservations.** Any amount returned by an entitlement issuer
315.22 before ~~July~~ June 15 shall be reallocated through the housing pool. Any amount returned on
315.23 or after ~~July~~ June 15 shall be reallocated through the unified pool. An amount returned after
315.24 the last Monday in November shall be reallocated to the Minnesota Housing Finance Agency.

315.25 Sec. 23. Minnesota Statutes 2016, section 474A.047, subdivision 2, is amended to read:

315.26 Subd. 2. **15-year agreement.** Prior to the issuance of residential rental bonds, the
315.27 developer of the project for which the bond proceeds will be used must enter into a 15-year
315.28 agreement with the issuer that specifies the maximum rental rates of the rent-restricted units
315.29 in the project and the income levels of the residents of the project occupying income-restricted
315.30 units and in which the developer will agree to maintain the project as a preservation project,
315.31 a 30 percent AMI residential rental project, a 50 percent AMI residential rental project, a

316.1 100 percent LIHTC project, or a 20 percent LIHTC project, as applicable and as described
 316.2 in its application. ~~Such~~ The rental rates and income levels must be within the limitations
 316.3 established under subdivision 1. The developer must annually certify to the issuer over the
 316.4 term of the agreement that the rental rates for the rent-restricted units are within the
 316.5 limitations under subdivision 1. The issuer may request individual certification of the income
 316.6 of residents of the income-restricted units. The commissioner may request from the issuer
 316.7 a copy of the annual certification prepared by the developer. The commissioner may require
 316.8 the issuer to request individual certification of all residents of the income-restricted units.

316.9 Sec. 24. Minnesota Statutes 2016, section 474A.061, subdivision 1, is amended to read:

316.10 Subdivision 1. **Allocation application; small issue pool and public facilities pool.** (a)
 316.11 For any requested allocations from the small issue pool or the public facilities pool, an issuer
 316.12 may apply for an allocation under this section by submitting to the department an application
 316.13 on forms provided by the department, accompanied by (1) a preliminary resolution, (2) a
 316.14 statement of bond counsel that the proposed issue of obligations requires an allocation under
 316.15 this chapter and the Internal Revenue Code, (3) the type of qualified bonds to be issued, (4)
 316.16 an application deposit in the amount of one percent of the requested allocation before the
 316.17 last Monday in ~~July~~ June, or in the amount of two percent of the requested allocation on or
 316.18 after the last Monday in ~~July~~, June; and (5) a public purpose scoring worksheet for
 316.19 manufacturing project and enterprise zone facility project applications, ~~and (6) for residential~~
 316.20 ~~rental projects, a statement from the applicant or bond counsel as to whether the project~~
 316.21 ~~preserves existing federally subsidized housing for residential rental project applications~~
 316.22 ~~and whether the project is restricted to persons who are 55 years of age or older.~~ The issuer
 316.23 must pay the application deposit by a check made payable to the Department of Management
 316.24 and Budget. The Minnesota Housing Finance Agency, the Minnesota Rural Finance
 316.25 Authority, and the Minnesota Office of Higher Education may apply for and receive an
 316.26 allocation under this section without submitting an application deposit.

316.27 (b) An entitlement issuer may not apply for an allocation ~~from the public facilities pool~~
 316.28 under this subdivision unless it has either permanently issued bonds equal to the amount of
 316.29 its entitlement allocation for the current year plus any amount of bonding authority carried
 316.30 forward from previous years or returned for reallocation all of its unused entitlement
 316.31 allocation. For purposes of this subdivision, an entitlement allocation includes an amount
 316.32 obtained under section 474A.04, subdivision 6.

316.33 ~~An entitlement issuer may not apply for an allocation from the housing pool unless it~~
 316.34 ~~either has permanently issued bonds equal to any amount of bonding authority carried~~

317.1 ~~forward from a previous year or has returned for reallocation any unused bonding authority~~
317.2 ~~carried forward from a previous year. For purposes of this subdivision, its entitlement~~
317.3 ~~allocation includes an amount obtained under section 474A.04, subdivision 6. This paragraph~~
317.4 ~~does not apply to an application from the Minnesota Housing Finance Agency for an~~
317.5 ~~allocation under subdivision 2a for cities who choose to have the agency issue bonds on~~
317.6 ~~their behalf.~~

317.7 (c) If an application is rejected under this section, the commissioner must notify the
317.8 applicant and return the application deposit to the applicant within 30 days unless the
317.9 applicant requests in writing that the application be resubmitted. The granting of an allocation
317.10 of bonding authority under this section must be evidenced by a certificate of allocation.

317.11 Sec. 25. Minnesota Statutes 2016, section 474A.061, is amended by adding a subdivision
317.12 to read:

317.13 Subd. 1a. Allocation application; housing pool. (a) For any requested allocations from
317.14 the housing pool, an issuer may apply for an allocation under this section by submitting to
317.15 the department an application on forms provided by the department, accompanied by: (1)
317.16 a preliminary resolution; (2) a statement of bond counsel that the proposed issue of
317.17 obligations requires an allocation under this chapter and the Internal Revenue Code; (3) an
317.18 application deposit in the amount of two percent of the requested allocation; (4) a sworn
317.19 statement from the applicant identifying the project as either a preservation project, a 30
317.20 percent AMI residential rental project, a 50 percent AMI residential rental project, a 100
317.21 percent LIHTC project, a 20 percent LIHTC project, or any other residential rental project;
317.22 and (5) a certification from the applicant or the applicant's accountant stating whether the
317.23 requested allocation exceeds the aggregate bond limitation. The issuer must pay the
317.24 application deposit by a check made payable to the Department of Management and Budget.
317.25 The Minnesota Housing Finance Agency may apply for and receive an allocation under this
317.26 section without submitting an application deposit.

317.27 (b) An entitlement issuer may not apply for an allocation from the housing pool unless
317.28 it has either permanently issued bonds equal to any amount of bonding authority carried
317.29 forward from a previous year or returned for reallocation any unused bonding authority
317.30 carried forward from a previous year. For purposes of this subdivision, an entitlement
317.31 allocation includes an amount obtained under section 474A.04, subdivision 6. This paragraph
317.32 does not apply to an application from the Minnesota Housing Finance Agency for an
317.33 allocation under subdivision 2a for cities that choose to have the agency issue bonds on
317.34 their behalf.

318.1 (c) If an application is rejected under this section, the commissioner must notify the
 318.2 applicant and return the application deposit to the applicant within 30 days unless the
 318.3 applicant requests in writing that the application be resubmitted. The granting of an allocation
 318.4 of bonding authority under this section must be evidenced by a certificate of allocation.

318.5 Sec. 26. Minnesota Statutes 2016, section 474A.061, subdivision 2a, is amended to read:

318.6 Subd. 2a. **Housing pool allocation.** (a) Commencing on the second Tuesday in January
 318.7 and continuing on each Monday through ~~July 15~~ June 15, the commissioner shall allocate
 318.8 available bonding authority from the housing pool to applications received on or before the
 318.9 Monday of the preceding week for residential rental projects that meet the eligibility criteria
 318.10 under section 474A.047. Allocations of available bonding authority from the housing pool
 318.11 for eligible residential rental projects shall be awarded in the following order of priority:
 318.12 ~~(1) projects that preserve existing federally subsidized housing; (2) projects that are not~~
 318.13 ~~restricted to persons who are 55 years of age or older; and~~ preservation projects; (2) 30
 318.14 percent AMI residential rental projects; (3) 50 percent AMI residential rental projects; (4)
 318.15 100 percent LIHTC projects; (5) 20 percent LIHTC projects; and (6) other residential rental
 318.16 ~~projects. Prior to May 15, no allocation shall be made to a project restricted to persons who~~
 318.17 ~~are 55 years of age or older. If an~~ for which the amount of bonds requested in their respective
 318.18 applications do not exceed the aggregate bond limitation. If there are two or more applications
 318.19 for residential rental projects at the same priority level and there is insufficient bonding
 318.20 authority to provide allocations for all the projects in any one allocation period, available
 318.21 bonding authority shall be randomly awarded by lot but only for projects that can receive
 318.22 the full amount of their respective requested allocations. If a residential rental project does
 318.23 not receive any of its requested allocation pursuant to this paragraph, the remaining bonding
 318.24 authority not allocated to the project shall be reserved by the commissioner, or by the
 318.25 Minnesota Housing Financing Agency if the authority is carried forward pursuant to section
 318.26 474A.131, for the project for up to 24 months thereafter, and if the project applies in the
 318.27 future to the housing pool or unified pool for additional allocation of bonds, the project
 318.28 shall be fully funded up to the remaining amount of its original application request for
 318.29 bonding authority before any new project, applying in the same allocation period, that has
 318.30 an equal priority shall receive bonding authority. An issuer that receives an allocation under
 318.31 ~~this paragraph does not issue obligations equal to all or a portion of the allocation received~~
 318.32 ~~within 120 days of the allocation~~ must issue obligations equal to all or a portion of the
 318.33 allocation received on or before the later of 180 days of the allocation or within 18 months
 318.34 after the allocation date if the applicant submits an additional application deposit equal to
 318.35 one percent of the allocation amount on or prior to 180 days after the allocation date. If an

319.1 issuer that receives an allocation under this paragraph does not issue obligations equal to
 319.2 all or a portion of the allocation received within the time period provided in this paragraph
 319.3 or returns the allocation to the commissioner, the amount of the allocation is canceled and
 319.4 returned for reallocation through the housing pool or to the unified pool after July 15. 1. If
 319.5 an issuer that receives an allocation under this paragraph issues obligations within the time
 319.6 period provided in this paragraph, the commissioner shall refund 50 percent of any application
 319.7 deposit previously paid within 30 days of the issuance of the obligations and the remaining
 319.8 50 percent of the application deposit: (i) within 30 days after the date on which IRS Form
 319.9 8609(s) are issued with respect to projects generating low-income housing tax credits; or
 319.10 (ii) within 90 days after the issuer provides a certification and any other reasonable
 319.11 documentation requested by the commissioner evidencing that construction of the project
 319.12 has been completed.

319.13 (b) After January 1, and through January 15, the Minnesota Housing Finance Agency
 319.14 may accept applications from cities for single-family housing programs which meet program
 319.15 requirements as follows:

319.16 (1) the housing program must meet a locally identified housing need and be economically
 319.17 viable;

319.18 (2) the adjusted income of home buyers may not exceed 80 percent of the greater of
 319.19 ~~statewide or area median income as published by the Department of Housing and Urban~~
 319.20 ~~Development, adjusted for household size~~ AMI;

319.21 (3) house price limits may not exceed the federal price limits established for mortgage
 319.22 revenue bond programs. Data on the home purchase price amount, mortgage amount, income,
 319.23 household size, and race of the households served in the previous year's single-family
 319.24 housing program, if any, must be included in each application; and

319.25 (4) for applicants who choose to have the agency issue bonds on their behalf, an
 319.26 application fee pursuant to section 474A.03, subdivision 4, and an application deposit equal
 319.27 to one percent of the requested allocation must be submitted to the Minnesota Housing
 319.28 Finance Agency before the agency forwards the list specifying the amounts allocated to the
 319.29 commissioner under paragraph (d). The agency shall submit the city's application fee and
 319.30 application deposit to the commissioner when requesting an allocation from the housing
 319.31 pool.

319.32 Applications by a consortium shall include the name of each member of the consortium
 319.33 and the amount of allocation requested by each member.

320.1 (c) Any amounts remaining in the housing pool after ~~July~~ June 15 are available for
320.2 single-family housing programs for cities that applied in January and received an allocation
320.3 under this section in the same calendar year. For a city that chooses to issue bonds on its
320.4 own behalf or pursuant to a joint powers agreement, the agency must allot available bonding
320.5 authority based on the formula in paragraphs (d) and (f). Allocations will be made loan by
320.6 loan, on a first-come, first-served basis among cities on whose behalf the Minnesota Housing
320.7 Finance Agency issues bonds.

320.8 Any city that received an allocation pursuant to paragraph (f) in the same calendar year
320.9 that wishes to issue bonds on its own behalf or pursuant to a joint powers agreement for an
320.10 amount becoming available for single-family housing programs after ~~July~~ June 15 shall
320.11 notify the Minnesota Housing Finance Agency by ~~July~~ June 15. The Minnesota Housing
320.12 Finance Agency shall notify each city making a request of the amount of its allocation within
320.13 three business days after ~~July~~ June 15. The city must comply with paragraph (f).

320.14 For purposes of paragraphs (a) to (h), "city" means a county or a consortium of local
320.15 government units that agree through a joint powers agreement to apply together for
320.16 single-family housing programs, and has the meaning given it in section 462C.02, subdivision
320.17 6. "Agency" means the Minnesota Housing Finance Agency.

320.18 (d) The total amount of allocation for mortgage bonds for one city is limited to the lesser
320.19 of: (i) the amount requested, or (ii) the product of the total amount available for mortgage
320.20 bonds from the housing pool, multiplied by the ratio of each applicant's population as
320.21 determined by the most recent estimate of the city's population released by the state
320.22 demographer's office to the total of all the applicants' population, except that each applicant
320.23 shall be allocated a minimum of \$100,000 regardless of the amount requested or the amount
320.24 determined under the formula in clause (ii). If a city applying for an allocation is located
320.25 within a county that has also applied for an allocation, the city's population will be deducted
320.26 from the county's population in calculating the amount of allocations under this paragraph.

320.27 Upon determining the amount of each applicant's allocation, the agency shall forward
320.28 to the commissioner a list specifying the amounts allotted to each application with all
320.29 application fees and deposits from applicants who choose to have the agency issue bonds
320.30 on their behalf.

320.31 Total allocations from the housing pool for single-family housing programs may not
320.32 exceed 31 percent of the adjusted allocation to the housing pool until after ~~July~~ June 15.

320.33 (e) The agency may issue bonds on behalf of participating cities. The agency shall request
320.34 an allocation from the commissioner for all applicants who choose to have the agency issue

321.1 bonds on their behalf and the commissioner shall allocate the requested amount to the
321.2 agency. The agency may request an allocation at any time after the second Tuesday in
321.3 January and through the last Monday in ~~July~~ June. After awarding an allocation and receiving
321.4 a notice of issuance for the mortgage bonds issued on behalf of the participating cities, the
321.5 commissioner shall transfer the application deposits to the Minnesota Housing Finance
321.6 Agency to be returned to the participating cities. The Minnesota Housing Finance Agency
321.7 shall return any application deposit to a city that paid an application deposit under paragraph
321.8 (b), clause (4), but was not part of the list forwarded to the commissioner under paragraph
321.9 (d).

321.10 (f) A city may choose to issue bonds on its own behalf or through a joint powers
321.11 agreement and may request an allocation from the commissioner by forwarding an application
321.12 with an application fee pursuant to section 474A.03, subdivision 4, and a one percent
321.13 application deposit to the commissioner no later than the Monday of the week preceding
321.14 an allocation. If the total amount requested by all applicants exceeds the amount available
321.15 in the pool, the city may not receive a greater allocation than the amount it would have
321.16 received under the list forwarded by the Minnesota Housing Finance Agency to the
321.17 commissioner. No city may request or receive an allocation from the commissioner until
321.18 the list under paragraph (d) has been forwarded to the commissioner. A city must request
321.19 an allocation from the commissioner no later than the last Monday in ~~July~~ June. No city
321.20 may receive an allocation from the housing pool for mortgage bonds which has not first
321.21 applied to the Minnesota Housing Finance Agency. The commissioner shall allocate the
321.22 requested amount to the city or cities subject to the limitations under this paragraph.

321.23 If a city issues mortgage bonds from an allocation received under this paragraph, the
321.24 issuer must provide for the recycling of funds into new loans. If the issuer is not able to
321.25 provide for recycling, the issuer must notify the commissioner in writing of the reason that
321.26 recycling was not possible and the reason the issuer elected not to have the Minnesota
321.27 Housing Finance Agency issue the bonds. "Recycling" means the use of money generated
321.28 from the repayment and prepayment of loans for further eligible loans or for the redemption
321.29 of bonds and the issuance of current refunding bonds.

321.30 (g) No entitlement city or county or city in an entitlement county may apply for or be
321.31 allocated authority to issue mortgage bonds or use mortgage credit certificates from the
321.32 housing pool. No city in an entitlement county may apply for or be allocated authority to
321.33 issue residential rental bonds from the housing pool or the unified pool.

321.34 (h) A city that does not use at least 50 percent of its allotment by the date applications
321.35 are due for the first allocation that is made from the housing pool for single-family housing

322.1 programs in the immediately succeeding calendar year may not apply to the housing pool
322.2 for a single-family mortgage bond or mortgage credit certificate program allocation that
322.3 exceeds the amount of its allotment for the preceding year that was used by the city in the
322.4 immediately preceding year or receive an allotment from the housing pool in the succeeding
322.5 calendar year that exceeds the amount of its allotment for the preceding year that was used
322.6 in the preceding year. The minimum allotment is \$100,000 for an allocation made prior to
322.7 ~~July~~ June 15, regardless of the amount used in the preceding calendar year, except that a
322.8 city whose allocation in the preceding year was the minimum amount of \$100,000 and who
322.9 did not use at least 50 percent of its allocation from the preceding year is ineligible for an
322.10 allocation in the immediate succeeding calendar year. Each local government unit in a
322.11 consortium must meet the requirements of this paragraph.

322.12 Sec. 27. Minnesota Statutes 2016, section 474A.061, subdivision 2b, is amended to read:

322.13 Subd. 2b. **Small issue pool allocation.** Commencing on the second Tuesday in January
322.14 and continuing on each Monday through the last Monday in ~~July~~ June, the commissioner
322.15 shall allocate available bonding authority from the small issue pool to applications received
322.16 on or before the Monday of the preceding week for manufacturing projects and enterprise
322.17 zone facility projects. From the second Tuesday in January through the last Monday in ~~July~~
322.18 June, the commissioner shall reserve \$5,000,000 of the available bonding authority from
322.19 the small issue pool for applications for agricultural development bond loan projects of the
322.20 Minnesota Rural Finance Authority.

322.21 ~~Beginning in calendar year 2002,~~ On the second Tuesday in January through the last
322.22 Monday in ~~July~~ June, the commissioner shall reserve \$10,000,000 of available bonding
322.23 authority in the small issue pool for applications for student loan bonds of or on behalf of
322.24 the Minnesota Office of Higher Education. The total amount of allocations for student loan
322.25 bonds from the small issue pool may not exceed \$10,000,000 per year.

322.26 The commissioner shall reserve \$10,000,000 until the day after the last Monday in
322.27 February, \$10,000,000 until the day after the last Monday in April, and \$10,000,000 until
322.28 the day after the last Monday in June in the small issue pool for enterprise zone facility
322.29 projects and manufacturing projects. The amount of allocation provided to an issuer for a
322.30 specific enterprise zone facility project or manufacturing project will be based on the number
322.31 of points received for the proposed project under the scoring system under section 474A.045.

322.32 If there are two or more applications for manufacturing and enterprise zone facility
322.33 projects from the small issue pool and there is insufficient bonding authority to provide
322.34 allocations for all projects in any one week, the available bonding authority shall be awarded

323.1 based on the number of points awarded a project under section 474A.045, with those projects
323.2 receiving the greatest number of points receiving allocation first. If two or more applications
323.3 receive an equal number of points, available bonding authority shall be awarded by lot
323.4 unless otherwise agreed to by the respective issuers.

323.5 Sec. 28. Minnesota Statutes 2016, section 474A.061, subdivision 2c, is amended to read:

323.6 Subd. 2c. **Public facilities pool allocation.** From the beginning of the calendar year and
323.7 continuing for a period of 120 days, the commissioner shall reserve \$5,000,000 of the
323.8 available bonding authority from the public facilities pool for applications for public facilities
323.9 projects to be financed by the Western Lake Superior Sanitary District. Commencing on
323.10 the second Tuesday in January and continuing on each Monday through the last Monday
323.11 in ~~July~~ June, the commissioner shall allocate available bonding authority from the public
323.12 facilities pool to applications for eligible public facilities projects received on or before the
323.13 Monday of the preceding week. If there are two or more applications for public facilities
323.14 projects from the pool and there is insufficient available bonding authority to provide
323.15 allocations for all projects in any one week, the available bonding authority shall be awarded
323.16 by lot unless otherwise agreed to by the respective issuers.

323.17 Sec. 29. Minnesota Statutes 2016, section 474A.061, subdivision 4, is amended to read:

323.18 Subd. 4. **Return of allocation; deposit refund for small issue pool or public facilities**
323.19 **pool.** (a) For any requested allocations from the small issue pool or the public facilities
323.20 pool, if an issuer that receives an allocation under this section determines that it will not
323.21 issue obligations equal to all or a portion of the allocation received under this section within
323.22 120 days of allocation or within the time period permitted by federal tax law, whichever is
323.23 less, the issuer must notify the department. If the issuer notifies the department or the 120-day
323.24 period since allocation has expired prior to the last Monday in ~~July~~ June, the amount of
323.25 allocation is canceled and returned for reallocation through the pool from which it was
323.26 originally allocated. If the issuer notifies the department or the 120-day period since allocation
323.27 has expired on or after the last Monday in ~~July~~ June, the amount of allocation is canceled
323.28 and returned for reallocation through the unified pool. If the issuer notifies the department
323.29 after the last Monday in November, the amount of allocation is canceled and returned for
323.30 reallocation to the Minnesota Housing Finance Agency. To encourage a competitive
323.31 application process, the commissioner shall reserve, for new applications, the amount of
323.32 allocation that is canceled and returned for reallocation under this section for a minimum
323.33 of seven calendar days.

324.1 (b) An issuer that returns for reallocation all or a portion of an allocation received under
 324.2 this ~~section~~ subdivision within 120 days of allocation shall receive within 30 days a refund
 324.3 equal to:

324.4 (1) one-half of the application deposit for the amount of bonding authority returned
 324.5 within 30 days of receiving allocation;

324.6 (2) one-fourth of the application deposit for the amount of bonding authority returned
 324.7 between 31 and 60 days of receiving allocation; and

324.8 (3) one-eighth of the application deposit for the amount of bonding authority returned
 324.9 between 61 and 120 days of receiving allocation.

324.10 (c) No refund shall be available for allocations returned 120 or more days after receiving
 324.11 the allocation or beyond the last Monday in November.

324.12 Sec. 30. Minnesota Statutes 2016, section 474A.061, is amended by adding a subdivision
 324.13 to read:

324.14 Subd. 7. Return of allocation; deposit refund for housing pool. (a) For any requested
 324.15 allocations from the housing pool, if an issuer that receives an allocation under this section
 324.16 determines that it will not issue obligations equal to all or a portion of the allocation received
 324.17 under this section within the time period provided under section 474A.061, subdivision 2a,
 324.18 paragraph (a), or within the time period permitted by federal tax law, whichever is less, the
 324.19 issuer must notify the department. If the issuer notifies the department or the time period
 324.20 provided under section 474A.061, subdivision 2a, paragraph (a), has expired prior to the
 324.21 last Monday in June, the amount of allocation is canceled and returned for reallocation
 324.22 through the pool from which it was originally allocated. If the issuer notifies the department
 324.23 or the time period provided under section 474A.061, subdivision 2a, paragraph (a), has
 324.24 expired on or after the last Monday in June, the amount of allocation is canceled and returned
 324.25 for reallocation through the unified pool. If the issuer notifies the department after the last
 324.26 Monday in November, the amount of allocation is canceled and returned for reallocation
 324.27 to the Minnesota Housing Finance Agency. To encourage a competitive application process,
 324.28 the commissioner shall reserve, for new applications, the amount of allocation that is canceled
 324.29 and returned for reallocation under this section for a minimum of seven calendar days.

324.30 (b) An issuer that returns for reallocation all or a portion of an allocation received under
 324.31 this subdivision within 180 days of allocation shall receive within 30 days a refund equal
 324.32 to:

325.1 (1) one-half of the application deposit for the amount of bonding authority returned
 325.2 within 45 days of receiving allocation;

325.3 (2) one-fourth of the application deposit for the amount of bonding authority returned
 325.4 between 46 and 90 days of receiving allocation; and

325.5 (3) one-eighth of the application deposit for the amount of bonding authority returned
 325.6 between 91 and 180 days of receiving allocation.

325.7 (c) No refund shall be available for allocations returned 180 or more days after receiving
 325.8 the allocation or beyond the last Monday in November.

325.9 Sec. 31. Minnesota Statutes 2016, section 474A.062, is amended to read:

325.10 **474A.062 MINNESOTA OFFICE OF HIGHER EDUCATION 120-DAY ISSUANCE**
 325.11 **EXEMPTION.**

325.12 The Minnesota Office of Higher Education is exempt from ~~the 120-day~~ any time
 325.13 limitation on issuance requirements of bonds set forth in this chapter and may carry forward
 325.14 allocations for student loan bonds, subject to carryforward notice requirements of section
 325.15 474A.131, subdivision 2.

325.16 Sec. 32. Minnesota Statutes 2016, section 474A.091, subdivision 1, is amended to read:

325.17 Subdivision 1. **Unified pool amount.** On the day after the last Monday in ~~July~~ June any
 325.18 bonding authority remaining unallocated from the small issue pool, the housing pool, and
 325.19 the public facilities pool is transferred to the unified pool and must be reallocated as provided
 325.20 in this section.

325.21 Sec. 33. Minnesota Statutes 2016, section 474A.091, subdivision 2, is amended to read:

325.22 Subd. 2. **Application for residential rental projects.** (a) Issuers may apply for an
 325.23 allocation ~~under this section by submitting to the department an application on forms provided~~
 325.24 ~~by the department accompanied by (1) a preliminary resolution, (2) a statement of bond~~
 325.25 ~~counsel that the proposed issue of obligations requires an allocation under this chapter and~~
 325.26 ~~the Internal Revenue Code, (3) the type of qualified bonds to be issued, (4) an application~~
 325.27 ~~deposit in the amount of two percent of the requested allocation, (5) a public purpose scoring~~
 325.28 ~~worksheet for manufacturing and enterprise zone applications, and (6) for residential rental~~
 325.29 ~~projects, a statement from the applicant or bond counsel as to whether the project preserves~~
 325.30 ~~existing federally subsidized housing and whether the project is restricted to persons who~~
 325.31 ~~are 55 years of age or older. The issuer must pay the application deposit by check. An~~

326.1 ~~entitlement issuer may not apply for an allocation for public facility bonds, residential rental~~
 326.2 ~~project bonds, or mortgage bonds under this section unless it has either permanently issued~~
 326.3 ~~bonds equal to the amount of its entitlement allocation for the current year plus any amount~~
 326.4 ~~carried forward from previous years or returned for reallocation all of its unused entitlement~~
 326.5 ~~allocation. For purposes of this subdivision, its entitlement allocation includes an amount~~
 326.6 ~~obtained under section 474A.04, subdivision 6.~~

326.7 ~~Notwithstanding the restrictions imposed on entitlement issuers under this subdivision,~~
 326.8 ~~the Minnesota Housing Finance Agency may not receive an allocation for mortgage bonds~~
 326.9 ~~under this section prior to the first Monday in October, but may be awarded allocations for~~
 326.10 ~~mortgage bonds from the unified pool on or after the first Monday in October. The Minnesota~~
 326.11 ~~Housing Finance Agency, the Minnesota Office of Higher Education, and the Minnesota~~
 326.12 ~~Rural Finance Authority may apply for and receive an allocation under this section without~~
 326.13 ~~submitting an application deposit. for residential rental bonds under this section by submitting~~
 326.14 ~~to the department an application on forms provided by the department accompanied by: (1)~~
 326.15 ~~a preliminary resolution; (2) a statement of bond counsel that the proposed issue of~~
 326.16 ~~obligations requires an allocation under this chapter and the Internal Revenue Code; (3) an~~
 326.17 ~~application deposit in the amount of two percent of the requested allocation; (4) a sworn~~
 326.18 ~~statement from the applicant identifying the project as a preservation project, a 30 percent~~
 326.19 ~~AMI residential rental project, a 50 percent AMI residential rental project, a 100 percent~~
 326.20 ~~LIHTC project, a 20 percent LIHTC project, or any other residential rental project; and (5)~~
 326.21 ~~a certification from the applicant or its accountant stating whether the requested allocation~~
 326.22 ~~exceeds the aggregate bond limitation. Applications for projects requesting bonds in excess~~
 326.23 ~~of the aggregate bond limitation may not apply or be allocated bonding authority until after~~
 326.24 ~~September 1 each year. The issuer must pay the application deposit by check. An entitlement~~
 326.25 ~~issuer may not apply for an allocation for residential rental bonds under this section unless~~
 326.26 ~~it has either permanently issued bonds equal to the amount of its entitlement allocation for~~
 326.27 ~~the current year plus any amount carried forward from previous years or returned for~~
 326.28 ~~reallocation all of its unused entitlement allocation. For purposes of this subdivision, an~~
 326.29 ~~entitlement allocation includes an amount obtained under section 474A.04, subdivision 6.~~

326.30 (b) An issuer that receives an allocation under this subdivision must issue obligations
 326.31 equal to all or a portion of the allocation received on or before the later of 180 days of the
 326.32 allocation or within 18 months after the allocation date if the applicant submits an additional
 326.33 application deposit equal to one percent of the allocation amount on or prior to 180 days
 326.34 after the allocation date. If an issuer that receives an allocation under this subdivision does
 326.35 not issue obligations equal to all or a portion of the allocation received within the time

327.1 period provided in this paragraph or returns the allocation to the commissioner, the amount
327.2 of the allocation is canceled and returned for reallocation through the unified pool. If an
327.3 issuer that receives an allocation under this subdivision issues obligations within the time
327.4 period provided in this paragraph, the commissioner shall refund 50 percent of any application
327.5 deposit previously paid: (i) within 30 days after the date on which IRS Form 8609(s) are
327.6 issued with respect to projects generating low-income housing tax credits; or (ii) within 90
327.7 days after the issuer provides a certification and any other reasonable documentation
327.8 requested by the commissioner evidencing that construction of the project has been
327.9 completed. The obligations and the remaining 50 percent of the application deposit within
327.10 30 days after completion of construction of the project.

327.11 (c) Notwithstanding the restrictions imposed on entitlement issuers under this subdivision,
327.12 the Minnesota Housing Finance Agency may not receive an allocation for mortgage bonds
327.13 under this section prior to the first Monday in October, but may be awarded allocations for
327.14 mortgage bonds from the unified pool on or after the first Monday in October. The Minnesota
327.15 Housing Finance Agency may apply for and receive an allocation under this section without
327.16 submitting an application deposit.

327.17 Sec. 34. Minnesota Statutes 2016, section 474A.091, is amended by adding a subdivision
327.18 to read:

327.19 Subd. 2a. **Application for all other types of qualified bonds.** (a) Issuers may apply
327.20 for an allocation for all types of qualified bonds other than residential rental bonds under
327.21 this section by submitting to the department an application on forms provided by the
327.22 department accompanied by: (1) a preliminary resolution; (2) a statement of bond counsel
327.23 that the proposed issue of obligations requires an allocation under this chapter and the
327.24 Internal Revenue Code; (3) the type of qualified bonds to be issued; (4) an application
327.25 deposit in the amount of two percent of the requested allocation; and (5) a public purpose
327.26 scoring worksheet for manufacturing and enterprise zone applications. The issuer must pay
327.27 the application deposit by check. An entitlement issuer may not apply for an allocation for
327.28 public facility bonds or mortgage bonds under this section unless it has either permanently
327.29 issued bonds equal to the amount of its entitlement allocation for the current year plus any
327.30 amount carried forward from previous years or returned for reallocation all of its unused
327.31 entitlement allocation. For purposes of this subdivision, an entitlement allocation includes
327.32 an amount obtained under section 474A.04, subdivision 6.

327.33 (b) Notwithstanding the restrictions imposed on entitlement issuers under this subdivision,
327.34 the Minnesota Housing Finance Agency may not receive an allocation for mortgage bonds

328.1 under this section prior to the first Monday in October, but may be awarded allocations for
328.2 mortgage bonds from the unified pool on or after the first Monday in October. The Minnesota
328.3 Housing Finance Agency, the Minnesota Office of Higher Education, and the Minnesota
328.4 Rural Finance Authority may apply for and receive an allocation under this section without
328.5 submitting an application deposit.

328.6 Sec. 35. Minnesota Statutes 2016, section 474A.091, subdivision 3, is amended to read:

328.7 Subd. 3. **Allocation procedure.** (a) The commissioner shall allocate available bonding
328.8 authority under this section on the Monday of every other week beginning with the first
328.9 Monday in ~~August~~ July through and on the last Monday in November. Applications for
328.10 allocations must be received by the department by 4:30 p.m. on the Monday preceding the
328.11 Monday on which allocations are to be made. If a Monday falls on a holiday, the allocation
328.12 will be made or the applications must be received by the next business day after the holiday.

328.13 (b) Prior to October 1, only the following applications shall be awarded allocations from
328.14 the unified pool. Allocations shall be awarded in the following order of priority:

328.15 (1) applications for residential rental project bonds;

328.16 (2) applications for small issue bonds for manufacturing projects; and

328.17 (3) applications for small issue bonds for agricultural development bond loan projects.

328.18 (c) On the first Monday in October through the last Monday in November, allocations
328.19 shall be awarded from the unified pool in the following order of priority:

328.20 (1) applications for student loan bonds issued by or on behalf of the Minnesota Office
328.21 of Higher Education;

328.22 (2) applications for mortgage bonds;

328.23 (3) applications for public facility projects funded by public facility bonds;

328.24 (4) applications for small issue bonds for manufacturing projects;

328.25 (5) applications for small issue bonds for agricultural development bond loan projects;

328.26 (6) applications for residential rental project bonds;

328.27 (7) applications for enterprise zone facility bonds;

328.28 (8) applications for governmental bonds; and

328.29 (9) applications for redevelopment bonds.

329.1 (d) If there are two or more applications for manufacturing projects from the unified
329.2 pool and there is insufficient bonding authority to provide allocations for all manufacturing
329.3 projects in any one allocation period, the available bonding authority shall be awarded based
329.4 on the number of points awarded a project under section 474A.045 with those projects
329.5 receiving the greatest number of points receiving allocation first. If two or more applications
329.6 for manufacturing projects receive an equal amount of points, available bonding authority
329.7 shall be awarded by lot unless otherwise agreed to by the respective issuers.

329.8 (e) If there are two or more applications for enterprise zone facility projects from the
329.9 unified pool and there is insufficient bonding authority to provide allocations for all enterprise
329.10 zone facility projects in any one allocation period, the available bonding authority shall be
329.11 awarded based on the number of points awarded a project under section 474A.045 with
329.12 those projects receiving the greatest number of points receiving allocation first. If two or
329.13 more applications for enterprise zone facility projects receive an equal amount of points,
329.14 available bonding authority shall be awarded by lot unless otherwise agreed to by the
329.15 respective issuers.

329.16 (f) If there are two or more applications for residential rental projects from the unified
329.17 pool and there is insufficient bonding authority to provide allocations for all residential
329.18 rental projects in any one allocation period, the available bonding authority shall be awarded
329.19 in the following order of priority: (1) ~~projects that preserve existing federally subsidized~~
329.20 ~~housing; (2) projects that are not restricted to persons who are 55 years of age or older; and~~
329.21 ~~(3) preservation projects; (2) 30 percent AMI residential rental projects; (3) 50 percent AMI~~
329.22 ~~residential rental projects; (4) 100 percent LIHTC projects; (5) 20 percent LIHTC projects;~~
329.23 (6) other residential rental projects for which the amount of bonds requested in their
329.24 respective applications do not exceed the aggregate bond limitation; and (7) other residential
329.25 rental projects for which the amount of bonds requested in their respective applications
329.26 exceed the aggregate bond limitation and that apply on or after September 1 of a calendar
329.27 year. If there are two or more applications for residential rental projects at the same priority
329.28 level and there is insufficient bonding authority to provide allocations for all the projects
329.29 in any one allocation period, available bonding authority shall be randomly awarded by lot
329.30 but only for projects that received the full amount of their respective requested allocations.
329.31 If a residential rental project does not receive any of its requested allocation pursuant to this
329.32 paragraph, the remaining bonding authority not allocated to the project shall be reserved
329.33 by the commissioner, or by the Minnesota Housing Finance Agency if the authority is carried
329.34 forward pursuant to section 474A.131, for the project for up to 24 months thereafter, and
329.35 if the project applies in the future to the housing pool or unified pool for additional allocation

330.1 of bonds, the project shall be fully funded up to the remaining amount of its original
 330.2 application request for bonding authority before any new project, applying in the same
 330.3 allocation period, that has an equal priority shall receive bonding authority.

330.4 (g) From the first Monday in ~~August~~ July through the last Monday in November,
 330.5 \$20,000,000 of bonding authority or an amount equal to the total annual amount of bonding
 330.6 authority allocated to the small issue pool under section 474A.03, subdivision 1, less the
 330.7 amount allocated to issuers from the small issue pool for that year, whichever is less, is
 330.8 reserved within the unified pool for small issue bonds to the extent ~~such~~ the amounts are
 330.9 available within the unified pool.

330.10 (h) The total amount of allocations for mortgage bonds from the housing pool and the
 330.11 unified pool may not exceed:

330.12 (1) \$10,000,000 for any one city; or

330.13 (2) \$20,000,000 for any number of cities in any one county.

330.14 (i) The total amount of allocations for student loan bonds from the unified pool may not
 330.15 exceed \$25,000,000 per year.

330.16 (j) If there is insufficient bonding authority to fund all projects within any qualified bond
 330.17 category other than enterprise zone facility projects, manufacturing projects, and residential
 330.18 rental projects, allocations shall be awarded by lot unless otherwise agreed to by the
 330.19 respective issuers.

330.20 (k) If an application is rejected, the commissioner must notify the applicant and return
 330.21 the application deposit to the applicant within 30 days unless the applicant requests in writing
 330.22 that the application be resubmitted.

330.23 (l) The granting of an allocation of bonding authority under this section must be evidenced
 330.24 by issuance of a certificate of allocation.

330.25 Sec. 36. Minnesota Statutes 2016, section 474A.091, subdivision 5, is amended to read:

330.26 Subd. 5. **Return of allocation; deposit refund.** (a) If an issuer that receives an allocation
 330.27 under this section determines that it will not issue obligations equal to all or a portion of
 330.28 the allocation received under this section within ~~120~~ the applicable number of days ~~of~~ after
 330.29 the allocation required in this chapter or within the time period permitted by federal tax law,
 330.30 whichever is less, the issuer must notify the department. If the issuer notifies the department
 330.31 or the ~~120-day~~ period since allocation has expired prior to the last Monday in November,
 330.32 the amount of allocation is canceled and returned for reallocation through the unified pool.

331.1 If the issuer notifies the department on or after the last Monday in November, the amount
331.2 of allocation is canceled and returned for reallocation to the Minnesota Housing Finance
331.3 Agency. To encourage a competitive application process, the commissioner shall reserve,
331.4 for new applications, the amount of allocation that is canceled and returned for reallocation
331.5 under this section for a minimum of seven calendar days.

331.6 (b) An issuer that returns for reallocation all or a portion of an allocation for all types
331.7 of bonds other than residential rental project bonds received under this section within 120
331.8 days of the allocation shall receive within 30 days a refund equal to:

331.9 (1) one-half of the application deposit for the amount of bonding authority returned
331.10 within 30 days of receiving the allocation;

331.11 (2) one-fourth of the application deposit for the amount of bonding authority returned
331.12 between 31 and 60 days of receiving the allocation; and

331.13 (3) one-eighth of the application deposit for the amount of bonding authority returned
331.14 between 61 and 120 days of receiving the allocation.

331.15 (c) No refund of the application deposit shall be available for allocations returned on or
331.16 after the last Monday in November.

331.17 (d) An issuer that returns for reallocation all or a portion of an allocation for residential
331.18 rental project bonds received under this section within 180 days of the allocation shall
331.19 receive within 30 days a refund equal to:

331.20 (1) one-half of the application deposit for the amount of bonding authority returned
331.21 within 45 days of receiving the allocation;

331.22 (2) one-fourth of the application deposit for the amount of bonding authority returned
331.23 between 46 and 90 days of receiving the allocation; and

331.24 (3) one-eighth of the application deposit for the amount of bonding authority returned
331.25 between 91 and 180 days of receiving the allocation.

331.26 Sec. 37. Minnesota Statutes 2016, section 474A.091, subdivision 6, is amended to read:

331.27 Subd. 6. **Final allocation; carryforward.** Notwithstanding the notice requirements of
331.28 section 474A.131, subdivision 2, any bonding authority remaining unissued by the Minnesota
331.29 Housing Finance Agency on the last business day in December shall be carried forward
331.30 into the next calendar year by the commissioner for the Minnesota Housing Finance Agency.

331.31 Any authority carried forward shall be allocated to utilize the authority that is closest to

332.1 expiring first, and in all events, the Minnesota Housing Finance Agency shall allocate its
 332.2 bonding authority to utilize the authority carried forward prior to any current year's allocation.

332.3 Sec. 38. Minnesota Statutes 2016, section 474A.131, subdivision 1, is amended to read:

332.4 Subdivision 1. **Notice of issue.** Each issuer ~~that issues bonds~~ with an allocation received
 332.5 under this chapter shall provide a notice of issue to the department on forms provided by
 332.6 the department stating:

332.7 (1) the date of issuance of the bonds;

332.8 (2) the title of the issue;

332.9 (3) the principal amount of the bonds;

332.10 (4) the type of qualified bonds under federal tax law;

332.11 (5) the dollar amount of the bonds issued that were subject to the annual volume cap;

332.12 and

332.13 (6) for entitlement issuers, whether the allocation is from current year entitlement
 332.14 authority or is from carryforward authority.

332.15 For obligations that are issued as a part of a series of obligations, a notice must be
 332.16 provided for each series. A penalty of one-half of the amount of the application deposit not
 332.17 to exceed \$5,000 shall apply to any issue of obligations for which a notice of issue is not
 332.18 provided to the department within five business days after issuance or before 4:30 p.m. on
 332.19 the last business day in December, whichever occurs first. Within 30 days after receipt of
 332.20 a notice of issue the department shall refund a portion of the application deposit equal to
 332.21 one percent of the amount of the bonding authority actually issued if a one percent application
 332.22 deposit was made, or equal to two percent of the amount of the bonding authority actually
 332.23 issued if ~~a two percent~~ the applicable application deposit was made, less any penalty amount.

332.24 Sec. 39. Minnesota Statutes 2016, section 474A.131, subdivision 1b, is amended to read:

332.25 Subd. 1b. **Deadline for issuance of qualified bonds.** (a) If an issuer fails to notify the
 332.26 department before 4:30 p.m. on the last business day in December of issuance of obligations
 332.27 pursuant to an allocation received for any qualified bond project or issuance of an entitlement
 332.28 allocation other than those involving residential rental bonds, the allocation is canceled and
 332.29 the bonding authority is allocated to the Minnesota Housing Finance Agency for carryforward
 332.30 by the commissioner under section 474A.091, subdivision 6.

333.1 (b) With respect to: (1) an allocation received for a residential rental project for which
 333.2 the obligations have not been issued before 4:30 p.m. on the last business day in December
 333.3 and the time period for issuance of the obligations provided under section 474A.061,
 333.4 subdivision 2a, or 474A.091, subdivision 2a, as applicable, has not expired; and (2) bonding
 333.5 authority reserved for a project for up to 24 months under section 474A.061, subdivision
 333.6 2a, or section 471A.091, subdivision 3, paragraph (f), as of 4:30 p.m. on the last business
 333.7 day of December, the bonding authority shall be allocated to the Minnesota Housing Finance
 333.8 Agency for carryforward by the commissioner under section 474A.091, subdivision 6;
 333.9 provided, however, that the allocation shall remain reserved by the Minnesota Housing
 333.10 Finance Agency for the residential rental project described in the original application and
 333.11 the Minnesota Housing Finance Agency will have the fiduciary duty to issue the bonds as
 333.12 intended by the originally intended issuer. In addition, any obligations issued by the
 333.13 Minnesota Housing Finance Agency for a residential rental project that is subject to this
 333.14 paragraph shall not be subject to the debt management policies of the Minnesota Housing
 333.15 Finance Agency, as adopted and amended from time to time.

333.16 Sec. 40. Minnesota Statutes 2016, section 474A.131, subdivision 2, is amended to read:

333.17 Subd. 2. **Carryforward notice.** If an issuer intends to carry forward an allocation received
 333.18 under this chapter, it must notify the department in writing before 4:30 p.m. on the last
 333.19 business day in December. This notice requirement does not apply to the Minnesota Housing
 333.20 Finance Agency for the carryforward of unallocated unified pool balances or for the
 333.21 carryforward of allocations of residential rental project bonds pursuant to section 474A.131,
 333.22 subdivision 1b.

333.23 Sec. 41. Minnesota Statutes 2016, section 474A.14, is amended to read:

333.24 **474A.14 NOTICE OF AVAILABLE AUTHORITY.**

333.25 The department shall provide at its official Web site a written notice of the amount of
 333.26 bonding authority in the housing, small issue, and public facilities pools as soon after January
 333.27 1 as possible. The department shall provide at its official Web site a written notice of the
 333.28 amount of bonding authority available for allocation in the unified pool as soon after ~~August~~
 333.29 July 1 as possible.

334.1 Sec. 42. **ADVANCES TO THE MINNESOTA MANUFACTURED HOME**
 334.2 **RELOCATION TRUST FUND.**

334.3 (a) Until June 30, 2020, the Minnesota Housing Finance Agency or Department of
 334.4 Management and Budget as determined by the commissioner of management and budget,
 334.5 is authorized to advance up to \$400,000 from state appropriations or other resources to the
 334.6 Minnesota manufactured home relocation trust fund established under Minnesota Statutes,
 334.7 section 462A.35, if the account balance in the Minnesota manufactured home relocation
 334.8 trust fund is insufficient to pay the amounts claimed under Minnesota Statutes, section
 334.9 327C.095, subdivision 13.

334.10 (b) The Minnesota Housing Finance Agency or Department of Management and Budget
 334.11 shall be reimbursed from the Minnesota manufactured home relocation trust fund for any
 334.12 money advanced by the agency under paragraph (a) to the fund. Approved claims for payment
 334.13 to manufactured home owners shall be paid prior to the money being advanced by the agency
 334.14 or the department to the fund.

334.15 Sec. 43. **HOUSING AFFORDABILITY FUND; 2019 ALLOCATIONS.**

334.16 Allocations from the Housing Finance Agency's housing affordability fund, pool 3, in
 334.17 2019, shall include a set-aside of ten percent for single-family home ownership development
 334.18 and rental housing for up to a four-plex in municipalities with a population under 10,000,
 334.19 or for manufactured housing projects. The set-aside shall remain until June 1, 2019, after
 334.20 which any money remaining in the set-aside shall be available to all eligible projects.

334.21 Sec. 44. **REPORT; COSTS OF LOCAL ACTIONS ON AFFORDABLE HOUSING.**

334.22 By January 15, 2019, the commissioner of the Housing Finance Agency shall report to
 334.23 the members of the legislative policy and finance committees with jurisdiction over housing
 334.24 on the effects of local regulatory, fee, and zoning decisions that raise the cost of development
 334.25 of affordable housing.

334.26 **ARTICLE 21**

334.27 **PUBLIC SAFETY**

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

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

335.1 (1) commits the violation within ten years of the first of three or more qualified prior
 335.2 impaired driving incidents;

335.3 (2) has previously been convicted of a felony under this section; or

335.4 (3) has previously been convicted of a felony under:

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

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

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

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

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

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

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

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

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

335.25 (ii) kidnapping under section 609.25;

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

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

335.29 (v) surreptitious intrusion under the circumstances described in section 609.746,
 335.30 subdivision 1, paragraph (f);

336.1 (2) the person was charged with or petitioned for a violation of, or attempt to violate, or
336.2 aiding, abetting, or conspiring to commit criminal abuse in violation of section 609.2325,
336.3 subdivision 1, paragraph (b); false imprisonment in violation of section 609.255, subdivision
336.4 2; solicitation, inducement, or promotion of the prostitution of a minor or engaging in the
336.5 sex trafficking of a minor in violation of section 609.322; a prostitution offense in violation
336.6 of section 609.324, subdivision 1, paragraph (a); soliciting a minor to engage in sexual
336.7 conduct in violation of section 609.352, subdivision 2 or 2a, clause (1); using a minor in a
336.8 sexual performance in violation of section 617.246; or possessing pornographic work
336.9 involving a minor in violation of section 617.247, and convicted of or adjudicated delinquent
336.10 for that offense or another offense arising out of the same set of circumstances;

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

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

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

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

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

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

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

337.1 (c) A person also shall register under this section if the person was committed pursuant
337.2 to a court commitment order under Minnesota Statutes 2012, section 253B.185, chapter
337.3 253D, Minnesota Statutes 1992, section 526.10, or a similar law of another state or the
337.4 United States, regardless of whether the person was convicted of any offense.

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

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

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

337.14 (3) the person was committed pursuant to a court commitment order under section
337.15 253B.18 or a similar law of another state or the United States.

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

337.18 Sec. 3. Minnesota Statutes 2016, section 244.052, subdivision 4, is amended to read:

337.19 Subd. 4. **Law enforcement agency; disclosure of information to public.** (a) The law
337.20 enforcement agency in the area where the predatory offender resides, expects to reside, is
337.21 employed, or is regularly found, shall disclose to the public any information regarding the
337.22 offender contained in the report forwarded to the agency under subdivision 3, paragraph
337.23 (f), that is relevant and necessary to protect the public and to counteract the offender's
337.24 dangerousness, consistent with the guidelines in paragraph (b). The extent of the information
337.25 disclosed and the community to whom disclosure is made must relate to the level of danger
337.26 posed by the offender, to the offender's pattern of offending behavior, and to the need of
337.27 community members for information to enhance their individual and collective safety.

337.28 (b) The law enforcement agency shall employ the following guidelines in determining
337.29 the scope of disclosure made under this subdivision:

337.30 (1) if the offender is assigned to risk level I, the agency may maintain information
337.31 regarding the offender within the agency and may disclose it to other law enforcement
337.32 agencies. Additionally, the agency may disclose the information to any victims of or
337.33 witnesses to the offense committed by the offender. The agency shall disclose the information

338.1 to victims of the offense committed by the offender who have requested disclosure and to
338.2 adult members of the offender's immediate household;

338.3 (2) if the offender is assigned to risk level II, the agency also may disclose the information
338.4 to agencies and groups that the offender is likely to encounter for the purpose of securing
338.5 those institutions and protecting individuals in their care while they are on or near the
338.6 premises of the institution. These agencies and groups include the staff members of public
338.7 and private educational institutions, day care establishments, and establishments and
338.8 organizations that primarily serve individuals likely to be victimized by the offender. The
338.9 agency also may disclose the information to individuals the agency believes are likely to
338.10 be victimized by the offender. The agency's belief shall be based on the offender's pattern
338.11 of offending or victim preference as documented in the information provided by the
338.12 department of corrections or human services;

338.13 (3) if the offender is assigned to risk level III, the agency shall disclose the information
338.14 to the persons and entities described in clauses (1) and (2) and to other members of the
338.15 community whom the offender is likely to encounter, unless the law enforcement agency
338.16 determines that public safety would be compromised by the disclosure or that a more limited
338.17 disclosure is necessary to protect the identity of the victim.

338.18 Notwithstanding the assignment of a predatory offender to risk level II or III, a law
338.19 enforcement agency may not make the disclosures permitted or required by clause (2) or
338.20 (3), if: the offender is placed or resides in a residential facility. However, if an offender is
338.21 placed or resides in a residential facility, the offender and the head of the facility shall
338.22 designate the offender's likely residence upon release from the facility and the head of the
338.23 facility shall notify the commissioner of corrections or the commissioner of human services
338.24 of the offender's likely residence at least 14 days before the offender's scheduled release
338.25 date. The commissioner shall give this information to the law enforcement agency having
338.26 jurisdiction over the offender's likely residence. The head of the residential facility also
338.27 shall notify the commissioner of corrections or human services within 48 hours after
338.28 finalizing the offender's approved relocation plan to a permanent residence. Within five
338.29 days after receiving this notification, the appropriate commissioner shall give to the
338.30 appropriate law enforcement agency all relevant information the commissioner has
338.31 concerning the offender, including information on the risk factors in the offender's history
338.32 and the risk level to which the offender was assigned. After receiving this information, the
338.33 law enforcement agency shall make the disclosures permitted or required by clause (2) or
338.34 (3), as appropriate.

338.35 (c) As used in paragraph (b), clauses (2) and (3), "likely to encounter" means that:

339.1 (1) the organizations or community members are in a location or in close proximity to
339.2 a location where the offender lives or is employed, or which the offender visits or is likely
339.3 to visit on a regular basis, other than the location of the offender's outpatient treatment
339.4 program; and

339.5 (2) the types of interaction which ordinarily occur at that location and other circumstances
339.6 indicate that contact with the offender is reasonably certain.

339.7 (d) A law enforcement agency or official who discloses information under this subdivision
339.8 shall make a good faith effort to make the notification within 14 days of receipt of a
339.9 confirmed address from the Department of Corrections indicating that the offender will be,
339.10 or has been, released from confinement, or accepted for supervision, or has moved to a new
339.11 address and will reside at the address indicated. If a change occurs in the release plan, this
339.12 notification provision does not require an extension of the release date.

339.13 (e) A law enforcement agency or official who discloses information under this subdivision
339.14 shall not disclose the identity or any identifying characteristics of the victims of or witnesses
339.15 to the offender's offenses.

339.16 (f) A law enforcement agency shall continue to disclose information on an offender as
339.17 required by this subdivision for as long as the offender is required to register under section
339.18 243.166. This requirement on a law enforcement agency to continue to disclose information
339.19 also applies to an offender who lacks a primary address and is registering under section
339.20 243.166, subdivision 3a.

339.21 (g) A law enforcement agency that is disclosing information on an offender assigned to
339.22 risk level III to the public under this subdivision shall inform the commissioner of corrections
339.23 what information is being disclosed and forward this information to the commissioner within
339.24 two days of the agency's determination. The commissioner shall post this information on
339.25 the Internet as required in subdivision 4b.

339.26 (h) A city council may adopt a policy that addresses when information disclosed under
339.27 this subdivision must be presented in languages in addition to English. The policy may
339.28 address when information must be presented orally, in writing, or both in additional languages
339.29 by the law enforcement agency disclosing the information. The policy may provide for
339.30 different approaches based on the prevalence of non-English languages in different
339.31 neighborhoods.

339.32 (i) An offender who is the subject of a community notification meeting held pursuant
339.33 to this section may not attend the meeting.

340.1 (j) When a school, day care facility, or other entity or program that primarily educates
340.2 or serves children receives notice under paragraph (b), clause (3), that a level III predatory
340.3 offender resides or works in the surrounding community, notice to parents must be made
340.4 as provided in this paragraph. If the predatory offender identified in the notice is participating
340.5 in programs offered by the facility that require or allow the person to interact with children
340.6 other than the person's children, the principal or head of the entity must notify parents with
340.7 children at the facility of the contents of the notice received pursuant to this section. The
340.8 immunity provisions of subdivision 7 apply to persons disclosing information under this
340.9 paragraph.

340.10 (k) The law enforcement agency where the predatory offender resides, is employed, or
340.11 is regularly found shall notify the public in accordance with the guidelines of this subdivision,
340.12 when the offender no longer resides, is employed, or is regularly found in the area.

340.13 Sec. 4. Minnesota Statutes 2016, section 260.012, is amended to read:

340.14 **260.012 DUTY TO ENSURE PLACEMENT PREVENTION AND FAMILY**
340.15 **REUNIFICATION; REASONABLE EFFORTS.**

340.16 (a) Once a child alleged to be in need of protection or services is under the court's
340.17 jurisdiction, the court shall ensure that reasonable efforts, including culturally appropriate
340.18 services, by the social services agency are made to prevent placement or to eliminate the
340.19 need for removal and to reunite the child with the child's family at the earliest possible time,
340.20 and the court must ensure that the responsible social services agency makes reasonable
340.21 efforts to finalize an alternative permanent plan for the child as provided in paragraph (e).
340.22 In determining reasonable efforts to be made with respect to a child and in making those
340.23 reasonable efforts, the child's best interests, health, and safety must be of paramount concern.
340.24 Reasonable efforts to prevent placement and for rehabilitation and reunification are always
340.25 required except upon a determination by the court that a petition has been filed stating a
340.26 prima facie case that:

340.27 (1) the parent has subjected a child to egregious harm as defined in section 260C.007,
340.28 subdivision 14;

340.29 (2) the parental rights of the parent to another child have been terminated involuntarily;

340.30 (3) the child is an abandoned infant under section 260C.301, subdivision 2, paragraph
340.31 (a), clause (2);

341.1 (4) the parent's custodial rights to another child have been involuntarily transferred to a
341.2 relative under Minnesota Statutes 2010, section 260C.201, subdivision 11, paragraph (d),
341.3 clause (1), section 260C.515, subdivision 4, or a similar law of another jurisdiction;

341.4 (5) the parent has committed sexual abuse as defined in section 626.556, subdivision 2,
341.5 against the child or another child of the parent;

341.6 (6) the parent has committed an offense that requires registration as a predatory offender
341.7 under section 243.166, subdivision 1b, paragraph (a) or (b); or

341.8 (7) the provision of services or further services for the purpose of reunification is futile
341.9 and therefore unreasonable under the circumstances.

341.10 (b) When the court makes one of the prima facie determinations under paragraph (a),
341.11 either permanency pleadings under section 260C.505, or a termination of parental rights
341.12 petition under sections 260C.141 and 260C.301 must be filed. A permanency hearing under
341.13 sections 260C.503 to 260C.521 must be held within 30 days of this determination.

341.14 (c) In the case of an Indian child, in proceedings under sections 260B.178, 260C.178,
341.15 260C.201, 260C.202, 260C.204, 260C.301, or 260C.503 to 260C.521, the juvenile court
341.16 must make findings and conclusions consistent with the Indian Child Welfare Act of 1978,
341.17 United States Code, title 25, section 1901 et seq., as to the provision of active efforts. In
341.18 cases governed by the Indian Child Welfare Act of 1978, United States Code, title 25, section
341.19 1901, the responsible social services agency must provide active efforts as required under
341.20 United States Code, title 25, section 1911(d).

341.21 (d) "Reasonable efforts to prevent placement" means:

341.22 (1) the agency has made reasonable efforts to prevent the placement of the child in foster
341.23 care by working with the family to develop and implement a safety plan; or

341.24 (2) given the particular circumstances of the child and family at the time of the child's
341.25 removal, there are no services or efforts available which could allow the child to safely
341.26 remain in the home.

341.27 (e) "Reasonable efforts to finalize a permanent plan for the child" means due diligence
341.28 by the responsible social services agency to:

341.29 (1) reunify the child with the parent or guardian from whom the child was removed;

341.30 (2) assess a noncustodial parent's ability to provide day-to-day care for the child and,
341.31 where appropriate, provide services necessary to enable the noncustodial parent to safely
341.32 provide the care, as required by section 260C.219;

342.1 (3) conduct a relative search to identify and provide notice to adult relatives as required
342.2 under section 260C.221;

342.3 (4) place siblings removed from their home in the same home for foster care or adoption,
342.4 or transfer permanent legal and physical custody to a relative. Visitation between siblings
342.5 who are not in the same foster care, adoption, or custodial placement or facility shall be
342.6 consistent with section 260C.212, subdivision 2; and

342.7 (5) when the child cannot return to the parent or guardian from whom the child was
342.8 removed, to plan for and finalize a safe and legally permanent alternative home for the child,
342.9 and considers permanent alternative homes for the child inside or outside of the state,
342.10 preferably through adoption or transfer of permanent legal and physical custody of the child.

342.11 (f) Reasonable efforts are made upon the exercise of due diligence by the responsible
342.12 social services agency to use culturally appropriate and available services to meet the needs
342.13 of the child and the child's family. Services may include those provided by the responsible
342.14 social services agency and other culturally appropriate services available in the community.
342.15 At each stage of the proceedings where the court is required to review the appropriateness
342.16 of the responsible social services agency's reasonable efforts as described in paragraphs (a),
342.17 (d), and (e), the social services agency has the burden of demonstrating that:

342.18 (1) it has made reasonable efforts to prevent placement of the child in foster care;

342.19 (2) it has made reasonable efforts to eliminate the need for removal of the child from
342.20 the child's home and to reunify the child with the child's family at the earliest possible time;

342.21 (3) it has made reasonable efforts to finalize an alternative permanent home for the child,
342.22 and considers permanent alternative homes for the child inside or outside of the state; or

342.23 (4) reasonable efforts to prevent placement and to reunify the child with the parent or
342.24 guardian are not required. The agency may meet this burden by stating facts in a sworn
342.25 petition filed under section 260C.141, by filing an affidavit summarizing the agency's
342.26 reasonable efforts or facts the agency believes demonstrate there is no need for reasonable
342.27 efforts to reunify the parent and child, or through testimony or a certified report required
342.28 under juvenile court rules.

342.29 (g) Once the court determines that reasonable efforts for reunification are not required
342.30 because the court has made one of the prima facie determinations under paragraph (a), the
342.31 court may only require reasonable efforts for reunification after a hearing according to
342.32 section 260C.163, where the court finds there is not clear and convincing evidence of the
342.33 facts upon which the court based its prima facie determination. In this case when there is

343.1 clear and convincing evidence that the child is in need of protection or services, the court
343.2 may find the child in need of protection or services and order any of the dispositions available
343.3 under section 260C.201, subdivision 1. Reunification of a child with a parent is not required
343.4 if the parent has been convicted of:

343.5 (1) a violation of, or an attempt or conspiracy to commit a violation of, sections 609.185
343.6 to 609.20; 609.222, subdivision 2; or 609.223 in regard to another child of the parent;

343.7 (2) a violation of section 609.222, subdivision 2; or 609.223, in regard to the child;

343.8 (3) a violation of, or an attempt or conspiracy to commit a violation of, United States
343.9 Code, title 18, section 1111(a) or 1112(a), in regard to another child of the parent;

343.10 (4) committing an offense that constitutes sexual abuse as defined in section 626.556,
343.11 subdivision 2, against the child or another child of the parent; or

343.12 (5) an offense that requires registration as a predatory offender under section 243.166,
343.13 subdivision 1b, paragraph (a) or (b).

343.14 Reunification is also not required when a parent receives a stay of adjudication pursuant to
343.15 section 609.095, paragraph (b), for an offense that constitutes sexual abuse under clause
343.16 (4).

343.17 (h) The juvenile court, in proceedings under sections 260B.178, 260C.178, 260C.201,
343.18 260C.202, 260C.204, 260C.301, or 260C.503 to 260C.521, shall make findings and
343.19 conclusions as to the provision of reasonable efforts. When determining whether reasonable
343.20 efforts have been made, the court shall consider whether services to the child and family
343.21 were:

343.22 (1) relevant to the safety and protection of the child;

343.23 (2) adequate to meet the needs of the child and family;

343.24 (3) culturally appropriate;

343.25 (4) available and accessible;

343.26 (5) consistent and timely; and

343.27 (6) realistic under the circumstances.

343.28 In the alternative, the court may determine that provision of services or further services
343.29 for the purpose of rehabilitation is futile and therefore unreasonable under the circumstances
343.30 or that reasonable efforts are not required as provided in paragraph (a).

344.1 (i) This section does not prevent out-of-home placement for treatment of a child with a
344.2 mental disability when it is determined to be medically necessary as a result of the child's
344.3 diagnostic assessment or individual treatment plan indicates that appropriate and necessary
344.4 treatment cannot be effectively provided outside of a residential or inpatient treatment
344.5 program and the level or intensity of supervision and treatment cannot be effectively and
344.6 safely provided in the child's home or community and it is determined that a residential
344.7 treatment setting is the least restrictive setting that is appropriate to the needs of the child.

344.8 (j) If continuation of reasonable efforts to prevent placement or reunify the child with
344.9 the parent or guardian from whom the child was removed is determined by the court to be
344.10 inconsistent with the permanent plan for the child or upon the court making one of the prima
344.11 facie determinations under paragraph (a), reasonable efforts must be made to place the child
344.12 in a timely manner in a safe and permanent home and to complete whatever steps are
344.13 necessary to legally finalize the permanent placement of the child.

344.14 (k) Reasonable efforts to place a child for adoption or in another permanent placement
344.15 may be made concurrently with reasonable efforts to prevent placement or to reunify the
344.16 child with the parent or guardian from whom the child was removed. When the responsible
344.17 social services agency decides to concurrently make reasonable efforts for both reunification
344.18 and permanent placement away from the parent under paragraph (a), the agency shall disclose
344.19 its decision and both plans for concurrent reasonable efforts to all parties and the court.
344.20 When the agency discloses its decision to proceed on both plans for reunification and
344.21 permanent placement away from the parent, the court's review of the agency's reasonable
344.22 efforts shall include the agency's efforts under both plans.

344.23 Sec. 5. Minnesota Statutes 2016, section 299A.785, subdivision 1, is amended to read:

344.24 Subdivision 1. **Information to be collected.** The commissioner shall elicit the cooperation
344.25 and assistance of government agencies and nongovernmental organizations as appropriate
344.26 to assist in the collection of trafficking data. The commissioner shall direct the appropriate
344.27 authorities in each agency and organization to make best efforts to collect information
344.28 relevant to tracking progress on trafficking. The information to be collected may include,
344.29 but is not limited to:

344.30 (1) the numbers of arrests, prosecutions, and successful convictions of traffickers and
344.31 those committing trafficking-related crimes, including, but not limited to, the following
344.32 offenses: 609.27 (coercion); 609.282 (labor trafficking); 609.283 (unlawful conduct with
344.33 respect to documents in furtherance of labor or sex trafficking); 609.321 (promotion of
344.34 prostitution); 609.322 (solicitation of prostitution); 609.324 (other prostitution crimes);

345.1 609.33 (disorderly house); 609.352 (solicitation of a child); ~~and~~ 617.245 and 617.246 (use
345.2 of minors in sexual performance); 617.247 (possession of pornographic work involving
345.3 minors); and 617.293 (harmful materials; dissemination and display to minors prohibited);

345.4 (2) statistics on the number of trafficking victims, including demographics, method of
345.5 recruitment, and method of discovery;

345.6 (3) trafficking routes and patterns, states or country of origin, and transit states or
345.7 countries;

345.8 (4) method of transportation, motor vehicles, aircraft, watercraft, or by foot if any
345.9 transportation took place; and

345.10 (5) social factors, including pornography, that contribute to and foster trafficking,
345.11 especially trafficking of women and children.

345.12 Sec. 6. Minnesota Statutes 2016, section 357.021, subdivision 2b, is amended to read:

345.13 Subd. 2b. **Court technology fund.** (a) In addition to any other filing fee under this
345.14 chapter, the court administrator shall collect a \$2 technology fee on filings made under
345.15 subdivision 2, clauses (1) to (13). The court administrator shall transmit the fee monthly to
345.16 the commissioner of management and budget for deposit in the court technology account
345.17 in the special revenue fund.

345.18 (b) A court technology account is established as a special account in the state treasury
345.19 and funds deposited in the account are appropriated to the Supreme Court for distribution
345.20 of technology funds as provided in paragraph (d). Technology funds may be used for the
345.21 following purposes: acquisition, development, support, maintenance, and upgrades to
345.22 computer systems, equipment and devices, network systems, electronic records, filings and
345.23 payment systems, interactive video teleconferencing, and online services, to be used by the
345.24 state courts and their justice partners.

345.25 (c) The Judicial Council may establish a board consisting of members from the judicial
345.26 branch, prosecutors, public defenders, corrections, and civil legal services to distribute funds
345.27 collected under paragraph (a). The Judicial Council may adopt policies and procedures for
345.28 the operation of the board, including but not limited to policies and procedures governing
345.29 membership terms, removal of members, and the filling of membership vacancies.

345.30 (d) Applications for the expenditure of technology funds shall be accepted from the
345.31 judicial branch, county and city attorney offices, the Board of Public Defense, qualified
345.32 legal services programs as defined under section 480.24, corrections agencies, and part-time
345.33 public defender offices. The applications shall be reviewed by the Judicial Council and, if

346.1 established, the board. In accordance with any recommendations from the board, the Judicial
346.2 Council shall distribute the funds available for this expenditure to selected recipients.

346.3 (e) By January 15, ~~2015~~ 2019, January 15, 2021, January 15, 2023, and ~~by~~ January 15,
346.4 ~~2017~~ 2024, the Judicial Council shall submit a report to the chairs and ranking minority
346.5 members of the house of representatives and senate committees with jurisdiction over
346.6 judiciary finance providing an accounting on the amounts collected and expended in the
346.7 previous biennium, including a list of fund recipients, the amounts awarded to each recipient,
346.8 and the technology purpose funded.

346.9 (f) This subdivision expires June 30, ~~2018~~ 2023.

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

346.11 Sec. 7. Minnesota Statutes 2016, section 609.3241, is amended to read:

346.12 **609.3241 PENALTY ASSESSMENT AUTHORIZED.**

346.13 (a) When a court sentences an adult convicted of violating section 609.27, 609.282,
346.14 609.283, 609.322 ~~or~~ 609.324, 609.33, 609.352, 617.246, 617.247, or 617.293, while acting
346.15 other than as a prostitute, the court shall impose an assessment of not less than \$500 and
346.16 not more than \$750 for a misdemeanor violation of section 609.27, a violation of section
346.17 609.324, subdivision 2, or a misdemeanor violation of section 609.324, subdivision 3, a
346.18 violation of section 609.33, or a violation of section 617.293; otherwise the court shall
346.19 impose an assessment of not less than \$750 and not more than \$1,000. The assessment shall
346.20 be distributed as provided in paragraph (c) and is in addition to the surcharge required by
346.21 section 357.021, subdivision 6.

346.22 (b) The court may not waive payment of the minimum assessment required by this
346.23 section. If the defendant qualifies for the services of a public defender or the court finds on
346.24 the record that the convicted person is indigent or that immediate payment of the assessment
346.25 would create undue hardship for the convicted person or that person's immediate family,
346.26 the court may reduce the amount of the minimum assessment to not less than \$100. The
346.27 court also may authorize payment of the assessment in installments.

346.28 (c) The assessment collected under paragraph (a) must be distributed as follows:

346.29 (1) 40 percent of the assessment shall be forwarded to the political subdivision that
346.30 employs the arresting officer for use in enforcement, training, and education activities related
346.31 to combating sexual exploitation of youth, or if the arresting officer is an employee of the
346.32 state, this portion shall be forwarded to the commissioner of public safety for those purposes
346.33 identified in clause (3);

347.1 (2) 20 percent of the assessment shall be forwarded to the prosecuting agency that handled
347.2 the case for use in training and education activities relating to combating sexual exploitation
347.3 activities of youth; and

347.4 (3) 40 percent of the assessment must be forwarded to the commissioner of health to be
347.5 deposited in the safe harbor for youth account in the special revenue fund and are
347.6 appropriated to the commissioner for distribution to crime victims services organizations
347.7 that provide services to sexually exploited youth, as defined in section 260C.007, subdivision
347.8 31.

347.9 (d) A safe harbor for youth account is established as a special account in the state treasury.

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

347.12 Sec. 8. Minnesota Statutes 2016, section 609.341, subdivision 10, is amended to read:

347.13 Subd. 10. **Current or recent position of authority.** "Current or recent position of
347.14 authority" includes but is not limited to any person who is a parent or acting in the place of
347.15 a parent and charged with or assumes any of a parent's rights, duties or responsibilities to
347.16 a child, or a person who is charged with or assumes any duty or responsibility for the health,
347.17 welfare, or supervision of a child, either independently or through another, no matter how
347.18 brief, at the time of or within 120 days immediately preceding the act. For the purposes of
347.19 subdivision 11, "position of authority" includes a psychotherapist.

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

347.22 Sec. 9. Minnesota Statutes 2016, section 609.342, subdivision 1, is amended to read:

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

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

347.30 (b) the complainant is at least 13 years of age but less than 16 years of age and the actor
347.31 is more than 48 months older than the complainant and in a current or recent position of

348.1 authority over the complainant. Neither mistake as to the complainant's age nor consent to
348.2 the act by the complainant is a defense;

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

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

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

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

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

348.13 (f) the actor is aided or abetted by one or more accomplices within the meaning of section
348.14 609.05, and either of the following circumstances exists:

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

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

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

348.22 (h) the actor has a significant relationship to the complainant, the complainant was under
348.23 16 years of age at the time of the sexual penetration, and:

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

348.25 (ii) the complainant suffered personal injury; or

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

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

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

349.1 Sec. 10. Minnesota Statutes 2016, section 609.343, subdivision 1, is amended to read:

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

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

349.9 (b) the complainant is at least 13 but less than 16 years of age and the actor is more than
349.10 48 months older than the complainant and in a current or recent position of authority over
349.11 the complainant. Neither mistake as to the complainant's age nor consent to the act by the
349.12 complainant is a defense;

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

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

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

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

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

349.23 (f) the actor is aided or abetted by one or more accomplices within the meaning of section
349.24 609.05, and either of the following circumstances exists:

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

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

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

350.1 (h) the actor has a significant relationship to the complainant, the complainant was under
350.2 16 years of age at the time of the sexual contact, and:

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

350.4 (ii) the complainant suffered personal injury; or

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

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

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

350.10 Sec. 11. Minnesota Statutes 2016, section 609.344, subdivision 1, is amended to read:

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

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

350.17 (b) the complainant is at least 13 but less than 16 years of age and the actor is more than
350.18 24 months older than the complainant. In any such case if the actor is no more than 120
350.19 months older than the complainant, it shall be an affirmative defense, which must be proved
350.20 by a preponderance of the evidence, that the actor reasonably believes the complainant to
350.21 be 16 years of age or older. In all other cases, mistake as to the complainant's age shall not
350.22 be a defense. Consent by the complainant is not a defense;

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

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

350.26 (e) the complainant is at least 16 but less than 18 years of age and the actor is more than
350.27 48 months older than the complainant and in a current or recent position of authority over
350.28 the complainant. Neither mistake as to the complainant's age nor consent to the act by the
350.29 complainant is a defense;

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

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

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

351.7 (ii) the complainant suffered personal injury; or

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

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

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

351.13 (i) during the psychotherapy session; or

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

351.16 Consent by the complainant is not a defense;

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

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

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

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

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

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

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

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

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

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

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

352.25 Sec. 12. Minnesota Statutes 2016, section 609.345, subdivision 1, is amended to read:

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

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

353.1 (b) the complainant is at least 13 but less than 16 years of age and the actor is more than
353.2 48 months older than the complainant or in a current or recent position of authority over
353.3 the complainant. Consent by the complainant to the act is not a defense. In any such case,
353.4 if the actor is no more than 120 months older than the complainant, it shall be an affirmative
353.5 defense which must be proved by a preponderance of the evidence that the actor reasonably
353.6 believes the complainant to be 16 years of age or older. In all other cases, mistake as to the
353.7 complainant's age shall not be a defense;

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

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

353.11 (e) the complainant is at least 16 but less than 18 years of age and the actor is more than
353.12 48 months older than the complainant and in a current or recent position of authority over
353.13 the complainant. Neither mistake as to the complainant's age nor consent to the act by the
353.14 complainant is a defense;

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

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

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

353.21 (ii) the complainant suffered personal injury; or

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

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

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

353.27 (i) during the psychotherapy session; or

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

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

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

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

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

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

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

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

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

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

354.29 (p) the actor is a peace officer, as defined in section 626.84, and the officer physically
 354.30 or constructively restrains the complainant or the complainant does not reasonably feel free
 354.31 to leave the officer's presence. Consent by the complainant is not a defense.

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

355.1 Sec. 13. **[609.3454] STAYS OF SENTENCE OR ADJUDICATION; REPORTS**
 355.2 **REQUIRED.**

355.3 (a) By January 31 of each year, each county attorney whose office has prosecuted an
 355.4 offense in the preceding calendar year for which a court has imposed: (1) a stay of imposition
 355.5 or execution of sentence under section 609.342, subdivision 3; 609.343, subdivision 3;
 355.6 609.344, subdivision 3; or 609.345, subdivision 3, in a case where the offender faced a
 355.7 presumptive commitment to prison; or (2) a stay of adjudication of guilt for a violation of
 355.8 section 243.166; 609.342; 609.343; 609.344; 609.345; 609.3451, subdivision 3; or 609.3453,
 355.9 shall report to the Minnesota County Attorneys Association the following information on
 355.10 each offense for which a stay was imposed:

355.11 (i) general information about the case, including a brief description of the facts and any
 355.12 relevant information specific to the case's prosecution;

355.13 (ii) whether the prosecutor objected to or supported the court's decision to impose a stay
 355.14 and the reasons for that position;

355.15 (iii) what conditions of probation were imposed by the court on the offender; and

355.16 (iv) any other information the county attorney deems appropriate.

355.17 (b) By March 1 of each year, the Minnesota County Attorneys Association shall forward
 355.18 to the chairs and ranking minority members of the senate and house of representatives
 355.19 committees having jurisdiction over criminal justice policy a combined report that includes
 355.20 the reports of each county attorney under paragraph (a).

355.21 (c) Reports under this section must not identify individuals who are offenders, victims,
 355.22 or witnesses to an offense.

355.23 Sec. 14. Minnesota Statutes 2016, section 609.746, subdivision 1, is amended to read:

355.24 Subdivision 1. **Surreptitious intrusion; observation device.** (a) A person is guilty of
 355.25 a gross misdemeanor who:

355.26 (1) enters upon another's property;

355.27 (2) surreptitiously gazes, stares, or peeps in the window or any other aperture of a house
 355.28 or place of dwelling of another; and

355.29 (3) does so with intent to intrude upon or interfere with the privacy of a member of the
 355.30 household.

355.31 (b) A person is guilty of a gross misdemeanor who:

356.1 (1) enters upon another's property;

356.2 (2) surreptitiously installs or uses any device for observing, photographing, recording,
356.3 amplifying, or broadcasting sounds or events through the window or any other aperture of
356.4 a house or place of dwelling of another; and

356.5 (3) does so with intent to intrude upon or interfere with the privacy of a member of the
356.6 household.

356.7 (c) A person is guilty of a gross misdemeanor who:

356.8 (1) surreptitiously gazes, stares, or peeps in the window or other aperture of a sleeping
356.9 room in a hotel, as defined in section 327.70, subdivision 3, a tanning booth, or other place
356.10 where a reasonable person would have an expectation of privacy and has exposed or is
356.11 likely to expose their intimate parts, as defined in section 609.341, subdivision 5, or the
356.12 clothing covering the immediate area of the intimate parts; and

356.13 (2) does so with intent to intrude upon or interfere with the privacy of the occupant.

356.14 (d) A person is guilty of a gross misdemeanor who:

356.15 (1) surreptitiously installs or uses any device for observing, photographing, recording,
356.16 amplifying, or broadcasting sounds or events through the window or other aperture of a
356.17 sleeping room in a hotel, as defined in section 327.70, subdivision 3, a tanning booth, or
356.18 other place where a reasonable person would have an expectation of privacy and has exposed
356.19 or is likely to expose their intimate parts, as defined in section 609.341, subdivision 5, or
356.20 the clothing covering the immediate area of the intimate parts; and

356.21 (2) does so with intent to intrude upon or interfere with the privacy of the occupant.

356.22 (e) A person is guilty of a felony and may be sentenced to imprisonment for not more
356.23 than two years or to payment of a fine of not more than \$5,000, or both, if the person:

356.24 (1) violates this subdivision after a previous conviction under this subdivision or section
356.25 609.749; or

356.26 (2) violates this subdivision against a minor under the age of 18, knowing or having
356.27 reason to know that the minor is present.

356.28 (f) A person is guilty of a felony and may be sentenced to imprisonment for not more
356.29 than four years or to payment of a fine of not more than \$5,000, or both, if: (1) the person
356.30 violates paragraph (b) or (d) against a minor victim under the age of 18; (2) the person is
356.31 more than 36 months older than the minor victim; (3) the person knows or has reason to
356.32 know that the minor victim is present; and (4) the violation is committed with sexual intent.

357.1 (g) Paragraphs (b) and (d) do not apply to law enforcement officers or corrections
 357.2 investigators, or to those acting under their direction, while engaged in the performance of
 357.3 their lawful duties. Paragraphs (c) and (d) do not apply to conduct in: (1) a medical facility;
 357.4 or (2) a commercial establishment if the owner of the establishment has posted conspicuous
 357.5 signs warning that the premises are under surveillance by the owner or the owner's employees.

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

357.8 Sec. 15. Minnesota Statutes 2016, section 617.246, subdivision 2, is amended to read:

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

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

357.16 (b) A person who violates paragraph (a) is guilty of a felony and may be sentenced to
 357.17 imprisonment for not more than 15 years or to payment of a fine of not more than \$40,000,
 357.18 or both, if:

357.19 (1) the person has a prior conviction or delinquency adjudication for violating this section
 357.20 or section 617.247;

357.21 (2) the violation occurs when the person is a registered predatory offender under section
 357.22 243.166; or

357.23 (3) the violation involved a minor under the age of 13 years.

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

357.26 Sec. 16. Minnesota Statutes 2016, section 617.246, subdivision 3, is amended to read:

357.27 Subd. 3. **Operation or ownership of business.** (a) A person who owns or operates a
 357.28 business in which a pornographic work, as defined in this section, is disseminated to an
 357.29 adult or a minor or is reproduced, and who knows the content and character of the
 357.30 pornographic work disseminated or reproduced, is guilty of a felony and may be sentenced

358.1 to imprisonment for not more than ten years, or to payment of a fine of not more than
358.2 \$20,000 ~~for the first offense and \$40,000 for a second or subsequent offense~~, or both.

358.3 (b) A person who violates paragraph (a) is guilty of a felony and may be sentenced to
358.4 imprisonment for not more than 15 years or to payment of a fine of not more than \$40,000,
358.5 or both, if:

358.6 (1) the person has a prior conviction or delinquency adjudication for violating this section
358.7 or section 617.247;

358.8 (2) the violation occurs when the person is a registered predatory offender under section
358.9 243.166; or

358.10 (3) the violation involved a minor under the age of 13 years.

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

358.13 Sec. 17. Minnesota Statutes 2016, section 617.246, subdivision 4, is amended to read:

358.14 Subd. 4. **Dissemination.** (a) A person who, knowing or with reason to know its content
358.15 and character, disseminates for profit to an adult or a minor a pornographic work, as defined
358.16 in this section, is guilty of a felony and may be sentenced to imprisonment for not more
358.17 than ten years, or to payment of a fine of not more than \$20,000 ~~for the first offense and~~
358.18 ~~\$40,000 for a second or subsequent offense~~, or both.

358.19 (b) A person who violates paragraph (a) is guilty of a felony and may be sentenced to
358.20 imprisonment for not more than 15 years or to payment of a fine of not more than \$40,000,
358.21 or both, if:

358.22 (1) the person has a prior conviction or delinquency adjudication for violating this section
358.23 or section 617.247;

358.24 (2) the violation occurs when the person is a registered predatory offender under section
358.25 243.166; or

358.26 (3) the violation involved a minor under the age of 13 years.

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

359.1 Sec. 18. Minnesota Statutes 2016, section 617.246, subdivision 7, is amended to read:

359.2 Subd. 7. **Conditional release term.** Notwithstanding the statutory maximum sentence
359.3 otherwise applicable to the offense or any provision of the sentencing guidelines, when a
359.4 court commits a person to the custody of the commissioner of corrections for violating this
359.5 section, the court shall provide that after the person has been released from prison, the
359.6 commissioner shall place the person on conditional release for five years. If the person has
359.7 previously been convicted of a violation of this section, section 609.342, 609.343, 609.344,
359.8 609.345, 609.3451, 609.3453, or 617.247, or any similar statute of the United States, this
359.9 state, or any state, the commissioner shall place the person on conditional release for ~~ten~~
359.10 15 years. The terms of conditional release are governed by section 609.3455, subdivision
359.11 8.

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

359.14 Sec. 19. Minnesota Statutes 2016, section 617.247, subdivision 3, is amended to read:

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

359.20 (b) A person who violates paragraph (a) is guilty of a felony and may be sentenced to
359.21 imprisonment for not more than 15 years or to payment of a fine of not more than \$20,000,
359.22 or both, if:

359.23 (1) the person has a prior conviction or delinquency adjudication for violating this section
359.24 or section 617.246;

359.25 (2) the violation occurs when the person is a registered predatory offender under section
359.26 243.166; or

359.27 (3) the violation involved a minor under the age of 13 years.

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

360.1 Sec. 20. Minnesota Statutes 2016, section 617.247, subdivision 4, is amended to read:

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

360.9 (b) A person who violates paragraph (a) is guilty of a felony and may be sentenced to
360.10 imprisonment for not more than ten years or to payment of a fine of not more than \$10,000,
360.11 or both, if:

360.12 (1) the person has a prior conviction or delinquency adjudication for violating this section
360.13 or section 617.246;

360.14 (2) the violation occurs when the person is a registered predatory offender under section
360.15 243.166; or

360.16 (3) the violation involved a minor under the age of 13 years.

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

360.19 Sec. 21. Minnesota Statutes 2016, section 617.247, subdivision 9, is amended to read:

360.20 Subd. 9. **Conditional release term.** Notwithstanding the statutory maximum sentence
360.21 otherwise applicable to the offense or any provision of the sentencing guidelines, when a
360.22 court commits a person to the custody of the commissioner of corrections for violating this
360.23 section, the court shall provide that after the person has been released from prison, the
360.24 commissioner shall place the person on conditional release for five years. If the person has
360.25 previously been convicted of a violation of this section, section 609.342, 609.343, 609.344,
360.26 609.345, 609.3451, 609.3453, or 617.246, or any similar statute of the United States, this
360.27 state, or any state, the commissioner shall place the person on conditional release for ~~ten~~
360.28 15 years. The terms of conditional release are governed by section 609.3455, subdivision
360.29 8.

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

361.1 Sec. 22. **SENTENCING GUIDELINES MODIFICATION.**

361.2 The Sentencing Guidelines Commission shall comprehensively review and consider
 361.3 modifying how the Sentencing Guidelines and the sex offender grid address the crimes
 361.4 described in Minnesota Statutes, sections 617.246 and 617.247, as compared to similar
 361.5 crimes, including other sex offenses and other offenses with similar maximum penalties.

361.6 Sec. 23. **TRANSFER.**

361.7 \$125,000 is transferred in fiscal year 2019 from the general fund to the peace officer
 361.8 training account in the special revenue fund to pay for a projected deficiency in the peace
 361.9 officer training account. This is a onetime transfer.

361.10 Sec. 24. **APPROPRIATIONS.**

361.11 (a) \$6,600,000 is appropriated in fiscal year 2019 from the general fund to the
 361.12 commissioner of corrections to fund the offender health care contract. \$1,968,000 is added
 361.13 to the base in fiscal year 2020 and \$3,168,000 is added to the base in fiscal years 2021,
 361.14 2022, and 2023. In fiscal year 2024 and beyond, \$0 is added to the base.

361.15 (b) \$300,000 is appropriated in fiscal year 2019 from the general fund to the commissioner
 361.16 of public safety for two Bureau of Criminal Apprehension drug scientists and lab supplies.
 361.17 The base for this provision is \$300,000 in fiscal years 2020 and 2021, and \$0 in fiscal year
 361.18 2022 and beyond.

361.19 (c) \$1,000,000 is appropriated in fiscal year 2019 from the general fund to the
 361.20 commissioner of public safety for reimbursement grants to public school districts that
 361.21 contract for audits of the physical security of public school campuses. Applicants for
 361.22 reimbursement grants may receive up to 100 percent of the cost of physical security audits
 361.23 of public school campuses conducted by security consultants holding a certified protection
 361.24 professional certification from the American Society for Industrial Security, or other
 361.25 professional certification deemed acceptable by the commissioner of public safety. This is
 361.26 a onetime appropriation.

361.27 **ARTICLE 22**

361.28 **HEALTH CARE**

361.29 Section 1. Minnesota Statutes 2016, section 3.3005, subdivision 8, is amended to read:

361.30 Subd. 8. **Request contents.** A request to spend federal funds submitted under this section
 361.31 must include the name of the federal grant, the federal agency from which the funds are

362.1 available, a federal identification number, a brief description of the purpose of the grant,
362.2 the amounts expected by fiscal year, an indication if any state match is required, an indication
362.3 if there is a maintenance of effort requirement, and the number of full-time equivalent
362.4 positions needed to implement the grant. For new grants, the request must provide a narrative
362.5 description of the short- and long-term commitments required, including whether continuation
362.6 of any full-time equivalent positions will be a condition of receiving the federal award.

362.7 Sec. 2. [62J.90] MINNESOTA HEALTH POLICY COMMISSION.

362.8 Subdivision 1. Definition. For purposes of this section, "commission" means the
362.9 Minnesota Health Policy Commission.

362.10 Subd. 2. Commission membership. The commission shall consist of 15 voting members,
362.11 appointed by the Legislative Coordinating Commission as provided in subdivision 9, as
362.12 follows:

362.13 (1) one member with demonstrated expertise in health care finance;

362.14 (2) one member with demonstrated expertise in health economics;

362.15 (3) one member with demonstrated expertise in actuarial science;

362.16 (4) one member with demonstrated expertise in health plan management and finance;

362.17 (5) one member with demonstrated expertise in health care system management;

362.18 (6) one member with demonstrated expertise as a purchaser, or a representative of a
362.19 purchaser, of employer-sponsored health care services or employer-sponsored health
362.20 insurance;

362.21 (7) one member with demonstrated expertise in the development and utilization of
362.22 innovative medical technologies;

362.23 (8) one member with demonstrated expertise as a health care consumer advocate;

362.24 (9) one member who is a primary care physician;

362.25 (10) one member who provides long-term care services through medical assistance;

362.26 (11) one member with direct experience as an enrollee, or parent or caregiver of an
362.27 enrollee, in MinnesotaCare or medical assistance;

362.28 (12) two members of the senate, including one member appointed by the majority leader
362.29 and one member from the minority party appointed by the minority leader; and

363.1 (13) two members of the house of representatives, including one member appointed by
363.2 the speaker of the house and one member from the minority party appointed by the minority
363.3 leader.

363.4 Subd. 3. Duties. (a) The commission shall:

363.5 (1) compare Minnesota's private market health care costs and public health care program
363.6 spending to that of the other states;

363.7 (2) compare Minnesota's private market health care costs and public health care program
363.8 spending in any given year to its costs and spending in previous years;

363.9 (3) identify factors that influence and contribute to Minnesota's ranking for private
363.10 market health care costs and public health care program spending, including the year over
363.11 year and trend line change in total costs and spending in the state;

363.12 (4) continually monitor efforts to reform the health care delivery and payment system
363.13 in Minnesota to understand emerging trends in the health insurance market, including the
363.14 private health care market, large self-insured employers, and the state's public health care
363.15 programs in order to identify opportunities for state action to achieve:

363.16 (i) improved patient experience of care, including quality and satisfaction;

363.17 (ii) improved health of all populations; and

363.18 (iii) reduced per capita cost of health care;

363.19 (5) make recommendations for legislative policy, the health care market, or any other
363.20 reforms to:

363.21 (i) lower the rate of growth in private market health care costs and public health care
363.22 program spending in the state;

363.23 (ii) positively impact the state's ranking in the areas listed in this subdivision; and

363.24 (iii) improve the quality and value of care for all Minnesotans; and

363.25 (6) conduct any additional reviews requested by the legislature.

363.26 (b) In making recommendations to the legislature, the commission shall consider:

363.27 (i) how the recommendations might positively impact the cost-shifting interplay between
363.28 public payer reimbursement rates and health insurance premiums; and

363.29 (ii) how public health care programs, where appropriate, may be utilized as a means to
363.30 help prepare enrollees for an eventual transition to the private health care market.

364.1 Subd. 4. **Report.** The commission shall submit recommendations for changes in health
364.2 care policy and financing by June 15 each year to the chairs and ranking minority members
364.3 of the legislative committees with primary jurisdiction over health care. The report shall
364.4 include any draft legislation to implement the commission's recommendations.

364.5 Subd. 5. **Staff.** The commission shall hire a director who may employ or contract for
364.6 professional and technical assistance as the commission determines necessary to perform
364.7 its duties. The commission may also contract with private entities with expertise in health
364.8 economics, health finance, and actuarial science to secure additional information, data,
364.9 research, or modeling that may be necessary for the commission to carry out its duties.

364.10 Subd. 6. **Access to information.** (a) The commission may request that a state department
364.11 or agency provide the commission with any publicly available information in a usable format
364.12 as requested by the commission, at no cost to the commission.

364.13 (b) The commission may request from a state department or agency unique or custom
364.14 data sets and the department or agency may charge the commission for providing the data
364.15 at the same rate the department or agency would charge any other public or private entity.

364.16 (c) Any information provided to the commission by a state department or agency must
364.17 be de-identified. For purposes of this subdivision, "de-identified" means the process used
364.18 to prevent the identity of a person or business from being connected with information and
364.19 ensuring all identifiable information has been removed.

364.20 Subd. 7. **Terms; vacancies; compensation.** (a) Public members of the commission shall
364.21 serve four-year terms. The public members may not serve for more than two consecutive
364.22 terms.

364.23 (b) The legislative members shall serve on the commission as long as the member or
364.24 the appointing authority holds office.

364.25 (c) The removal of members and filling of vacancies on the commission are as provided
364.26 in section 15.059.

364.27 (d) Public members may receive compensation and expenses as provided in section
364.28 15.059, subdivision 3.

364.29 Subd. 8. **Chairs; officers.** The commission shall elect a chair annually. The commission
364.30 may elect other officers necessary for the performance of its duties.

364.31 Subd. 9. **Selection of members; advisory council.** The Legislative Coordinating
364.32 Commission shall take applications from members of the public who are qualified and
364.33 interested to serve in one of the listed positions. The applications must be reviewed by a

365.1 health policy commission advisory council comprised of four members as follows: the state
365.2 economist, legislative auditor, state demographer, and the president of the Federal Reserve
365.3 Bank of Minneapolis or a designee of the president. The advisory council shall recommend
365.4 two applicants for each of the specified positions by September 30 in the calendar year
365.5 preceding the end of the members' terms. The Legislative Coordinating Commission shall
365.6 appoint one of the two recommended applicants to the commission.

365.7 Subd. 10. **Meetings.** The commission shall meet at least four times each year.
365.8 Commission meetings are subject to chapter 13D.

365.9 Subd. 11. **Conflict of interest.** A member of the commission may not participate in or
365.10 vote on a decision of the commission relating to an organization in which the member has
365.11 either a direct or indirect financial interest.

365.12 Subd. 12. **Expiration.** The commission shall expire on June 15, 2024.

365.13 Sec. 3. Minnesota Statutes 2016, section 256.01, is amended by adding a subdivision to
365.14 read:

365.15 Subd. 17a. **Transfers for routine administrative operations.** (a) Unless specifically
365.16 authorized by law, the commissioner may only transfer money from the general fund to any
365.17 other fund for routine administrative operations and may not transfer money from the general
365.18 fund to any other fund without approval from the commissioner of management and budget.
365.19 If the commissioner of management and budget determines that a transfer proposed by the
365.20 commissioner is necessary for routine administrative operations of the Department of Human
365.21 Services, the commissioner may approve the transfer. If the commissioner of management
365.22 and budget determines that the transfer proposed by the commissioner is not necessary for
365.23 routine administrative operations of the Department of Human Services, the commissioner
365.24 may not approve the transfer unless the requirements of paragraph (b) are met.

365.25 (b) If the commissioner of management and budget determines that a transfer under
365.26 paragraph (a) is not necessary for routine administrative operations of the Department of
365.27 Human Services, the commissioner may request approval of the transfer from the Legislative
365.28 Advisory Commission under section 3.30. To request approval of a transfer from the
365.29 Legislative Advisory Commission, the commissioner must submit a request that includes
365.30 the amount of the transfer, the budget activity and fund from which money would be
365.31 transferred and the budget activity and fund to which money would be transferred, an
365.32 explanation of the administrative necessity of the transfer, and a statement from the
365.33 commissioner of management and budget explaining why the transfer is not necessary for
365.34 routine administrative operations of the Department of Human Services. The Legislative

366.1 Advisory Commission shall review the proposed transfer and make a recommendation
366.2 within 20 days of the request from the commissioner. If the Legislative Advisory Commission
366.3 makes a positive recommendation or no recommendation, the commissioner may approve
366.4 the transfer. If the Legislative Advisory Commission makes a negative recommendation or
366.5 a request for more information, the commissioner may not approve the transfer. A
366.6 recommendation of the Legislative Advisory Commission must be made by a majority of
366.7 the commission and must be made at a meeting of the commission unless a written
366.8 recommendation is signed by a majority of the commission members required to vote on
366.9 the question. If the commission makes a negative recommendation or a request for more
366.10 information, the commission may withdraw or change its recommendation.

366.11 Sec. 4. Minnesota Statutes 2016, section 256B.04, subdivision 14, is amended to read:

366.12 Subd. 14. **Competitive bidding.** (a) When determined to be effective, economical, and
366.13 feasible, the commissioner may utilize volume purchase through competitive bidding and
366.14 negotiation under the provisions of chapter 16C, to provide items under the medical assistance
366.15 program including but not limited to the following:

366.16 (1) eyeglasses;

366.17 (2) oxygen. The commissioner shall provide for oxygen needed in an emergency situation
366.18 on a short-term basis, until the vendor can obtain the necessary supply from the contract
366.19 dealer;

366.20 (3) hearing aids and supplies; and

366.21 (4) durable medical equipment, including but not limited to:

366.22 (i) hospital beds;

366.23 (ii) commodes;

366.24 (iii) glide-about chairs;

366.25 (iv) patient lift apparatus;

366.26 (v) wheelchairs and accessories;

366.27 (vi) oxygen administration equipment;

366.28 (vii) respiratory therapy equipment;

366.29 (viii) electronic diagnostic, therapeutic and life-support systems;

367.1 (5) nonemergency medical transportation level of need determinations, disbursement of
367.2 public transportation passes and tokens, and volunteer and recipient mileage and parking
367.3 reimbursements; and

367.4 (6) drugs.

367.5 (b) Rate changes and recipient cost-sharing under this chapter and chapter 256L do not
367.6 affect contract payments under this subdivision unless specifically identified.

367.7 (c) The commissioner may not utilize volume purchase through competitive bidding
367.8 and negotiation ~~for special transportation services~~ under the provisions of chapter 16C for
367.9 special transportation services or incontinence products and related supplies.

367.10 Sec. 5. Minnesota Statutes 2017 Supplement, section 256B.0625, subdivision 3b, is
367.11 amended to read:

367.12 Subd. 3b. **Telemedicine services.** (a) Medical assistance covers medically necessary
367.13 services and consultations delivered by a licensed health care provider via telemedicine in
367.14 the same manner as if the service or consultation was delivered in person. Coverage is
367.15 limited to three telemedicine services per enrollee per calendar week, except as provided
367.16 in paragraph (f). Telemedicine services shall be paid at the full allowable rate.

367.17 (b) The commissioner shall establish criteria that a health care provider must attest to
367.18 in order to demonstrate the safety or efficacy of delivering a particular service via
367.19 telemedicine. The attestation may include that the health care provider:

367.20 (1) has identified the categories or types of services the health care provider will provide
367.21 via telemedicine;

367.22 (2) has written policies and procedures specific to telemedicine services that are regularly
367.23 reviewed and updated;

367.24 (3) has policies and procedures that adequately address patient safety before, during,
367.25 and after the telemedicine service is rendered;

367.26 (4) has established protocols addressing how and when to discontinue telemedicine
367.27 services; and

367.28 (5) has an established quality assurance process related to telemedicine services.

367.29 (c) As a condition of payment, a licensed health care provider must document each
367.30 occurrence of a health service provided by telemedicine to a medical assistance enrollee.
367.31 Health care service records for services provided by telemedicine must meet the requirements
367.32 set forth in Minnesota Rules, part 9505.2175, subparts 1 and 2, and must document:

- 368.1 (1) the type of service provided by telemedicine;
- 368.2 (2) the time the service began and the time the service ended, including an a.m. and p.m.
368.3 designation;
- 368.4 (3) the licensed health care provider's basis for determining that telemedicine is an
368.5 appropriate and effective means for delivering the service to the enrollee;
- 368.6 (4) the mode of transmission of the telemedicine service and records evidencing that a
368.7 particular mode of transmission was utilized;
- 368.8 (5) the location of the originating site and the distant site;
- 368.9 (6) if the claim for payment is based on a physician's telemedicine consultation with
368.10 another physician, the written opinion from the consulting physician providing the
368.11 telemedicine consultation; and
- 368.12 (7) compliance with the criteria attested to by the health care provider in accordance
368.13 with paragraph (b).

368.14 (d) For purposes of this subdivision, unless otherwise covered under this chapter,
368.15 "telemedicine" is defined as the delivery of health care services or consultations while the
368.16 patient is at an originating site and the licensed health care provider is at a distant site. A
368.17 communication between licensed health care providers, or a licensed health care provider
368.18 and a patient that consists solely of a telephone conversation, e-mail, or facsimile transmission
368.19 does not constitute telemedicine consultations or services. Telemedicine may be provided
368.20 by means of real-time two-way, interactive audio and visual communications, including the
368.21 application of secure video conferencing or store-and-forward technology to provide or
368.22 support health care delivery, which facilitate the assessment, diagnosis, consultation,
368.23 treatment, education, and care management of a patient's health care.

368.24 (e) For purposes of this section, "licensed health care provider" means a licensed health
368.25 care provider under section 62A.671, subdivision 6, ~~and~~; a community paramedic as defined
368.26 under section 144E.001, subdivision 5f; or a mental health practitioner defined under section
368.27 245.462, subdivision 17, or 245.4871, subdivision 26, working under the general supervision
368.28 of a mental health professional; "health care provider" is defined under section 62A.671,
368.29 subdivision 3; and "originating site" is defined under section 62A.671, subdivision 7.

368.30 (f) The limit on coverage of three telemedicine services per enrollee per calendar week
368.31 does not apply if:

368.32 (1) the telemedicine services provided by the licensed health care provider are for the
368.33 treatment and control of tuberculosis; and

369.1 (2) the services are provided in a manner consistent with the recommendations and best
369.2 practices specified by the Centers for Disease Control and Prevention.

369.3 Sec. 6. Minnesota Statutes 2017 Supplement, section 256B.0625, subdivision 17, is
369.4 amended to read:

369.5 Subd. 17. **Transportation costs.** (a) "Nonemergency medical transportation service"
369.6 means motor vehicle transportation provided by a public or private person that serves
369.7 Minnesota health care program beneficiaries who do not require emergency ambulance
369.8 service, as defined in section 144E.001, subdivision 3, to obtain covered medical services.

369.9 (b) Medical assistance covers medical transportation costs incurred solely for obtaining
369.10 emergency medical care or transportation costs incurred by eligible persons in obtaining
369.11 emergency or nonemergency medical care when paid directly to an ambulance company,
369.12 nonemergency medical transportation company, or other recognized providers of
369.13 transportation services. Medical transportation must be provided by:

369.14 (1) nonemergency medical transportation providers who meet the requirements of this
369.15 subdivision;

369.16 (2) ambulances, as defined in section 144E.001, subdivision 2;

369.17 (3) taxicabs that meet the requirements of this subdivision;

369.18 (4) public transit, as defined in section 174.22, subdivision 7; or

369.19 (5) not-for-hire vehicles, including volunteer drivers.

369.20 (c) Medical assistance covers nonemergency medical transportation provided by
369.21 nonemergency medical transportation providers enrolled in the Minnesota health care
369.22 programs. All nonemergency medical transportation providers must comply with the
369.23 operating standards for special transportation service as defined in sections 174.29 to 174.30
369.24 and Minnesota Rules, chapter 8840, ~~and in consultation with the Minnesota Department of~~
369.25 ~~Transportation.~~ All drivers providing nonemergency medical transportation must be
369.26 individually enrolled with the commissioner if the driver is a subcontractor for or employed
369.27 by a provider that both has a base of operation located within a metropolitan county listed
369.28 in section 437.121, subdivision 4, and is listed in paragraph (b), clause (1) or (3). All
369.29 nonemergency medical transportation providers shall bill for nonemergency medical
369.30 transportation services in accordance with Minnesota health care programs criteria. Publicly
369.31 operated transit systems, volunteers, and not-for-hire vehicles are exempt from the
369.32 requirements outlined in this paragraph.

- 370.1 (d) An organization may be terminated, denied, or suspended from enrollment if:
- 370.2 (1) the provider has not initiated background studies on the individuals specified in
- 370.3 section 174.30, subdivision 10, paragraph (a), clauses (1) to (3); or
- 370.4 (2) the provider has initiated background studies on the individuals specified in section
- 370.5 174.30, subdivision 10, paragraph (a), clauses (1) to (3), and:
- 370.6 (i) the commissioner has sent the provider a notice that the individual has been
- 370.7 disqualified under section 245C.14; and
- 370.8 (ii) the individual has not received a disqualification set-aside specific to the special
- 370.9 transportation services provider under sections 245C.22 and 245C.23.
- 370.10 (e) The administrative agency of nonemergency medical transportation must:
- 370.11 (1) adhere to the policies defined by the commissioner in consultation with the
- 370.12 Nonemergency Medical Transportation Advisory Committee;
- 370.13 (2) pay nonemergency medical transportation providers for services provided to
- 370.14 Minnesota health care programs beneficiaries to obtain covered medical services;
- 370.15 (3) provide data monthly to the commissioner on appeals, complaints, no-shows, canceled
- 370.16 trips, and number of trips by mode; and
- 370.17 (4) by July 1, 2016, in accordance with subdivision 18e, utilize a Web-based single
- 370.18 administrative structure assessment tool that meets the technical requirements established
- 370.19 by the commissioner, reconciles trip information with claims being submitted by providers,
- 370.20 and ensures prompt payment for nonemergency medical transportation services.
- 370.21 (f) Until the commissioner implements the single administrative structure and delivery
- 370.22 system under subdivision 18e, clients shall obtain their level-of-service certificate from the
- 370.23 commissioner or an entity approved by the commissioner that does not dispatch rides for
- 370.24 clients using modes of transportation under paragraph (i), clauses (4), (5), (6), and (7).
- 370.25 (g) The commissioner may use an order by the recipient's attending physician or a medical
- 370.26 or mental health professional to certify that the recipient requires nonemergency medical
- 370.27 transportation services. Nonemergency medical transportation providers shall perform
- 370.28 driver-assisted services for eligible individuals, when appropriate. Driver-assisted service
- 370.29 includes passenger pickup at and return to the individual's residence or place of business,
- 370.30 assistance with admittance of the individual to the medical facility, and assistance in
- 370.31 passenger securement or in securing of wheelchairs, child seats, or stretchers in the vehicle.

371.1 Nonemergency medical transportation providers must take clients to the health care
371.2 provider using the most direct route, and must not exceed 30 miles for a trip to a primary
371.3 care provider or 60 miles for a trip to a specialty care provider, unless the client receives
371.4 authorization from the local agency.

371.5 Nonemergency medical transportation providers may not bill for separate base rates for
371.6 the continuation of a trip beyond the original destination. Nonemergency medical
371.7 transportation providers must maintain trip logs, which include pickup and drop-off times,
371.8 signed by the medical provider or client, whichever is deemed most appropriate, attesting
371.9 to mileage traveled to obtain covered medical services. Clients requesting client mileage
371.10 reimbursement must sign the trip log attesting mileage traveled to obtain covered medical
371.11 services.

371.12 (h) The administrative agency shall use the level of service process established by the
371.13 commissioner in consultation with the Nonemergency Medical Transportation Advisory
371.14 Committee to determine the client's most appropriate mode of transportation. If public transit
371.15 or a certified transportation provider is not available to provide the appropriate service mode
371.16 for the client, the client may receive a onetime service upgrade.

371.17 (i) The covered modes of transportation are:

371.18 (1) client reimbursement, which includes client mileage reimbursement provided to
371.19 clients who have their own transportation, or to family or an acquaintance who provides
371.20 transportation to the client;

371.21 (2) volunteer transport, which includes transportation by volunteers using their own
371.22 vehicle;

371.23 (3) unassisted transport, which includes transportation provided to a client by a taxicab
371.24 or public transit. If a taxicab or public transit is not available, the client can receive
371.25 transportation from another nonemergency medical transportation provider;

371.26 (4) assisted transport, which includes transport provided to clients who require assistance
371.27 by a nonemergency medical transportation provider;

371.28 (5) lift-equipped/ramp transport, which includes transport provided to a client who is
371.29 dependent on a device and requires a nonemergency medical transportation provider with
371.30 a vehicle containing a lift or ramp;

371.31 (6) protected transport, which includes transport provided to a client who has received
371.32 a prescreening that has deemed other forms of transportation inappropriate and who requires
371.33 a provider: (i) with a protected vehicle that is not an ambulance or police car and has safety

372.1 locks, a video recorder, and a transparent thermoplastic partition between the passenger and
372.2 the vehicle driver; and (ii) who is certified as a protected transport provider; and

372.3 (7) stretcher transport, which includes transport for a client in a prone or supine position
372.4 and requires a nonemergency medical transportation provider with a vehicle that can transport
372.5 a client in a prone or supine position.

372.6 (j) The local agency shall be the single administrative agency and shall administer and
372.7 reimburse for modes defined in paragraph (i) according to paragraphs (m) and (n) when the
372.8 commissioner has developed, made available, and funded the Web-based single
372.9 administrative structure, assessment tool, and level of need assessment under subdivision
372.10 18e. The local agency's financial obligation is limited to funds provided by the state or
372.11 federal government.

372.12 (k) The commissioner shall:

372.13 (1) in consultation with the Nonemergency Medical Transportation Advisory Committee,
372.14 verify that the mode and use of nonemergency medical transportation is appropriate;

372.15 (2) verify that the client is going to an approved medical appointment; and

372.16 (3) investigate all complaints and appeals.

372.17 (l) The administrative agency shall pay for the services provided in this subdivision and
372.18 seek reimbursement from the commissioner, if appropriate. As vendors of medical care,
372.19 local agencies are subject to the provisions in section 256B.041, the sanctions and monetary
372.20 recovery actions in section 256B.064, and Minnesota Rules, parts 9505.2160 to 9505.2245.

372.21 (m) Payments for nonemergency medical transportation must be paid based on the client's
372.22 assessed mode under paragraph (h), not the type of vehicle used to provide the service. The
372.23 medical assistance reimbursement rates for nonemergency medical transportation services
372.24 that are payable by or on behalf of the commissioner for nonemergency medical
372.25 transportation services are:

372.26 (1) \$0.22 per mile for client reimbursement;

372.27 (2) up to 100 percent of the Internal Revenue Service business deduction rate for volunteer
372.28 transport;

372.29 (3) equivalent to the standard fare for unassisted transport when provided by public
372.30 transit, and \$11 for the base rate and \$1.30 per mile when provided by a nonemergency
372.31 medical transportation provider;

372.32 (4) \$13 for the base rate and \$1.30 per mile for assisted transport;

373.1 (5) \$18 for the base rate and \$1.55 per mile for lift-equipped/ramp transport;

373.2 (6) \$75 for the base rate and \$2.40 per mile for protected transport; and

373.3 (7) \$60 for the base rate and \$2.40 per mile for stretcher transport, and \$9 per trip for
373.4 an additional attendant if deemed medically necessary.

373.5 (n) The base rate for nonemergency medical transportation services in areas defined
373.6 under RUCA to be super rural is equal to 111.3 percent of the respective base rate in
373.7 paragraph (m), clauses (1) to (7). The mileage rate for nonemergency medical transportation
373.8 services in areas defined under RUCA to be rural or super rural areas is:

373.9 (1) for a trip equal to 17 miles or less, equal to 125 percent of the respective mileage
373.10 rate in paragraph (m), clauses (1) to (7); and

373.11 (2) for a trip between 18 and 50 miles, equal to 112.5 percent of the respective mileage
373.12 rate in paragraph (m), clauses (1) to (7).

373.13 (o) For purposes of reimbursement rates for nonemergency medical transportation
373.14 services under paragraphs (m) and (n), the zip code of the recipient's place of residence
373.15 shall determine whether the urban, rural, or super rural reimbursement rate applies.

373.16 (p) For purposes of this subdivision, "rural urban commuting area" or "RUCA" means
373.17 a census-tract based classification system under which a geographical area is determined
373.18 to be urban, rural, or super rural.

373.19 (q) The commissioner, when determining reimbursement rates for nonemergency medical
373.20 transportation under paragraphs (m) and (n), shall exempt all modes of transportation listed
373.21 under paragraph (i) from Minnesota Rules, part 9505.0445, item R, subitem (2).

373.22 **EFFECTIVE DATE.** Paragraph (c) is effective January 1, 2019.

373.23 Sec. 7. Minnesota Statutes 2016, section 256B.0625, is amended by adding a subdivision
373.24 to read:

373.25 **Subd. 17d. Transportation services oversight.** The commissioner shall contract with
373.26 a vendor or dedicate staff for oversight of providers of nonemergency medical transportation
373.27 services pursuant to the commissioner's authority in section 256B.04 and Minnesota Rules,
373.28 parts 9505.2160 to 9505.2245.

373.29 **EFFECTIVE DATE.** This section is July 1, 2018.

374.1 Sec. 8. Minnesota Statutes 2016, section 256B.0625, is amended by adding a subdivision
374.2 to read:

374.3 Subd. 17e. **Transportation provider termination.** (a) A terminated nonemergency
374.4 medical transportation provider, including all named individuals on the current enrollment
374.5 disclosure form and known or discovered affiliates of the nonemergency medical
374.6 transportation provider, is not eligible to enroll as a nonemergency medical transportation
374.7 provider for five years following the termination.

374.8 (b) After the five-year period in paragraph (a), if a provider seeks to reenroll as a
374.9 nonemergency medical transportation provider, the nonemergency medical transportation
374.10 provider must be placed on a one-year probation period. During a provider's probation
374.11 period, the commissioner shall complete unannounced site visits and request documentation
374.12 to review compliance with program requirements.

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

374.14 Sec. 9. Minnesota Statutes 2016, section 256B.0625, is amended by adding a subdivision
374.15 to read:

374.16 Subd. 17f. **Transportation provider training.** The commissioner shall make available
374.17 to providers of nonemergency medical transportation and all drivers training materials and
374.18 online training opportunities regarding documentation requirements, documentation
374.19 procedures, and penalties for failing to meet documentation requirements.

374.20 Sec. 10. Minnesota Statutes 2016, section 256B.0625, subdivision 58, is amended to read:

374.21 Subd. 58. **Early and periodic screening, diagnosis, and treatment services.** (a) Medical
374.22 assistance covers early and periodic screening, diagnosis, and treatment services (EPSDT).
374.23 The payment amount for a complete EPSDT screening shall not include charges for health
374.24 care services and products that are available at no cost to the provider and shall not exceed
374.25 the rate established per Minnesota Rules, part 9505.0445, item M, effective October 1, 2010.

374.26 (b) A provider is not required to perform as part of an EPSDT screening any of the
374.27 recommendations that were added on or after January 1, 2017, to the child and teen checkup
374.28 program periodicity schedule, in order to receive the full payment amount for a complete
374.29 EPSDT screening. This paragraph expires January 1, 2021.

374.30 (c) The commissioner shall inform the chairs and ranking minority members of the
374.31 legislative committees with jurisdiction over health and human services of any new

375.1 recommendations added to an EPSDT screening after January 1, 2018, that the provider is
375.2 required to perform as part of an EPSDT screening to receive the full payment amount.

375.3 Sec. 11. **[256B.758] REIMBURSEMENT FOR DOULA SERVICES.**

375.4 Effective for services provided on or after July 1, 2018, payments for doula services
375.5 provided by a certified doula shall be \$47 per prenatal or postpartum visit, up to a total of
375.6 six visits; and \$488 for attending and providing doula services at a birth.

375.7 Sec. 12. Laws 2017, First Special Session chapter 6, article 4, section 61, is amended to
375.8 read:

375.9 Sec. 61. **CAPITATION PAYMENT DELAY.**

375.10 (a) The commissioner of human services shall delay the medical assistance capitation
375.11 payment to managed care plans and county-based purchasing plans due in May 2019 until
375.12 July 1, 2019. The payment shall be made no earlier than July 1, 2019, and no later than July
375.13 31, 2019.

375.14 (b) The commissioner of human services shall delay the medical assistance capitation
375.15 payment to managed care plans and county-based purchasing plans due in May 2021 until
375.16 July 1, 2021. The payment shall be made no earlier than July 1, 2021, and no later than July
375.17 31, 2021. This paragraph does not apply to the capitation payment for adults without
375.18 dependent children.

375.19 Sec. 13. **DIRECTION TO COMMISSIONER.**

375.20 By August 1, 2020, the commissioner of human services shall issue a report to the chairs
375.21 and ranking minority members of the house of representatives and senate committees with
375.22 jurisdiction over health and human services. The commissioner must include in the report
375.23 the commissioner's findings regarding the impact of driver enrollment under Minnesota
375.24 Statutes, section 256B.0625, subdivision 17, paragraph (c), on the program integrity of the
375.25 nonemergency medical transportation program. The commissioner must include a
375.26 recommendation, based on the findings in the report, regarding expanding the driver
375.27 enrollment requirement.

375.28 Sec. 14. **MINNESOTA HEALTH POLICY COMMISSION; FIRST**
375.29 **APPOINTMENTS; FIRST MEETING.**

375.30 The Health Policy Commission Advisory Council shall make its recommendations under
375.31 Minnesota Statutes, section 62J.90, subdivision 9, for candidates to serve on the Minnesota

376.1 Health Policy Commission to the Legislative Coordinating Commission by September 30,
376.2 2018. The Legislative Coordinating Commission shall make the first appointments of public
376.3 members to the Minnesota Health Policy Commission under Minnesota Statutes, section
376.4 62J.90, by January 15, 2019. The Legislative Coordinating Commission shall designate five
376.5 members to serve terms that are coterminous with the governor and six members to serve
376.6 terms that end on the first Monday in January one year after the terms of the other members
376.7 conclude. The director of the Legislative Coordinating Commission shall convene the first
376.8 meeting of the Minnesota Health Policy Commission by June 15, 2019, and shall act as the
376.9 chair until the commission elects a chair at its first meeting.

376.10 **Sec. 15. PAIN MANAGEMENT.**

376.11 (a) The Health Services Policy Committee established under Minnesota Statutes, section
376.12 256B.0625, subdivision 3c, shall evaluate and make recommendations on the integration
376.13 of nonpharmacologic pain management that are clinically viable and sustainable; reduce or
376.14 eliminate chronic pain conditions; improve functional status; and prevent addiction and
376.15 reduce dependence on opiates or other pain medications. The recommendations must be
376.16 based on best practices for the effective treatment of musculoskeletal pain provided by
376.17 health practitioners identified in paragraph (b), and covered under medical assistance. Each
376.18 health practitioner represented under paragraph (b) shall present the minimum best integrated
376.19 practice recommendations, policies, and scientific evidence for nonpharmacologic treatment
376.20 options for eliminating pain and improving functional status within their full professional
376.21 scope. Recommendations for integration of services may include guidance regarding
376.22 screening for co-occurring behavioral health diagnoses; protocols for communication between
376.23 all providers treating a unique individual, including protocols for follow-up; and universal
376.24 mechanisms to assess improvements in functional status.

376.25 (b) In evaluating and making recommendations, the Health Services Policy Committee
376.26 shall consult and collaborate with the following health practitioners: acupuncture practitioners
376.27 licensed under Minnesota Statutes, chapter 147B; chiropractors licensed under Minnesota
376.28 Statutes, sections 148.01 to 148.10; physical therapists licensed under Minnesota Statutes,
376.29 sections 148.68 to 148.78; medical and osteopathic physicians licensed under Minnesota
376.30 Statutes, chapter 147, and advanced practice registered nurses licensed under Minnesota
376.31 Statutes, sections 148.171 to 148.285, with experience in providing primary care
376.32 collaboratively within a multidisciplinary team of health care practitioners who employ
376.33 nonpharmacologic pain therapies; and psychologists licensed under Minnesota Statutes,
376.34 section 148.907.

377.1 (c) The commissioner shall submit a progress report to the chairs and ranking minority
 377.2 members of the legislative committees with jurisdiction over health and human services
 377.3 policy and finance by January 15, 2019, and shall report final recommendations by August
 377.4 1, 2019. The final report may also contain recommendations for developing and implementing
 377.5 a pilot program to assess the clinical viability, sustainability, and effectiveness of integrated
 377.6 nonpharmacologic, multidisciplinary treatments for managing musculoskeletal pain and
 377.7 improving functional status.

377.8 Sec. 16. **REPEALER.**

377.9 (a) Minnesota Statutes 2017 Supplement, section 256B.0625, subdivision 31c, is repealed.

377.10 (b) Minnesota Statutes 2016, section 256B.0625, subdivision 18b, is repealed.

377.11 **ARTICLE 23**

377.12 **HEALTH DEPARTMENT**

377.13 Section 1. Minnesota Statutes 2017 Supplement, section 103I.005, subdivision 2, is
 377.14 amended to read:

377.15 Subd. 2. **Boring.** "Boring" means a hole or excavation that ~~is not used to extract water~~
 377.16 ~~and~~ includes exploratory borings, bored geothermal heat exchangers, temporary borings,
 377.17 and elevator borings.

377.18 Sec. 2. Minnesota Statutes 2017 Supplement, section 103I.005, subdivision 8a, is amended
 377.19 to read:

377.20 Subd. 8a. **Environmental well.** "Environmental well" means an excavation 15 or more
 377.21 feet in depth that is drilled, cored, bored, washed, driven, dug, jetted, or otherwise constructed
 377.22 to:

377.23 (1) conduct physical, chemical, or biological testing of groundwater, and includes a
 377.24 groundwater quality monitoring or sampling well;

377.25 (2) lower a groundwater level to control or remove contamination in groundwater, and
 377.26 includes a remedial well and excludes horizontal trenches; or

377.27 (3) monitor or measure physical, chemical, radiological, or biological parameters of the
 377.28 earth and earth fluids, or for vapor recovery or venting systems. An environmental well
 377.29 includes an excavation used to:

377.30 (i) measure groundwater levels, including a piezometer;

378.1 (ii) determine groundwater flow direction or velocity;

378.2 (iii) measure earth properties such as hydraulic conductivity, bearing capacity, or
378.3 resistance;

378.4 (iv) obtain samples of geologic materials for testing or classification; or

378.5 (v) remove or remediate pollution or contamination from groundwater or soil through
378.6 the use of a vent, vapor recovery system, or sparge point.

378.7 An environmental well does not include an exploratory boring.

378.8 Sec. 3. Minnesota Statutes 2017 Supplement, section 103I.005, subdivision 17a, is amended
378.9 to read:

378.10 Subd. 17a. **Temporary environmental well boring.** ~~"Temporary environmental well"~~
378.11 ~~means an environmental well as defined in section 103I.005, subdivision 8a, that is sealed~~
378.12 ~~within 72 hours of the time construction on the well begins.~~ "Temporary boring" means an
378.13 excavation that is 15 feet or more in depth that is sealed within 72 hours of the start of
378.14 construction and is drilled, cored, washed, driven, dug, jetted, or otherwise constructed to:

378.15 (1) conduct physical, chemical, or biological testing of groundwater, including
378.16 groundwater quality monitoring;

378.17 (2) monitor or measure physical, chemical, radiological, or biological parameters of
378.18 earth materials or earth fluids, including hydraulic conductivity, bearing capacity, or
378.19 resistance;

378.20 (3) measure groundwater levels, including use of a piezometer;

378.21 (4) determine groundwater flow direction or velocity; or

378.22 (5) collect samples of geologic materials for testing or classification, or soil vapors for
378.23 testing or extraction.

378.24 Sec. 4. Minnesota Statutes 2017 Supplement, section 103I.205, subdivision 1, is amended
378.25 to read:

378.26 Subdivision 1. **Notification required.** (a) Except as provided in paragraph (d), a person
378.27 may not construct a water-supply, dewatering, or environmental well until a notification of
378.28 the proposed well on a form prescribed by the commissioner is filed with the commissioner
378.29 with the filing fee in section 103I.208, and, when applicable, the person has met the
378.30 requirements of paragraph (e). If after filing the well notification an attempt to construct a
378.31 well is unsuccessful, a new notification is not required unless the information relating to

379.1 the successful well has substantially changed. A notification is not required prior to
379.2 construction of a temporary ~~environmental well~~ boring.

379.3 (b) The property owner, the property owner's agent, or the licensed contractor where a
379.4 well is to be located must file the well notification with the commissioner.

379.5 (c) The well notification under this subdivision preempts local permits and notifications,
379.6 and counties or home rule charter or statutory cities may not require a permit or notification
379.7 for wells unless the commissioner has delegated the permitting or notification authority
379.8 under section 103I.111.

379.9 (d) A person who is an individual that constructs a drive point water-supply well on
379.10 property owned or leased by the individual for farming or agricultural purposes or as the
379.11 individual's place of abode must notify the commissioner of the installation and location of
379.12 the well. The person must complete the notification form prescribed by the commissioner
379.13 and mail it to the commissioner by ten days after the well is completed. A fee may not be
379.14 charged for the notification. A person who sells drive point wells at retail must provide
379.15 buyers with notification forms and informational materials including requirements regarding
379.16 wells, their location, construction, and disclosure. The commissioner must provide the
379.17 notification forms and informational materials to the sellers.

379.18 (e) When the operation of a well will require an appropriation permit from the
379.19 commissioner of natural resources, a person may not begin construction of the well until
379.20 the person submits the following information to the commissioner of natural resources:

379.21 (1) the location of the well;

379.22 (2) the formation or aquifer that will serve as the water source;

379.23 (3) the maximum daily, seasonal, and annual pumpage rates and volumes that will be
379.24 requested in the appropriation permit; and

379.25 (4) other information requested by the commissioner of natural resources that is necessary
379.26 to conduct the preliminary assessment required under section 103G.287, subdivision 1,
379.27 paragraph (c).

379.28 The person may begin construction after receiving preliminary approval from the
379.29 commissioner of natural resources.

380.1 Sec. 5. Minnesota Statutes 2017 Supplement, section 103I.205, subdivision 4, is amended
380.2 to read:

380.3 Subd. 4. **License required.** (a) Except as provided in paragraph (b), (c), (d), or (e),
380.4 section 103I.401, subdivision 2, or 103I.601, subdivision 2, a person may not drill, construct,
380.5 repair, or seal a well or boring unless the person has a well contractor's license in possession.

380.6 (b) A person may construct, repair, and seal an environmental well or temporary boring
380.7 if the person:

380.8 (1) is a professional engineer licensed under sections 326.02 to 326.15 in the branches
380.9 of civil or geological engineering;

380.10 (2) is a hydrologist or hydrogeologist certified by the American Institute of Hydrology;

380.11 (3) is a professional geoscientist licensed under sections 326.02 to 326.15;

380.12 (4) is a geologist certified by the American Institute of Professional Geologists; or

380.13 (5) meets the qualifications established by the commissioner in rule.

380.14 A person must be licensed by the commissioner as an environmental well contractor on
380.15 forms provided by the commissioner.

380.16 (c) A person may do the following work with a limited well/boring contractor's license
380.17 in possession. A separate license is required for each of the four activities:

380.18 (1) installing, repairing, and modifying well screens, pitless units and pitless adaptors,
380.19 well pumps and pumping equipment, and well casings from the pitless adaptor or pitless
380.20 unit to the upper termination of the well casing;

380.21 (2) sealing wells and borings;

380.22 (3) constructing, repairing, and sealing dewatering wells; or

380.23 (4) constructing, repairing, and sealing bored geothermal heat exchangers.

380.24 (d) A person may construct, repair, and seal an elevator boring with an elevator boring
380.25 contractor's license.

380.26 (e) Notwithstanding other provisions of this chapter requiring a license, a license is not
380.27 required for a person who complies with the other provisions of this chapter if the person
380.28 is:

380.29 (1) an individual who constructs a water-supply well on land that is owned or leased by
380.30 the individual and is used by the individual for farming or agricultural purposes or as the
380.31 individual's place of abode; or

381.1 (2) an individual who performs labor or services for a contractor licensed under the
381.2 provisions of this chapter in connection with the construction, sealing, or repair of a well
381.3 or boring at the direction and under the personal supervision of a contractor licensed under
381.4 the provisions of this chapter; or.

381.5 ~~(3) a licensed plumber who is repairing submersible pumps or water pipes associated~~
381.6 ~~with well water systems if: (i) the repair location is within an area where there is no licensed~~
381.7 ~~well contractor within 50 miles, and (ii) the licensed plumber complies with all relevant~~
381.8 ~~sections of the plumbing code.~~

381.9 Sec. 6. Minnesota Statutes 2016, section 103I.205, subdivision 9, is amended to read:

381.10 Subd. 9. **Report of work.** Within ~~30~~ 60 days after completion or sealing of a well or
381.11 boring, the person doing the work must submit a verified report to the commissioner
381.12 containing the information specified by rules adopted under this chapter.

381.13 Within 30 days after receiving the report, the commissioner shall send or otherwise
381.14 provide access to a copy of the report to the commissioner of natural resources, to the local
381.15 soil and water conservation district where the well is located, and to the director of the
381.16 Minnesota Geological Survey.

381.17 Sec. 7. Minnesota Statutes 2017 Supplement, section 103I.208, subdivision 1, is amended
381.18 to read:

381.19 Subdivision 1. **Well notification fee.** The well notification fee to be paid by a property
381.20 owner is:

381.21 (1) for construction of a water supply well, \$275, which includes the state core function
381.22 fee;

381.23 (2) for a well sealing, \$75 for each well or boring, which includes the state core function
381.24 fee, except that a single fee of \$75 is required for all temporary ~~environmental wells~~ borings
381.25 recorded on the sealing notification for a single property, ~~having depths within a 25-foot~~
381.26 ~~range, and sealed within 72 hours of start of construction, except that temporary borings~~
381.27 less than 25 feet in depth are exempt from the notification and fee requirements in this
381.28 chapter;

381.29 (3) for construction of a dewatering well, \$275, which includes the state core function
381.30 fee, for each dewatering well except a dewatering project comprising five or more dewatering
381.31 wells shall be assessed a single fee of \$1,375 for the dewatering wells recorded on the
381.32 notification; and

382.1 (4) for construction of an environmental well, \$275, which includes the state core function
382.2 fee, except that a single fee of \$275 is required for all environmental wells recorded on the
382.3 notification that are located on a single property, and except that no fee is required for
382.4 construction of a temporary ~~environmental well~~ boring.

382.5 Sec. 8. Minnesota Statutes 2017 Supplement, section 103I.235, subdivision 3, is amended
382.6 to read:

382.7 Subd. 3. **Temporary ~~environmental well~~ boring and unsuccessful well exemption.**
382.8 This section does not apply to temporary ~~environmental wells~~ borings or unsuccessful wells
382.9 that have been sealed by a licensed contractor in compliance with this chapter.

382.10 Sec. 9. Minnesota Statutes 2016, section 103I.301, subdivision 6, is amended to read:

382.11 Subd. 6. **Notification required.** A person may not seal a well or boring until a notification
382.12 of the proposed sealing is filed as prescribed by the commissioner. Temporary borings less
382.13 than 25 feet in depth are exempt from the notification requirements in this chapter.

382.14 Sec. 10. Minnesota Statutes 2017 Supplement, section 103I.601, subdivision 4, is amended
382.15 to read:

382.16 Subd. 4. **Notification and map of borings.** (a) By ten days before beginning exploratory
382.17 boring, an explorer must submit to the commissioner of health a notification of the proposed
382.18 boring ~~on a form prescribed by the commissioner,~~ map and a fee of \$275 for each exploratory
382.19 ~~boring~~.

382.20 (b) By ten days before beginning exploratory boring, an explorer must submit to the
382.21 commissioners of health and natural resources a county road map on a single sheet of paper
382.22 that is 8-1/2 inches by 11 inches in size and having a scale of one-half inch equal to one
382.23 mile, as prepared by the Department of Transportation, or a 7.5 minute series topographic
382.24 map (1:24,000 scale), as prepared by the United States Geological Survey, showing the
382.25 location of each proposed exploratory boring to the nearest estimated 40 acre parcel.
382.26 Exploratory boring that is proposed on the map may not be commenced later than 180 days
382.27 after submission of the map, unless a new map is submitted.

382.28 Sec. 11. Minnesota Statutes 2016, section 144.121, subdivision 1a, is amended to read:

382.29 Subd. 1a. **Fees for ionizing radiation-producing equipment.** (a) A facility with ionizing
382.30 radiation-producing equipment must pay an annual initial or annual renewal registration

383.1 fee consisting of a base facility fee of \$100 and an additional fee for each radiation source,
383.2 as follows:

383.3	(1) medical or veterinary equipment	\$ 100
383.4	(2) dental x-ray equipment	\$ 40
383.5	(3) x-ray equipment not used on	\$ 100
383.6	humans or animals	
383.7	(4) devices with sources of ionizing	\$ 100
383.8	radiation not used on humans or	
383.9	animals	
383.10	<u>(5) security screening system</u>	<u>\$ 100</u>

383.11 (b) A facility with radiation therapy and accelerator equipment must pay an annual
383.12 registration fee of \$500. A facility with an industrial accelerator must pay an annual
383.13 registration fee of \$150.

383.14 (c) Electron microscopy equipment is exempt from the registration fee requirements of
383.15 this section.

383.16 (d) For purposes of this section, a security screening system means radiation-producing
383.17 equipment designed and used for security screening of humans who are in custody of a
383.18 correctional or detention facility, and is used by the facility to image and identify contraband
383.19 items concealed within or on all sides of a human body. For purposes of this section, a
383.20 correctional or detention facility is a facility licensed by the commissioner of corrections
383.21 under section 241.021, and operated by a state agency or political subdivision charged with
383.22 detection, enforcement, or incarceration in respect to state criminal and traffic laws.

383.23 Sec. 12. Minnesota Statutes 2016, section 144.121, is amended by adding a subdivision
383.24 to read:

383.25 Subd. 9. Exemption from examination requirements; operators of security screening
383.26 systems. (a) An employee of a correctional or detention facility who operates a security
383.27 screening system and the facility in which the system is being operated are exempt from
383.28 the requirements of subdivisions 5 and 6.

383.29 (b) An employee of a correctional or detention facility who operates a security screening
383.30 system and the facility in which the system is being operated must meet the requirements
383.31 of a variance to Minnesota Rules, parts 4732.0305 and 4732.0565, issued under Minnesota
383.32 Rules, parts 4717.7000 to 4717.7050. This paragraph expires on December 31 of the year
383.33 that the permanent rules adopted by the commissioner governing security screening systems
383.34 are published in the State Register.

384.1 **EFFECTIVE DATE.** This section is effective 30 days following final enactment.

384.2 Sec. 13. **[144.397] STATEWIDE TOBACCO CESSATION SERVICES.**

384.3 (a) The commissioner of health shall administer, or contract for the administration of,
384.4 statewide tobacco cessation services to assist Minnesotans who are seeking advice or services
384.5 to help them quit using tobacco products. The commissioner shall establish statewide public
384.6 awareness activities to inform the public of the availability of the services and encourage
384.7 the public to utilize the services because of the dangers and harm of tobacco use and
384.8 dependence.

384.9 (b) Services to be provided may include, but are not limited to:

384.10 (1) telephone-based coaching and counseling;

384.11 (2) referrals;

384.12 (3) written materials mailed upon request;

384.13 (4) Web-based texting or e-mail services; and

384.14 (5) free Food and Drug Administration-approved tobacco cessation medications.

384.15 (c) Services provided must be consistent with evidence-based best practices in tobacco
384.16 cessation services. Services provided must be coordinated with employer, health plan
384.17 company, and private sector tobacco prevention and cessation services that may be available
384.18 to individuals depending on their employment or health coverage.

384.19 Sec. 14. Laws 2017, First Special Session chapter 6, article 10, section 144, is amended
384.20 to read:

384.21 **Sec. 144. OPIOID ABUSE PREVENTION PILOT PROJECTS.**

384.22 (a) The commissioner of health shall establish opioid abuse prevention pilot projects in
384.23 geographic areas throughout the state based on the most recently available data on opioid
384.24 overdose and abuse rates, to reduce opioid abuse through the use of controlled substance
384.25 care teams and community-wide coordination of abuse-prevention initiatives. The
384.26 commissioner shall award grants to health care providers, health plan companies, local units
384.27 of government, tribal governments, or other entities to establish pilot projects.

384.28 (b) Each pilot project must:

384.29 (1) be designed to reduce emergency room and other health care provider visits resulting
384.30 from opioid use or abuse, and reduce rates of opioid addiction in the community;

385.1 (2) establish multidisciplinary controlled substance care teams, that may consist of
385.2 physicians, pharmacists, social workers, nurse care coordinators, and mental health
385.3 professionals;

385.4 (3) deliver health care services and care coordination, through controlled substance care
385.5 teams, to reduce the inappropriate use of opioids by patients and rates of opioid addiction;

385.6 (4) address any unmet social service needs that create barriers to managing pain
385.7 effectively and obtaining optimal health outcomes;

385.8 (5) provide prescriber and dispenser education and assistance to reduce the inappropriate
385.9 prescribing and dispensing of opioids;

385.10 (6) promote the adoption of best practices related to opioid disposal and reducing
385.11 opportunities for illegal access to opioids; and

385.12 (7) engage partners outside of the health care system, including schools, law enforcement,
385.13 and social services, to address root causes of opioid abuse and addiction at the community
385.14 level.

385.15 (c) The commissioner shall contract with an accountable community for health that
385.16 operates an opioid abuse prevention project, and can document success in reducing opioid
385.17 use through the use of controlled substance care teams, to assist the commissioner in
385.18 administering this section, and to provide technical assistance to the commissioner and to
385.19 entities selected to operate a pilot project.

385.20 (d) The contract under paragraph (c) shall require the accountable community for health
385.21 to evaluate the extent to which the pilot projects were successful in reducing the inappropriate
385.22 use of opioids. The evaluation must analyze changes in the number of opioid prescriptions,
385.23 the number of emergency room visits related to opioid use, and other relevant measures.
385.24 The accountable community for health shall report evaluation results to the chairs and
385.25 ranking minority members of the legislative committees with jurisdiction over health and
385.26 human services policy and finance and public safety by December 15, 2019, for projects
385.27 that received funding in fiscal year 2018, and by December 15, 2021, for projects that
385.28 received funding in fiscal year 2019.

385.29 (e) The commissioner may award one grant that, in addition to the other requirements
385.30 of this section, allows a root cause approach to reduce opioid abuse in an American Indian
385.31 community.

386.1 **Sec. 15. LOW-VALUE HEALTH SERVICES STUDY.**

386.2 (a) The commissioner of health shall examine and analyze:

386.3 (1) the alignment in health care delivery with specific best practices guidelines or
386.4 recommendations; and

386.5 (2) health care services and procedures for purposes of identifying, measuring, and
386.6 potentially eliminating those services or procedures with low value and little benefit to
386.7 patients. The commissioner shall update and expand on previous work completed by the
386.8 Department of Health on the prevalence and costs of low-value health care services in
386.9 Minnesota.

386.10 (b) Notwithstanding Minnesota Statutes, section 62U.04, subdivision 11, the
386.11 commissioner may use the Minnesota All Payer Claims Database (MN APCD) to conduct
386.12 the analysis using the most recent data available and may limit the claims research to the
386.13 Minnesota All Payer Claims Database.

386.14 (c) The commissioner may convene a work group of no more than eight members with
386.15 demonstrated knowledge and expertise in health care delivery systems, clinical experience,
386.16 or research experience to make recommendations on services and procedures for the
386.17 commissioner to analyze under paragraph (a).

386.18 (d) The commissioner shall submit a preliminary report to the chairs and ranking minority
386.19 members of the legislative committees with jurisdiction over health care by February 1,
386.20 2019, outlining the work group's recommendations and any early findings from the analysis.
386.21 The commissioner shall submit a final report containing the completed analysis by January
386.22 15, 2020. The commissioner may release select research findings as a result of this study
386.23 throughout the study and analytic process and shall provide the public an opportunity to
386.24 comment on any research findings before the release of any finding.

386.25 **Sec. 16. OPIOID OVERDOSE REDUCTION PILOT PROGRAM.**

386.26 Subdivision 1. **Establishment.** The commissioner of health shall provide grants to
386.27 ambulance services to fund activities by community paramedic teams to reduce opioid
386.28 overdoses in the state. Under this pilot program, ambulance services shall develop and
386.29 implement projects in which community paramedics connect with patients who are discharged
386.30 from a hospital or emergency department following an opioid overdose episode, develop
386.31 personalized care plans for those patients in consultation with the ambulance service medical
386.32 director, and provide follow-up services to those patients.

387.1 Subd. 2. **Priority areas; services.** (a) In a project developed under this section, an
387.2 ambulance service must target community paramedic team services to portions of the service
387.3 area with high levels of opioid use, high death rates from opioid overdoses, and urgent needs
387.4 for interventions.

387.5 (b) In a project developed under this section, a community paramedic team shall:

387.6 (1) provide services to patients released from a hospital or emergency department
387.7 following an opioid overdose episode and place priority on serving patients who were
387.8 administered the opiate antagonist naloxone hydrochloride by emergency medical services
387.9 personnel in response to a 911 call during the opioid overdose episode;

387.10 (2) provide the following evaluations during an initial home visit: (i) a home safety
387.11 assessment including whether there is a need to dispose of prescription drugs that are expired
387.12 or no longer needed; (ii) medication compliance; (iii) an HIV risk assessment; (iv) instruction
387.13 on the use of naloxone hydrochloride; and (v) a basic needs assessment;

387.14 (3) provide patients with health assessments, chronic disease monitoring and education,
387.15 and assistance in following hospital discharge orders; and

387.16 (4) work with a multidisciplinary team to address the overall physical and mental health
387.17 needs of patients and health needs related to substance use disorder treatment.

387.18 (c) An ambulance service receiving a grant under this section may use grant funds to
387.19 cover the cost of evidence-based training in opioid addiction and recovery treatment.

387.20 Subd. 3. **Evaluation.** An ambulance service that receives a grant under this section shall
387.21 evaluate the extent to which the project was successful in reducing the number of opioid
387.22 overdoses and opioid overdose deaths among patients who received services and in reducing
387.23 the inappropriate use of opioids by patients who received services. The commissioner of
387.24 health shall develop specific evaluation measures and reporting timelines for ambulance
387.25 services receiving grants. Ambulance services shall submit the information required by the
387.26 commissioner to the commissioner and the commissioner shall submit a summary of the
387.27 information reported by the ambulance services to the chairs and ranking minority members
387.28 of the legislative committees with jurisdiction over health and human services by December
387.29 1, 2019.

388.1

ARTICLE 24

388.2

HEALTH COVERAGE

388.3 Section 1. Minnesota Statutes 2016, section 62A.30, is amended by adding a subdivision
388.4 to read:

388.5 Subd. 4. **Mammograms.** (a) For purposes of subdivision 2, coverage for a preventive
388.6 mammogram screening shall include digital breast tomosynthesis for enrollees at risk for
388.7 breast cancer, and shall be covered as a preventive item or service, as described under section
388.8 62Q.46.

388.9 (b) For purposes of this subdivision, "digital breast tomosynthesis" means a radiologic
388.10 procedure that involves the acquisition of projection images over the stationary breast to
388.11 produce cross-sectional digital three-dimensional images of the breast. "At risk for breast
388.12 cancer" means:

388.13 (1) having a family history with one or more first- or second-degree relatives with breast
388.14 cancer;

388.15 (2) testing positive for BRCA1 or BRCA2 mutations;

388.16 (3) having heterogeneously dense breasts or extremely dense breasts based on the Breast
388.17 Imaging Reporting and Data System established by the American College of Radiology; or

388.18 (4) having a previous diagnosis of breast cancer.

388.19 (c) This subdivision does not apply to coverage provided through a public health care
388.20 program under chapter 256B or 256L.

388.21 (d) Nothing in this subdivision limits the coverage of digital breast tomosynthesis in a
388.22 policy, plan, certificate, or contract referred to in subdivision 1 that is in effect prior to
388.23 January 1, 2018.

388.24 (e) Nothing in this subdivision prohibits a policy, plan, certificate, or contract referred
388.25 to in subdivision 1 from covering digital breast tomosynthesis for an enrollee who is not at
388.26 risk for breast cancer.

388.27 **EFFECTIVE DATE.** This section is effective January 1, 2019, and applies to health
388.28 plans issued, sold, or renewed on or after that date.

388.29 **Sec. 2. [62J.824] FACILITY FEE DISCLOSURE.**

388.30 (a) Prior to the delivery of nonemergency services, a provider-based clinic that charges
388.31 a facility fee shall provide notice to any patient stating that the clinic is part of a hospital

389.1 and the patient may receive a separate charge or billing for the facility component, which
389.2 may result in a higher out-of-pocket expense.

389.3 (b) Each health care facility must post prominently in locations easily accessible to and
389.4 visible by patients, including its Web site, a statement that the provider-based clinic is part
389.5 of a hospital and the patient may receive a separate charge or billing for the facility, which
389.6 may result in a higher out-of-pocket expense.

389.7 (c) This section does not apply to laboratory services, imaging services, or other ancillary
389.8 health services that are provided by staff who are not employed by the health care facility
389.9 or clinic.

389.10 (d) For purposes of this section:

389.11 (1) "facility fee" means any separate charge or billing by a provider-based clinic in
389.12 addition to a professional fee for physicians' services that is intended to cover building,
389.13 electronic medical records systems, billing, and other administrative and operational
389.14 expenses; and

389.15 (2) "provider-based clinic" means the site of an off-campus clinic or provider office
389.16 located at least 250 yards from the main hospital buildings or as determined by the Centers
389.17 for Medicare and Medicaid Services, that is owned by a hospital licensed under chapter 144
389.18 or a health system that operates one or more hospitals licensed under chapter 144, and is
389.19 primarily engaged in providing diagnostic and therapeutic care, including medical history,
389.20 physical examinations, assessment of health status, and treatment monitoring. This definition
389.21 does not include clinics that are exclusively providing laboratory, x-ray, testing, therapy,
389.22 pharmacy, or educational services and does not include facilities designated as rural health
389.23 clinics.

389.24 **Sec. 3. [62Q.184] STEP THERAPY OVERRIDE.**

389.25 Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms in this
389.26 subdivision have the meanings given them.

389.27 (b) "Clinical practice guideline" means a systematically developed statement to assist
389.28 health care providers and enrollees in making decisions about appropriate health care services
389.29 for specific clinical circumstances and conditions developed independently of a health plan
389.30 company, pharmaceutical manufacturer, or any entity with a conflict of interest.

389.31 (c) "Clinical review criteria" means the written screening procedures, decision abstracts,
389.32 clinical protocols, and clinical practice guidelines used by a health plan company to determine
389.33 the medical necessity and appropriateness of health care services.

390.1 (d) "Health plan company" has the meaning given in section 62Q.01, subdivision 4, but
390.2 does not include a managed care organization or county-based purchasing plan participating
390.3 in a public program under chapter 256B or 256L, or an integrated health partnership under
390.4 section 256B.0755.

390.5 (e) "Step therapy protocol" means a protocol or program that establishes the specific
390.6 sequence in which prescription drugs for a specified medical condition, including
390.7 self-administered and physician-administered drugs, are medically appropriate for a particular
390.8 enrollee and are covered under a health plan.

390.9 (f) "Step therapy override" means that the step therapy protocol is overridden in favor
390.10 of coverage of the selected prescription drug of the prescribing health care provider because
390.11 at least one of the conditions of subdivision 3, paragraph (a), exists.

390.12 Subd. 2. **Establishment of a step therapy protocol.** A health plan company shall
390.13 consider available recognized evidence-based and peer-reviewed clinical practice guidelines
390.14 when establishing a step therapy protocol. Upon written request of an enrollee, a health plan
390.15 company shall provide any clinical review criteria applicable to a specific prescription drug
390.16 covered by the health plan.

390.17 Subd. 3. **Step therapy override process; transparency.** (a) When coverage of a
390.18 prescription drug for the treatment of a medical condition is restricted for use by a health
390.19 plan company through the use of a step therapy protocol, enrollees and prescribing health
390.20 care providers shall have access to a clear, readily accessible, and convenient process to
390.21 request a step therapy override. The process shall be made easily accessible on the health
390.22 plan company's Web site. A health plan company may use its existing medical exceptions
390.23 process to satisfy this requirement. A health plan company shall grant an override to the
390.24 step therapy protocol if at least one of the following conditions exist:

390.25 (1) the prescription drug required under the step therapy protocol is contraindicated
390.26 pursuant to the pharmaceutical manufacturer's prescribing information for the drug or, due
390.27 to a documented adverse event with a previous use or a documented medical condition,
390.28 including a comorbid condition, is likely to do any of the following:

390.29 (i) cause an adverse reaction in the enrollee;

390.30 (ii) decrease the ability of the enrollee to achieve or maintain reasonable functional
390.31 ability in performing daily activities; or

390.32 (iii) cause physical or mental harm to the enrollee;

391.1 (2) the enrollee has had a trial of the required prescription drug covered by their current
391.2 or previous health plan, or another prescription drug in the same pharmacologic class or
391.3 with the same mechanism of action, and was adherent during such trial for a period of time
391.4 sufficient to allow for a positive treatment outcome, and the prescription drug was
391.5 discontinued by the enrollee's health care provider due to lack of effectiveness, or an adverse
391.6 event. This clause does not prohibit a health plan company from requiring an enrollee to
391.7 try another drug in the same pharmacologic class or with the same mechanism of action if
391.8 that therapy sequence is supported by the evidence-based and peer-reviewed clinical practice
391.9 guideline, Food and Drug Administration label, or pharmaceutical manufacturer's prescribing
391.10 information; or

391.11 (3) the enrollee is currently receiving a positive therapeutic outcome on a prescription
391.12 drug for the medical condition under consideration if, while on their current health plan or
391.13 the immediately preceding health plan, the enrollee received coverage for the prescription
391.14 drug and the enrollee's prescribing health care provider gives documentation to the health
391.15 plan company that the change in prescription drug required by the step therapy protocol is
391.16 expected to be ineffective or cause harm to the enrollee based on the known characteristics
391.17 of the specific enrollee and the known characteristics of the required prescription drug.

391.18 (b) Upon granting a step therapy override, a health plan company shall authorize coverage
391.19 for the prescription drug if the prescription drug is a covered prescription drug under the
391.20 enrollee's health plan.

391.21 (c) The enrollee, or the prescribing health care provider if designated by the enrollee,
391.22 may appeal the denial of a step therapy override by a health plan company using the
391.23 complaint procedure under sections 62Q.68 to 62Q.73.

391.24 (d) In a denial of an override request and any subsequent appeal, a health plan company's
391.25 decision must specifically state why the step therapy override request did not meet the
391.26 condition under paragraph (a) cited by the prescribing health care provider in requesting
391.27 the step therapy override and information regarding the procedure to request external review
391.28 of the denial pursuant to section 62Q.73. A denial of a request for a step therapy override
391.29 that is upheld on appeal is a final adverse determination for purposes of section 62Q.73 and
391.30 is eligible for a request for external review by an enrollee pursuant to section 62Q.73.

391.31 (e) A health plan company shall respond to a step therapy override request or an appeal
391.32 within five days of receipt of a complete request. In cases where exigent circumstances
391.33 exist, a health plan company shall respond within 72 hours of receipt of a complete request.
391.34 If a health plan company does not send a response to the enrollee or prescribing health care

392.1 provider if designated by the enrollee within the time allotted, the override request or appeal
 392.2 is granted and binding on the health plan company.

392.3 (f) Step therapy override requests must be accessible to and submitted by health care
 392.4 providers, and accepted by group purchasers electronically through secure electronic
 392.5 transmission, as described under section 62J.497, subdivision 5.

392.6 (g) Nothing in this section prohibits a health plan company from:

392.7 (1) requesting relevant documentation from an enrollee's medical record in support of
 392.8 a step therapy override request; or

392.9 (2) requiring an enrollee to try a generic equivalent drug pursuant to section 151.21, or
 392.10 a biosimilar, as defined under United States Code, title 42, section 262(i)(2), prior to
 392.11 providing coverage for the equivalent branded prescription drug.

392.12 (h) This section shall not be construed to allow the use of a pharmaceutical sample for
 392.13 the primary purpose of meeting the requirements for a step therapy override.

392.14 **EFFECTIVE DATE.** This section is effective January 1, 2019, and applies to health
 392.15 plans offered, issued, or sold on or after that date.

392.16 Sec. 4. Minnesota Statutes 2016, section 151.214, is amended to read:

392.17 **151.214 PAYMENT DISCLOSURE.**

392.18 Subdivision 1. **Explanation of pharmacy benefits.** A pharmacist licensed under this
 392.19 chapter must provide to a patient, for each prescription dispensed where part or all of the
 392.20 cost of the prescription is being paid or reimbursed by an employer-sponsored plan or health
 392.21 plan company, or its contracted pharmacy benefit manager, the patient's co-payment amount
 392.22 ~~and~~₂ the pharmacy's own usual and customary price of the prescription ~~or~~₂ and the net amount
 392.23 the pharmacy will be paid for the prescription drug receive from all sources for dispensing
 392.24 the prescription drug, once the claim has been completed by the patient's employer-sponsored
 392.25 plan or health plan company, or its contracted pharmacy benefit manager.

392.26 Subd. 2. **No prohibition on disclosure.** No contracting agreement between an
 392.27 employer-sponsored health plan or health plan company, or its contracted pharmacy benefit
 392.28 manager, and a resident or nonresident pharmacy ~~registered~~₂ licensed under this chapter,
 392.29 may prohibit ~~the~~₂

392.30 (1) a pharmacy from disclosing to patients information a pharmacy is required or given
 392.31 the option to provide under subdivision 1; or

393.1 (2) a pharmacist from informing a patient when the amount the patient is required to
393.2 pay under the patient's health plan for a particular drug is greater than the amount the patient
393.3 would be required to pay for the same drug if purchased out-of-pocket at the pharmacy's
393.4 usual and customary price.

393.5 Sec. 5. Minnesota Statutes 2016, section 151.71, is amended by adding a subdivision to
393.6 read:

393.7 Subd. 3. **Synchronization of refills.** (a) For purposes of this subdivision,
393.8 "synchronization" means the coordination of prescription drug refills for a patient taking
393.9 two or more medications for one or more chronic conditions, to allow the patient's
393.10 medications to be refilled on the same schedule for a given period of time.

393.11 (b) A contract between a pharmacy benefit manager and a pharmacy must allow for
393.12 synchronization of prescription drug refills for a patient on at least one occasion per year,
393.13 if the following criteria are met:

393.14 (1) the prescription drugs are covered under the patient's health plan or have been
393.15 approved by a formulary exceptions process;

393.16 (2) the prescription drugs are maintenance medications as defined by the health plan
393.17 and have one or more refills available at the time of synchronization;

393.18 (3) the prescription drugs are not Schedule II, III, or IV controlled substances;

393.19 (4) the patient meets all utilization management criteria relevant to the prescription drug
393.20 at the time of synchronization;

393.21 (5) the prescription drugs are of a formulation that can be safely split into short-fill
393.22 periods to achieve synchronization; and

393.23 (6) the prescription drugs do not have special handling or sourcing needs that require a
393.24 single, designated pharmacy to fill or refill the prescription.

393.25 (c) When necessary to permit synchronization, the pharmacy benefit manager shall apply
393.26 a prorated, daily patient cost-sharing rate to any prescription drug dispensed by a pharmacy
393.27 under this subdivision. The dispensing fee shall not be prorated, and all dispensing fees
393.28 shall be based on the number of prescriptions filled or refilled.

394.1 Sec. 6. Minnesota Statutes 2017 Supplement, section 152.105, subdivision 2, is amended
394.2 to read:

394.3 Subd. 2. **Sheriff to maintain collection receptacle or medicine disposal program.** (a)

394.4 The sheriff of each county shall maintain or contract for the maintenance of at least one
394.5 collection receptacle or implement a medicine disposal program for the disposal of
394.6 noncontrolled substances, pharmaceutical controlled substances, and other legend drugs,
394.7 as permitted by federal law. For purposes of this section, "legend drug" has the meaning
394.8 given in section 151.01, subdivision 17. The collection receptacle and medicine disposal
394.9 program must comply with federal law. In maintaining and operating the collection receptacle
394.10 or medicine disposal program, the sheriff shall follow all applicable provisions of Code of
394.11 Federal Regulations, title 21, parts 1300, 1301, 1304, 1305, 1307, and 1317, as amended
394.12 through May 1, 2017.

394.13 (b) For purposes of this subdivision:

394.14 (1) a medicine disposal program means providing to the public educational information,
394.15 and making materials available for safely destroying unwanted legend drugs, including, but
394.16 not limited to, drug destruction bags or drops; and

394.17 (2) a collection receptacle means the operation and maintenance of at least one drop-off
394.18 receptacle.

394.19 ARTICLE 25

394.20 HEALTH-RELATED LICENSING BOARDS

394.21 Section 1. Minnesota Statutes 2017 Supplement, section 147.01, subdivision 7, is amended
394.22 to read:

394.23 Subd. 7. **Physician application and license fees.** (a) The board may charge the following
394.24 nonrefundable application and license fees processed pursuant to sections 147.02, 147.03,
394.25 147.037, 147.0375, and 147.38:

394.26 (1) physician application fee, \$200;

394.27 (2) physician annual registration renewal fee, \$192;

394.28 (3) physician endorsement to other states, \$40;

394.29 (4) physician emeritus license, \$50;

394.30 (5) physician temporary license, \$60;

394.31 (6) physician late fee, \$60;

- 395.1 (7) duplicate license fee, \$20;
- 395.2 (8) certification letter fee, \$25;
- 395.3 (9) education or training program approval fee, \$100;
- 395.4 (10) report creation and generation fee, \$60 per hour;
- 395.5 (11) examination administration fee (half day), \$50;
- 395.6 (12) examination administration fee (full day), \$80; ~~and~~
- 395.7 (13) fees developed by the Interstate Commission for determining physician qualification
- 395.8 to register and participate in the interstate medical licensure compact, as established in rules
- 395.9 authorized in and pursuant to section 147.38, not to exceed \$1,000₂;
- 395.10 (14) verification fee, \$25; and
- 395.11 (15) criminal background check fee, \$32.

395.12 (b) The board may prorate the initial annual license fee. All licensees are required to

395.13 pay the full fee upon license renewal. The revenue generated from the fee must be deposited

395.14 in an account in the state government special revenue fund.

395.15 Sec. 2. Minnesota Statutes 2016, section 147.012, is amended to read:

395.16 **147.012 OVERSIGHT OF ALLIED HEALTH PROFESSIONS.**

395.17 The board has responsibility for the oversight of the following allied health professions:

395.18 physician assistants under chapter 147A₂; acupuncture practitioners under chapter 147B₂;

395.19 respiratory care practitioners under chapter 147C₂; traditional midwives under chapter 147D₂;

395.20 registered naturopathic doctors under chapter 147E₂; genetic counselors under chapter 147F,

395.21 and athletic trainers under sections 148.7801 to 148.7815.

395.22 Sec. 3. Minnesota Statutes 2016, section 147.02, is amended by adding a subdivision to

395.23 read:

395.24 Subd. 7. **Additional renewal requirements.** (a) The licensee must maintain a correct

395.25 mailing address with the board for receiving board communications, notices, and licensure

395.26 renewal documents. Placing the license renewal application in first class United States mail,

395.27 addressed to the licensee at the licensee's last known address with postage prepaid, constitutes

395.28 valid service. Failure to receive the renewal documents does not relieve a license holder of

395.29 the obligation to comply with this section.

396.1 (b) The names of licensees who do not return a complete license renewal application,
396.2 the annual license fee, or the late application fee within 30 days shall be removed from the
396.3 list of individuals authorized to practice medicine and surgery during the current renewal
396.4 period. Upon reinstatement of licensure, the licensee's name will be placed on the list of
396.5 individuals authorized to practice medicine and surgery.

396.6 Sec. 4. Minnesota Statutes 2016, section 147A.06, is amended to read:

396.7 **147A.06 CANCELLATION OF LICENSE FOR NONRENEWAL.**

396.8 Subdivision 1. Cancellation of license. The board shall not renew, reissue, reinstate, or
396.9 restore a license that has lapsed on or after July 1, 1996, and has not been renewed within
396.10 two annual renewal cycles starting July 1, 1997. A licensee whose license is canceled for
396.11 nonrenewal must obtain a new license by applying for licensure and fulfilling all requirements
396.12 then in existence for an initial license to practice as a physician assistant.

396.13 Subd. 2. Licensure following lapse of licensed status; transition. (a) A licensee whose
396.14 license has lapsed under subdivision 1 before January 1, 2019, and who seeks to regain
396.15 licensed status after January 1, 2019, shall be treated as a first-time licensee only for purposes
396.16 of establishing a license renewal schedule, and shall not be subject to the license cycle
396.17 conversion provisions in section 147A.29.

396.18 (b) This subdivision expires July 1, 2021.

396.19 Sec. 5. Minnesota Statutes 2016, section 147A.07, is amended to read:

396.20 **147A.07 RENEWAL.**

396.21 (a) A person who holds a license as a physician assistant shall annually, upon notification
396.22 from the board, renew the license by:

396.23 (1) submitting the appropriate fee as determined by the board;

396.24 (2) completing the appropriate forms; and

396.25 (3) meeting any other requirements of the board.

396.26 (b) A licensee must maintain a correct mailing address with the board for receiving board
396.27 communications, notices, and license renewal documents. Placing the license renewal
396.28 application in first class United States mail, addressed to the licensee at the licensee's last
396.29 known address with postage prepaid, constitutes valid service. Failure to receive the renewal
396.30 documents does not relieve a licensee of the obligation to comply with this section.

397.1 (c) The name of a licensee who does not return a complete license renewal application,
 397.2 annual license fee, or late application fee, as applicable, within the time period required by
 397.3 this section shall be removed from the list of individuals authorized to practice during the
 397.4 current renewal period. If the licensee's license is reinstated, the licensee's name shall be
 397.5 placed on the list of individuals authorized to practice.

397.6 Sec. 6. Minnesota Statutes 2017 Supplement, section 147A.28, is amended to read:

397.7 **147A.28 PHYSICIAN ASSISTANT APPLICATION AND LICENSE FEES.**

397.8 (a) The board may charge the following nonrefundable fees:

397.9 (1) physician assistant application fee, \$120;

397.10 (2) physician assistant annual registration renewal fee (prescribing authority), \$135;

397.11 (3) physician assistant annual registration renewal fee (no prescribing authority), \$115;

397.12 (4) physician assistant temporary registration, \$115;

397.13 (5) physician assistant temporary permit, \$60;

397.14 (6) physician assistant locum tenens permit, \$25;

397.15 (7) physician assistant late fee, \$50;

397.16 (8) duplicate license fee, \$20;

397.17 (9) certification letter fee, \$25;

397.18 (10) education or training program approval fee, \$100; ~~and~~

397.19 (11) report creation and generation fee, \$60- per hour;

397.20 (12) verification fee, \$25; and

397.21 (13) criminal background check fee, \$32.

397.22 (b) The board may prorate the initial annual license fee. All licensees are required to
 397.23 pay the full fee upon license renewal. The revenue generated from the fees must be deposited
 397.24 in an account in the state government special revenue fund.

397.25 Sec. 7. **[147A.29] LICENSE RENEWAL CYCLE CONVERSION.**

397.26 Subdivision 1. Generally. The license renewal cycle for physician assistant licensees
 397.27 is converted to an annual cycle where renewal is due on the last day of the licensee's month
 397.28 of birth. Conversion pursuant to this section begins January 1, 2019. This section governs
 397.29 license renewal procedures for licensees who were licensed before December 31, 2018. The

398.1 conversion renewal cycle is the renewal cycle following the first license renewal after
398.2 January 1, 2019. The conversion license period is the license period for the conversion
398.3 renewal cycle. The conversion license period is between six and 17 months and ends on the
398.4 last day of the licensee's month of birth in either 2019 or 2020, as described in subdivision
398.5 2.

398.6 Subd. 2. **Conversion of license renewal cycle for current licensees.** For a licensee
398.7 whose license is current as of December 31, 2018, the licensee's conversion license period
398.8 begins on January 1, 2019, and ends on the last day of the licensee's month of birth in 2019,
398.9 except that for licensees whose month of birth is January, February, March, April, May, or
398.10 June, the licensee's renewal cycle ends on the last day of the licensee's month of birth in
398.11 2020.

398.12 Subd. 3. **Conversion of license renewal cycle for noncurrent licensees.** This subdivision
398.13 applies to an individual who was licensed before December 31, 2018, but whose license is
398.14 not current as of December 31, 2018. When the individual first renews the license after
398.15 January 1, 2019, the conversion renewal cycle begins on the date the individual applies for
398.16 renewal and ends on the last day of the licensee's month of birth in the same year, except
398.17 that if the last day of the individual's month of birth is less than six months after the date
398.18 the individual applies for renewal, then the renewal period ends on the last day of the
398.19 individual's month of birth in the following year.

398.20 Subd. 4. **Subsequent renewal cycles.** After the licensee's conversion renewal cycle
398.21 under subdivision 2 or 3, subsequent renewal cycles are annual and begin on the last day
398.22 of the month of the licensee's birth.

398.23 Subd. 5. **Conversion period and fees.** (a) A licensee who holds a license issued before
398.24 January 1, 2019, and who renews that license pursuant to subdivision 2 or 3, shall pay a
398.25 renewal fee as required in this subdivision.

398.26 (b) A licensee shall be charged the annual license fee listed in section 147A.28 for the
398.27 conversion license period.

398.28 (c) For a licensee whose conversion license period is six to 11 months, the first annual
398.29 license fee charged after the conversion license period shall be adjusted to credit the excess
398.30 fee payment made during the conversion license period. The credit is calculated by: (1)
398.31 subtracting the number of months of the licensee's conversion license period from 12; and
398.32 (2) multiplying the result of clause (1) by 1/12 of the annual fee rounded up to the next
398.33 dollar.

399.1 (d) For a licensee whose conversion license period is 12 months, the first annual license
399.2 fee charged after the conversion license period shall not be adjusted.

399.3 (e) For a licensee whose conversion license period is 13 to 17 months, the first annual
399.4 license fee charged after the conversion license period shall be adjusted to add the annual
399.5 license fee payment for the months that were not included in the annual license fee paid for
399.6 the conversion license period. The added payment is calculated by: (1) subtracting 12 from
399.7 the number of months of the licensee's conversion license period; and (2) multiplying the
399.8 result of clause (1) by 1/12 of the annual fee rounded up to the next dollar.

399.9 (f) For the second and all subsequent license renewals made after the conversion license
399.10 period, the licensee's annual license fee is as listed in section 147A.28.

399.11 Subd. 6. **Expiration.** This section expires July 1, 2021.

399.12 Sec. 8. Minnesota Statutes 2016, section 147B.02, subdivision 9, is amended to read:

399.13 Subd. 9. **Renewal.** (a) To renew a license an applicant must:

399.14 (1) annually, or as determined by the board, complete a renewal application on a form
399.15 provided by the board;

399.16 (2) submit the renewal fee;

399.17 (3) provide documentation of current and active NCCAOM certification; or

399.18 (4) if licensed under subdivision 5 or 6, meet the same NCCAOM professional
399.19 development activity requirements as those licensed under subdivision 7.

399.20 (b) An applicant shall submit any additional information requested by the board to clarify
399.21 information presented in the renewal application. The information must be submitted within
399.22 30 days after the board's request, or the renewal request is nullified.

399.23 (c) An applicant must maintain a correct mailing address with the board for receiving
399.24 board communications, notices, and license renewal documents. Placing the license renewal
399.25 application in first class United States mail, addressed to the applicant at the applicant's last
399.26 known address with postage prepaid, constitutes valid service. Failure to receive the renewal
399.27 documents does not relieve an applicant of the obligation to comply with this section.

399.28 (d) The name of an applicant who does not return a complete license renewal application,
399.29 annual license fee, or late application fee, as applicable, within the time period required by
399.30 this section shall be removed from the list of individuals authorized to practice during the
399.31 current renewal period. If the applicant's license is reinstated, the applicant's name shall be
399.32 placed on the list of individuals authorized to practice.

400.1 Sec. 9. Minnesota Statutes 2016, section 147B.02, is amended by adding a subdivision to
400.2 read:

400.3 Subd. 12a. **Licensure following lapse of licensed status; transition.** (a) A licensee
400.4 whose license has lapsed under subdivision 12 before January 1, 2019, and who seeks to
400.5 regain licensed status after January 1, 2019, shall be treated as a first-time licensee only for
400.6 purposes of establishing a license renewal schedule, and shall not be subject to the license
400.7 cycle conversion provisions in section 147B.09.

400.8 (b) This subdivision expires July 1, 2021.

400.9 Sec. 10. Minnesota Statutes 2017 Supplement, section 147B.08, is amended to read:

400.10 **147B.08 FEES.**

400.11 Subd. 4. **Acupuncturist application and license fees.** (a) The board may charge the
400.12 following nonrefundable fees:

400.13 (1) acupuncturist application fee, \$150;

400.14 (2) acupuncturist annual registration renewal fee, \$150;

400.15 (3) acupuncturist temporary registration fee, \$60;

400.16 (4) acupuncturist inactive status fee, \$50;

400.17 (5) acupuncturist late fee, \$50;

400.18 (6) duplicate license fee, \$20;

400.19 (7) certification letter fee, \$25;

400.20 (8) education or training program approval fee, \$100; ~~and~~

400.21 (9) report creation and generation fee, \$60- per hour;

400.22 (10) verification fee, \$25; and

400.23 (11) criminal background check fee, \$32.

400.24 (b) The board may prorate the initial annual license fee. All licensees are required to
400.25 pay the full fee upon license renewal. The revenue generated from the fees must be deposited
400.26 in an account in the state government special revenue fund.

400.27 Sec. 11. **[147B.09] LICENSE RENEWAL CYCLE CONVERSION.**

400.28 Subdivision 1. **Generally.** The license renewal cycle for acupuncture practitioner licenses
400.29 is converted to an annual cycle where renewal is due on the last day of the licensee's month

401.1 of birth. Conversion pursuant to this section begins January 1, 2019. This section governs
401.2 license renewal procedures for licensees who were licensed before December 31, 2018. The
401.3 conversion renewal cycle is the renewal cycle following the first license renewal after
401.4 January 1, 2019. The conversion license period is the license period for the conversion
401.5 renewal cycle. The conversion license period is between six and 17 months and ends on the
401.6 last day of the licensee's month of birth in either 2019 or 2020, as described in subdivision
401.7 2.

401.8 Subd. 2. **Conversion of license renewal cycle for current licensees.** For a licensee
401.9 whose license is current as of December 31, 2018, the licensee's conversion license period
401.10 begins on January 1, 2019, and ends on the last day of the licensee's month of birth in 2019,
401.11 except that for licensees whose month of birth is January, February, March, April, May, or
401.12 June, the licensee's renewal cycle ends on the last day of the licensee's month of birth in
401.13 2020.

401.14 Subd. 3. **Conversion of license renewal cycle for noncurrent licensees.** This subdivision
401.15 applies to an individual who was licensed before December 31, 2018, but whose license is
401.16 not current as of December 31, 2018. When the individual first renews the license after
401.17 January 1, 2019, the conversion renewal cycle begins on the date the individual applies for
401.18 renewal and ends on the last day of the licensee's month of birth in the same year, except
401.19 that if the last day of the individual's month of birth is less than six months after the date
401.20 the individual applies for renewal, then the renewal period ends on the last day of the
401.21 individual's month of birth in the following year.

401.22 Subd. 4. **Subsequent renewal cycles.** After the licensee's conversion renewal cycle
401.23 under subdivision 2 or 3, subsequent renewal cycles are annual and begin on the last day
401.24 of the month of the licensee's birth.

401.25 Subd. 5. **Conversion period and fees.** (a) A licensee who holds a license issued before
401.26 January 1, 2019, and who renews that license pursuant to subdivision 2 or 3, shall pay a
401.27 renewal fee as required in this subdivision.

401.28 (b) A licensee shall be charged the annual license fee listed in section 147B.08 for the
401.29 conversion license period.

401.30 (c) For a licensee whose conversion license period is six to 11 months, the first annual
401.31 license fee charged after the conversion license period shall be adjusted to credit the excess
401.32 fee payment made during the conversion license period. The credit is calculated by: (1)
401.33 subtracting the number of months of the licensee's conversion license period from 12; and

402.1 (2) multiplying the result of clause (1) by 1/12 of the annual fee rounded up to the next
402.2 dollar.

402.3 (d) For a licensee whose conversion license period is 12 months, the first annual license
402.4 fee charged after the conversion license period shall not be adjusted.

402.5 (e) For a licensee whose conversion license period is 13 to 17 months, the first annual
402.6 license fee charged after the conversion license period shall be adjusted to add the annual
402.7 license fee payment for the months that were not included in the annual license fee paid for
402.8 the conversion license period. The added payment is calculated by: (1) subtracting 12 from
402.9 the number of months of the licensee's conversion license period; and (2) multiplying the
402.10 result of clause (1) by 1/12 of the annual fee rounded up to the next dollar.

402.11 (f) For the second and all subsequent license renewals made after the conversion license
402.12 period, the licensee's annual license fee is as listed in section 147B.08.

402.13 Subd. 6. **Expiration.** This section expires July 1, 2021.

402.14 Sec. 12. Minnesota Statutes 2016, section 147C.15, subdivision 7, is amended to read:

402.15 Subd. 7. **Renewal.** (a) To be eligible for license renewal a licensee must:

402.16 (1) annually, or as determined by the board, complete a renewal application on a form
402.17 provided by the board;

402.18 (2) submit the renewal fee;

402.19 (3) provide evidence every two years of a total of 24 hours of continuing education
402.20 approved by the board as described in section 147C.25; and

402.21 (4) submit any additional information requested by the board to clarify information
402.22 presented in the renewal application. The information must be submitted within 30 days
402.23 after the board's request, or the renewal request is nullified.

402.24 (b) Applicants for renewal who have not practiced the equivalent of eight full weeks
402.25 during the past five years must achieve a passing score on retaking the credentialing
402.26 examination.

402.27 (c) A licensee must maintain a correct mailing address with the board for receiving board
402.28 communications, notices, and license renewal documents. Placing the license renewal
402.29 application in first class United States mail, addressed to the licensee at the licensee's last
402.30 known address with postage prepaid, constitutes valid service. Failure to receive the renewal
402.31 documents does not relieve a licensee of the obligation to comply with this section.

403.1 (d) The name of a licensee who does not return a complete license renewal application,
403.2 annual license fee, or late application fee, as applicable, within the time period required by
403.3 this section shall be removed from the list of individuals authorized to practice during the
403.4 current renewal period. If the licensee's license is reinstated, the licensee's name shall be
403.5 placed on the list of individuals authorized to practice.

403.6 Sec. 13. Minnesota Statutes 2016, section 147C.15, is amended by adding a subdivision
403.7 to read:

403.8 Subd. 12a. **Licensure following lapse of licensed status; transition.** (a) A licensee
403.9 whose license has lapsed under subdivision 12 before January 1, 2019, and who seeks to
403.10 regain licensed status after January 1, 2019, shall be treated as a first-time licensee only for
403.11 purposes of establishing a license renewal schedule, and shall not be subject to the license
403.12 cycle conversion provisions in section 147C.45.

403.13 (b) This subdivision expires July 1, 2021.

403.14 Sec. 14. Minnesota Statutes 2017 Supplement, section 147C.40, is amended to read:

403.15 **147C.40 FEES.**

403.16 Subd. 5. **Respiratory therapist application and license fees.** (a) The board may charge
403.17 the following nonrefundable fees:

403.18 (1) respiratory therapist application fee, \$100;

403.19 (2) respiratory therapist annual registration renewal fee, \$90;

403.20 (3) respiratory therapist inactive status fee, \$50;

403.21 (4) respiratory therapist temporary registration fee, \$90;

403.22 (5) respiratory therapist temporary permit, \$60;

403.23 (6) respiratory therapist late fee, \$50;

403.24 (7) duplicate license fee, \$20;

403.25 (8) certification letter fee, \$25;

403.26 (9) education or training program approval fee, \$100; ~~and~~

403.27 (10) report creation and generation fee, \$60- per hour;

403.28 (11) verification fee, \$25; and

403.29 (12) criminal background check fee, \$32.

404.1 (b) The board may prorate the initial annual license fee. All licensees are required to
404.2 pay the full fee upon license renewal. The revenue generated from the fees must be deposited
404.3 in an account in the state government special revenue fund.

404.4 **Sec. 15. [147C.45] LICENSE RENEWAL CYCLE CONVERSION.**

404.5 **Subdivision 1. Generally.** The license renewal cycle for respiratory care practitioner
404.6 licensees is converted to an annual cycle where renewal is due on the last day of the licensee's
404.7 month of birth. Conversion pursuant to this section begins January 1, 2019. This section
404.8 governs license renewal procedures for licensees who were licensed before December 31,
404.9 2018. The conversion renewal cycle is the renewal cycle following the first license renewal
404.10 after January 1, 2019. The conversion license period is the license period for the conversion
404.11 renewal cycle. The conversion license period is between six and 17 months and ends on the
404.12 last day of the licensee's month of birth in either 2019 or 2020, as described in subdivision
404.13 2.

404.14 **Subd. 2. Conversion of license renewal cycle for current licensees.** For a licensee
404.15 whose license is current as of December 31, 2018, the licensee's conversion license period
404.16 begins on January 1, 2019, and ends on the last day of the licensee's month of birth in 2019,
404.17 except that for licensees whose month of birth is January, February, March, April, May, or
404.18 June, the licensee's renewal cycle ends on the last day of the licensee's month of birth in
404.19 2020.

404.20 **Subd. 3. Conversion of license renewal cycle for noncurrent licensees.** This subdivision
404.21 applies to an individual who was licensed before December 31, 2018, but whose license is
404.22 not current as of December 31, 2018. When the individual first renews the license after
404.23 January 1, 2019, the conversion renewal cycle begins on the date the individual applies for
404.24 renewal and ends on the last day of the licensee's month of birth in the same year, except
404.25 that if the last day of the individual's month of birth is less than six months after the date
404.26 the individual applies for renewal, then the renewal period ends on the last day of the
404.27 individual's month of birth in the following year.

404.28 **Subd. 4. Subsequent renewal cycles.** After the licensee's conversion renewal cycle
404.29 under subdivision 2 or 3, subsequent renewal cycles are annual and begin on the last day
404.30 of the month of the licensee's birth.

404.31 **Subd. 5. Conversion period and fees.** (a) A licensee who holds a license issued before
404.32 January 1, 2019, and who renews that license pursuant to subdivision 2 or 3, shall pay a
404.33 renewal fee as required in this subdivision.

405.1 (b) A licensee shall be charged the annual license fee listed in section 147C.40 for the
405.2 conversion license period.

405.3 (c) For a licensee whose conversion license period is six to 11 months, the first annual
405.4 license fee charged after the conversion license period shall be adjusted to credit the excess
405.5 fee payment made during the conversion license period. The credit is calculated by: (1)
405.6 subtracting the number of months of the licensee's conversion license period from 12; and
405.7 (2) multiplying the result of clause (1) by 1/12 of the annual fee rounded up to the next
405.8 dollar.

405.9 (d) For a licensee whose conversion license period is 12 months, the first annual license
405.10 fee charged after the conversion license period shall not be adjusted.

405.11 (e) For a licensee whose conversion license period is 13 to 17 months, the first annual
405.12 license fee charged after the conversion license period shall be adjusted to add the annual
405.13 license fee payment for the months that were not included in the annual license fee paid for
405.14 the conversion license period. The added payment is calculated by: (1) subtracting 12 from
405.15 the number of months of the licensee's conversion license period; and (2) multiplying the
405.16 result of clause (1) by 1/12 of the annual fee rounded up to the next dollar.

405.17 (f) For the second and all subsequent license renewals made after the conversion license
405.18 period, the licensee's annual license fee is as listed in section 147C.40.

405.19 Subd. 6. **Expiration.** This section expires July 1, 2021.

405.20 Sec. 16. Minnesota Statutes 2016, section 147D.17, subdivision 6, is amended to read:

405.21 Subd. 6. **Renewal.** (a) To be eligible for license renewal, a licensed traditional midwife
405.22 must:

405.23 (1) complete a renewal application on a form provided by the board;

405.24 (2) submit the renewal fee;

405.25 (3) provide evidence every three years of a total of 30 hours of continuing education
405.26 approved by the board as described in section 147D.21;

405.27 (4) submit evidence of an annual peer review and update of the licensed traditional
405.28 midwife's medical consultation plan; and

405.29 (5) submit any additional information requested by the board. The information must be
405.30 submitted within 30 days after the board's request, or the renewal request is nullified.

406.1 (b) A licensee must maintain a correct mailing address with the board for receiving board
406.2 communications, notices, and license renewal documents. Placing the license renewal
406.3 application in first class United States mail, addressed to the licensee at the licensee's last
406.4 known address with postage prepaid, constitutes valid service. Failure to receive the renewal
406.5 documents does not relieve a licensee of the obligation to comply with this section.

406.6 (c) The name of a licensee who does not return a complete license renewal application,
406.7 annual license fee, or late application fee, as applicable, within the time period required by
406.8 this section shall be removed from the list of individuals authorized to practice during the
406.9 current renewal period. If the licensee's license is reinstated, the licensee's name shall be
406.10 placed on the list of individuals authorized to practice.

406.11 Sec. 17. Minnesota Statutes 2016, section 147D.17, is amended by adding a subdivision
406.12 to read:

406.13 Subd. 11a. **Licensure following lapse of licensed status; transition.** (a) A licensee
406.14 whose license has lapsed under subdivision 11 before January 1, 2019, and who seeks to
406.15 regain licensed status after January 1, 2019, shall be treated as a first-time licensee only for
406.16 purposes of establishing a license renewal schedule, and shall not be subject to the license
406.17 cycle conversion provisions in section 147D.29.

406.18 (b) This subdivision expires July 1, 2021.

406.19 Sec. 18. Minnesota Statutes 2016, section 147D.27, is amended by adding a subdivision
406.20 to read:

406.21 Subd. 5. **Additional fees.** The board may also charge the following nonrefundable fees:

406.22 (1) verification fee, \$25;

406.23 (2) certification letter fee, \$25;

406.24 (3) education or training program approval fee, \$100;

406.25 (4) report creation and generation fee, \$60 per hour;

406.26 (5) duplicate license fee, \$20; and

406.27 (6) criminal background check fee, \$32.

406.28 Sec. 19. [147D.29] **LICENSE RENEWAL CYCLE CONVERSION.**

406.29 Subdivision 1. **Generally.** The license renewal cycle for traditional midwife licensees
406.30 is converted to an annual cycle where renewal is due on the last day of the licensee's month

407.1 of birth. Conversion pursuant to this section begins January 1, 2019. This section governs
407.2 license renewal procedures for licensees who were licensed before December 31, 2018. The
407.3 conversion renewal cycle is the renewal cycle following the first license renewal after
407.4 January 1, 2019. The conversion license period is the license period for the conversion
407.5 renewal cycle. The conversion license period is between six and 17 months and ends on the
407.6 last day of the licensee's month of birth in either 2019 or 2020, as described in subdivision
407.7 2.

407.8 Subd. 2. **Conversion of license renewal cycle for current licensees.** For a licensee
407.9 whose license is current as of December 31, 2018, the licensee's conversion license period
407.10 begins on January 1, 2019, and ends on the last day of the licensee's month of birth in 2019,
407.11 except that for licensees whose month of birth is January, February, March, April, May, or
407.12 June, the licensee's renewal cycle ends on the last day of the licensee's month of birth in
407.13 2020.

407.14 Subd. 3. **Conversion of license renewal cycle for noncurrent licensees.** This subdivision
407.15 applies to an individual who was licensed before December 31, 2018, but whose license is
407.16 not current as of December 31, 2018. When the individual first renews the license after
407.17 January 1, 2019, the conversion renewal cycle begins on the date the individual applies for
407.18 renewal and ends on the last day of the licensee's month of birth in the same year, except
407.19 that if the last day of the individual's month of birth is less than six months after the date
407.20 the individual applies for renewal, then the renewal period ends on the last day of the
407.21 individual's month of birth in the following year.

407.22 Subd. 4. **Subsequent renewal cycles.** After the licensee's conversion renewal cycle
407.23 under subdivision 2 or 3, subsequent renewal cycles are annual and begin on the last day
407.24 of the month of the licensee's birth.

407.25 Subd. 5. **Conversion period and fees.** (a) A licensee who holds a license issued before
407.26 January 1, 2019, and who renews that license pursuant to subdivision 2 or 3, shall pay a
407.27 renewal fee as required in this subdivision.

407.28 (b) A licensee shall be charged the annual license fee listed in section 147D.27 for the
407.29 conversion license period.

407.30 (c) For a licensee whose conversion license period is six to 11 months, the first annual
407.31 license fee charged after the conversion license period shall be adjusted to credit the excess
407.32 fee payment made during the conversion license period. The credit is calculated by: (1)
407.33 subtracting the number of months of the licensee's conversion license period from 12; and

408.1 (2) multiplying the result of clause (1) by 1/12 of the annual fee rounded up to the next
408.2 dollar.

408.3 (d) For a licensee whose conversion license period is 12 months, the first annual license
408.4 fee charged after the conversion license period shall not be adjusted.

408.5 (e) For a licensee whose conversion license period is 13 to 17 months, the first annual
408.6 license fee charged after the conversion license period shall be adjusted to add the annual
408.7 license fee payment for the months that were not included in the annual license fee paid for
408.8 the conversion license period. The added payment is calculated by: (1) subtracting 12 from
408.9 the number of months of the licensee's conversion license period; and (2) multiplying the
408.10 result of clause (1) by 1/12 of the annual fee rounded up to the next dollar.

408.11 (f) For the second and all subsequent license renewals made after the conversion license
408.12 period, the licensee's annual license fee is as listed in section 147D.27.

408.13 Subd. 6. **Expiration.** This section expires July 1, 2021.

408.14 Sec. 20. Minnesota Statutes 2016, section 147E.15, subdivision 5, is amended to read:

408.15 Subd. 5. **Renewal.** (a) To be eligible for registration renewal a registrant must:

408.16 (1) annually, or as determined by the board, complete a renewal application on a form
408.17 provided by the board;

408.18 (2) submit the renewal fee;

408.19 (3) provide evidence of a total of 25 hours of continuing education approved by the
408.20 board as described in section 147E.25; and

408.21 (4) submit any additional information requested by the board to clarify information
408.22 presented in the renewal application. The information must be submitted within 30 days
408.23 after the board's request, or the renewal request is nullified.

408.24 (b) A registrant must maintain a correct mailing address with the board for receiving
408.25 board communications, notices, and registration renewal documents. Placing the registration
408.26 renewal application in first class United States mail, addressed to the registrant at the
408.27 registrant's last known address with postage prepaid, constitutes valid service. Failure to
408.28 receive the renewal documents does not relieve a registrant of the obligation to comply with
408.29 this section.

408.30 (c) The name of a registrant who does not return a complete registration renewal
408.31 application, annual registration fee, or late application fee, as applicable, within the time
408.32 period required by this section shall be removed from the list of individuals authorized to

409.1 practice during the current renewal period. If the registrant's registration is reinstated, the
409.2 registrant's name shall be placed on the list of individuals authorized to practice.

409.3 Sec. 21. Minnesota Statutes 2016, section 147E.15, is amended by adding a subdivision
409.4 to read:

409.5 Subd. 10a. **Registration following lapse of registered status; transition.** (a) A registrant
409.6 whose registration has lapsed under subdivision 10 before January 1, 2019, and who seeks
409.7 to regain registered status after January 1, 2019, shall be treated as a first-time registrant
409.8 only for purposes of establishing a registration renewal schedule, and shall not be subject
409.9 to the registration cycle conversion provisions in section 147E.45.

409.10 (b) This subdivision expires July 1, 2021.

409.11 Sec. 22. Minnesota Statutes 2016, section 147E.40, subdivision 1, is amended to read:

409.12 Subdivision 1. **Fees.** Fees are as follows:

409.13 (1) registration application fee, \$200;

409.14 (2) renewal fee, \$150;

409.15 (3) late fee, \$75;

409.16 (4) inactive status fee, \$50; ~~and~~

409.17 (5) temporary permit fee, \$25~~;~~

409.18 (6) emeritus registration fee, \$50;

409.19 (7) duplicate license fee, \$20;

409.20 (8) certification letter fee, \$25;

409.21 (9) verification fee, \$25;

409.22 (10) education or training program approval fee, \$100; and

409.23 (11) report creation and generation fee, \$60 per hour.

409.24 Sec. 23. [147E.45] **REGISTRATION RENEWAL CYCLE CONVERSION.**

409.25 Subdivision 1. **Generally.** The registration renewal cycle for registered naturopathic
409.26 doctors is converted to an annual cycle where renewal is due on the last day of the registrant's
409.27 month of birth. Conversion pursuant to this section begins January 1, 2019. This section
409.28 governs registration renewal procedures for registrants who were registered before December
409.29 31, 2018. The conversion renewal cycle is the renewal cycle following the first registration

410.1 renewal after January 1, 2019. The conversion registration period is the registration period
410.2 for the conversion renewal cycle. The conversion registration period is between six and 17
410.3 months and ends on the last day of the registrant's month of birth in either 2019 or 2020, as
410.4 described in subdivision 2.

410.5 Subd. 2. **Conversion of registration renewal cycle for current registrants.** For a
410.6 registrant whose registration is current as of December 31, 2018, the registrant's conversion
410.7 registration period begins on January 1, 2019, and ends on the last day of the registrant's
410.8 month of birth in 2019, except that for registrants whose month of birth is January, February,
410.9 March, April, May, or June, the registrant's renewal cycle ends on the last day of the
410.10 registrant's month of birth in 2020.

410.11 Subd. 3. **Conversion of registration renewal cycle for noncurrent registrants.** This
410.12 subdivision applies to an individual who was registered before December 31, 2018, but
410.13 whose registration is not current as of December 31, 2018. When the individual first renews
410.14 the registration after January 1, 2019, the conversion renewal cycle begins on the date the
410.15 individual applies for renewal and ends on the last day of the registrant's month of birth in
410.16 the same year, except that if the last day of the individual's month of birth is less than six
410.17 months after the date the individual applies for renewal, then the renewal period ends on
410.18 the last day of the individual's month of birth in the following year.

410.19 Subd. 4. **Subsequent renewal cycles.** After the registrant's conversion renewal cycle
410.20 under subdivision 2 or 3, subsequent renewal cycles are annual and begin on the last day
410.21 of the month of the registrant's birth.

410.22 Subd. 5. **Conversion period and fees.** (a) A registrant who holds a registration issued
410.23 before January 1, 2019, and who renews that registration pursuant to subdivision 2 or 3,
410.24 shall pay a renewal fee as required in this subdivision.

410.25 (b) A registrant shall be charged the annual registration fee listed in section 147E.40 for
410.26 the conversion registration period.

410.27 (c) For a registrant whose conversion registration period is six to 11 months, the first
410.28 annual registration fee charged after the conversion registration period shall be adjusted to
410.29 credit the excess fee payment made during the conversion registration period. The credit is
410.30 calculated by: (1) subtracting the number of months of the registrant's conversion registration
410.31 period from 12; and (2) multiplying the result of clause (1) by 1/12 of the annual fee rounded
410.32 up to the next dollar.

410.33 (d) For a registrant whose conversion registration period is 12 months, the first annual
410.34 registration fee charged after the conversion registration period shall not be adjusted.

411.1 (e) For a registrant whose conversion registration period is 13 to 17 months, the first
411.2 annual registration fee charged after the conversion registration period shall be adjusted to
411.3 add the annual registration fee payment for the months that were not included in the annual
411.4 registration fee paid for the conversion registration period. The added payment is calculated
411.5 by: (1) subtracting 12 from the number of months of the registrant's conversion registration
411.6 period; and (2) multiplying the result of clause (1) by 1/12 of the annual fee rounded up to
411.7 the next dollar.

411.8 (f) For the second and all subsequent registration renewals made after the conversion
411.9 registration period, the registrant's annual registration fee is as listed in section 147E.40.

411.10 Subd. 6. **Expiration.** This section expires July 1, 2021.

411.11 Sec. 24. Minnesota Statutes 2016, section 147F.07, subdivision 5, is amended to read:

411.12 **Subd. 5. License renewal.** (a) To be eligible for license renewal, a licensed genetic
411.13 counselor must submit to the board:

411.14 (1) a renewal application on a form provided by the board;

411.15 (2) the renewal fee required under section 147F.17;

411.16 (3) evidence of compliance with the continuing education requirements in section
411.17 147F.11; and

411.18 (4) any additional information requested by the board.

411.19 (b) A licensee must maintain a correct mailing address with the board for receiving board
411.20 communications, notices, and license renewal documents. Placing the license renewal
411.21 application in first class United States mail, addressed to the licensee at the licensee's last
411.22 known address with postage prepaid, constitutes valid service. Failure to receive the renewal
411.23 documents does not relieve a licensee of the obligation to comply with this section.

411.24 (c) The name of a licensee who does not return a complete license renewal application,
411.25 annual license fee, or late application fee, as applicable, within the time period required by
411.26 this section shall be removed from the list of individuals authorized to practice during the
411.27 current renewal period. If the licensee's license is reinstated, the licensee's name shall be
411.28 placed on the list of individuals authorized to practice.

412.1 Sec. 25. Minnesota Statutes 2016, section 147F.07, is amended by adding a subdivision
412.2 to read:

412.3 Subd. 6. **Licensure following lapse of licensure status for two years or less.** For any
412.4 individual whose licensure status has lapsed for two years or less, to regain licensure status,
412.5 the individual must:

412.6 (1) apply for license renewal according to subdivision 5;

412.7 (2) document compliance with the continuing education requirements of section 147F.11
412.8 since the licensed genetic counselor's initial licensure or last renewal; and

412.9 (3) submit the fees required under section 147F.17 for the period not licensed, including
412.10 the fee for late renewal.

412.11 Sec. 26. Minnesota Statutes 2016, section 147F.07, is amended by adding a subdivision
412.12 to read:

412.13 Subd. 6a. **Licensure following lapse of licensed status; transition.** (a) A licensee whose
412.14 license has lapsed under subdivision 6 before January 1, 2019, and who seeks to regain
412.15 licensed status after January 1, 2019, shall be treated as a first-time licensee only for purposes
412.16 of establishing a license renewal schedule, and shall not be subject to the license cycle
412.17 conversion provisions in section 147F.19.

412.18 (b) This subdivision expires July 1, 2021.

412.19 Sec. 27. Minnesota Statutes 2016, section 147F.17, subdivision 1, is amended to read:

412.20 Subdivision 1. **Fees.** Fees are as follows:

412.21 (1) license application fee, \$200;

412.22 (2) initial licensure and annual renewal, \$150; ~~and~~

412.23 (3) late fee, \$75;₂

412.24 (4) temporary license fee, \$60;

412.25 (5) duplicate license fee, \$20;

412.26 (6) certification letter fee, \$25;

412.27 (7) education or training program approval fee, \$100;

412.28 (8) report creation and generation fee, \$60 per hour; and

412.29 (9) criminal background check fee, \$32.

413.1 Sec. 28. **[147F.19] LICENSE RENEWAL CYCLE CONVERSION.**

413.2 **Subdivision 1. Generally.** The license renewal cycle for genetic counselor licensees is
413.3 converted to an annual cycle where renewal is due on the last day of the licensee's month
413.4 of birth. Conversion pursuant to this section begins January 1, 2019. This section governs
413.5 license renewal procedures for licensees who were licensed before December 31, 2018. The
413.6 conversion renewal cycle is the renewal cycle following the first license renewal after
413.7 January 1, 2019. The conversion license period is the license period for the conversion
413.8 renewal cycle. The conversion license period is between six and 17 months and ends on the
413.9 last day of the licensee's month of birth in either 2019 or 2020, as described in subdivision
413.10 2.

413.11 **Subd. 2. Conversion of license renewal cycle for current licensees.** For a licensee
413.12 whose license is current as of December 31, 2018, the licensee's conversion license period
413.13 begins on January 1, 2019, and ends on the last day of the licensee's month of birth in 2019,
413.14 except that for licensees whose month of birth is January, February, March, April, May, or
413.15 June, the licensee's renewal cycle ends on the last day of the licensee's month of birth in
413.16 2020.

413.17 **Subd. 3. Conversion of license renewal cycle for noncurrent licensees.** This subdivision
413.18 applies to an individual who was licensed before December 31, 2018, but whose license is
413.19 not current as of December 31, 2018. When the individual first renews the license after
413.20 January 1, 2019, the conversion renewal cycle begins on the date the individual applies for
413.21 renewal and ends on the last day of the licensee's month of birth in the same year, except
413.22 that if the last day of the individual's month of birth is less than six months after the date
413.23 the individual applies for renewal, then the renewal period ends on the last day of the
413.24 individual's month of birth in the following year.

413.25 **Subd. 4. Subsequent renewal cycles.** After the licensee's conversion renewal cycle
413.26 under subdivision 2 or 3, subsequent renewal cycles are annual and begin on the last day
413.27 of the month of the licensee's birth.

413.28 **Subd. 5. Conversion period and fees.** (a) A licensee who holds a license issued before
413.29 January 1, 2019, and who renews that license pursuant to subdivision 2 or 3, shall pay a
413.30 renewal fee as required in this subdivision.

413.31 (b) A licensee shall be charged the annual license fee listed in section 147F.17 for the
413.32 conversion license period.

413.33 (c) For a licensee whose conversion license period is six to 11 months, the first annual
413.34 license fee charged after the conversion license period shall be adjusted to credit the excess

414.1 fee payment made during the conversion license period. The credit is calculated by: (1)
414.2 subtracting the number of months of the licensee's conversion license period from 12; and
414.3 (2) multiplying the result of clause (1) by 1/12 of the annual fee rounded up to the next
414.4 dollar.

414.5 (d) For a licensee whose conversion license period is 12 months, the first annual license
414.6 fee charged after the conversion license period shall not be adjusted.

414.7 (e) For a licensee whose conversion license period is 13 to 17 months, the first annual
414.8 license fee charged after the conversion license period shall be adjusted to add the annual
414.9 license fee payment for the months that were not included in the annual license fee paid for
414.10 the conversion license period. The added payment is calculated by: (1) subtracting 12 from
414.11 the number of months of the licensee's conversion license period; and (2) multiplying the
414.12 result of clause (1) by 1/12 of the annual fee rounded up to the next dollar.

414.13 (f) For the second and all subsequent license renewals made after the conversion license
414.14 period, the licensee's annual license fee is as listed in section 147F.17.

414.15 Subd. 6. **Expiration.** This section expires July 1, 2021.

414.16 Sec. 29. Minnesota Statutes 2016, section 148.7815, subdivision 1, is amended to read:

414.17 Subdivision 1. **Fees.** The board shall establish fees as follows:

414.18 (1) application fee, \$50;

414.19 (2) annual registration fee, \$100;

414.20 (3) temporary registration, \$100; ~~and~~

414.21 (4) temporary permit, \$50_;

414.22 (5) late fee, \$15;

414.23 (6) duplicate license fee, \$20;

414.24 (7) certification letter fee, \$25;

414.25 (8) verification fee, \$25;

414.26 (9) education or training program approval fee, \$100; and

414.27 (10) report creation and generation fee, \$60 per hour.

415.1 Sec. 30. Minnesota Statutes 2016, section 214.075, subdivision 1, is amended to read:

415.2 Subdivision 1. **Applications.** (a) ~~By January 1, 2018,~~ Each health-related licensing
415.3 board, as defined in section 214.01, subdivision 2, shall require ~~applicants for initial licensure,~~
415.4 ~~licensure by endorsement, or reinstatement or other relicensure after a lapse in licensure,~~
415.5 ~~as defined by the individual health-related licensing boards,~~ the following individuals to
415.6 submit to a criminal history records check of state data completed by the Bureau of Criminal
415.7 Apprehension (BCA) and a national criminal history records check, including a search of
415.8 the records of the Federal Bureau of Investigation (FBI):

415.9 (1) applicants for initial licensure or licensure by endorsement. An applicant is exempt
415.10 from this paragraph if the applicant submitted to a state and national criminal history records
415.11 check as described in this paragraph for a license issued by the same board;

415.12 (2) applicants seeking reinstatement or relicensure, as defined by the individual
415.13 health-related licensing board, if more than one year has elapsed since the applicant's license
415.14 or registration expiration date; or

415.15 (3) licensees applying for eligibility to participate in an interstate licensure compact.

415.16 (b) ~~An applicant must complete a criminal background check if more than one year has~~
415.17 ~~elapsed since the applicant last submitted a background check to the board.~~ An applicant's
415.18 criminal background check results are valid for one year from the date the background check
415.19 results were received by the board. If more than one year has elapsed since the results were
415.20 received by the board, then an applicant who has not completed the licensure, reinstatement,
415.21 or relicensure process must complete a new background check.

415.22 Sec. 31. Minnesota Statutes 2016, section 214.075, subdivision 4, is amended to read:

415.23 Subd. 4. **Refusal to consent.** (a) The health-related licensing boards shall not issue a
415.24 license to any applicant who refuses to consent to a criminal background check or fails to
415.25 submit fingerprints ~~within 90 days~~ after submission of an application for licensure. Any
415.26 fees paid by the applicant to the board shall be forfeited if the applicant refuses to consent
415.27 to the criminal background check or fails to submit the required fingerprints.

415.28 (b) The failure of a licensee to submit to a criminal background check as provided in
415.29 subdivision 3 is grounds for disciplinary action by the respective health-related licensing
415.30 board.

416.1 Sec. 32. Minnesota Statutes 2016, section 214.075, subdivision 5, is amended to read:

416.2 Subd. 5. **Submission of fingerprints to the Bureau of Criminal Apprehension.** The
416.3 health-related licensing board or designee shall submit applicant or licensee fingerprints to
416.4 the BCA. The BCA shall perform a check for state criminal justice information and shall
416.5 forward the applicant's or licensee's fingerprints to the FBI to perform a check for national
416.6 criminal justice information regarding the applicant or licensee. The BCA shall report to
416.7 the board the results of the state and national criminal ~~justice information~~ history records
416.8 checks.

416.9 Sec. 33. Minnesota Statutes 2016, section 214.075, subdivision 6, is amended to read:

416.10 Subd. 6. **Alternatives to fingerprint-based criminal background checks.** The
416.11 health-related licensing board may require an alternative method of criminal history checks
416.12 for an applicant or licensee who has submitted at least ~~three~~ two sets of fingerprints in
416.13 accordance with this section that have been unreadable by the BCA or the FBI.

416.14 Sec. 34. Minnesota Statutes 2016, section 214.077, is amended to read:

416.15 **214.077 TEMPORARY LICENSE SUSPENSION; IMMINENT RISK OF SERIOUS**
416.16 **HARM.**

416.17 (a) Notwithstanding any provision of a health-related professional practice act, when a
416.18 health-related licensing board receives a complaint regarding a regulated person and has
416.19 probable cause to believe that the regulated person has violated a statute or rule that the
416.20 health-related licensing board is empowered to enforce, and continued practice by the
416.21 regulated person presents an imminent risk of serious harm, the health-related licensing
416.22 board shall issue an order temporarily suspending the regulated person's authority to practice.
416.23 The temporary suspension order shall specify the reason for the suspension, including the
416.24 statute or rule alleged to have been violated. The temporary suspension order shall take
416.25 effect upon personal service on the regulated person or the regulated person's attorney, or
416.26 upon the third calendar day after the order is served by first class mail to the most recent
416.27 address provided to the health-related licensing board for the regulated person or the regulated
416.28 person's attorney.

416.29 (b) The temporary suspension shall remain in effect until the health-related licensing
416.30 board or the commissioner completes an investigation, holds a contested case hearing
416.31 pursuant to the Administrative Procedure Act, and issues a final order in the matter as
416.32 provided for in this section.

417.1 (c) At the time it issues the temporary suspension order, the health-related licensing
417.2 board shall schedule a contested case hearing, on the merits of whether discipline is
417.3 warranted, to be held pursuant to the Administrative Procedure Act. The regulated person
417.4 shall be provided with at least ten days' notice of any contested case hearing held pursuant
417.5 to this section. The contested case hearing shall be scheduled to begin no later than 30 days
417.6 after the effective service of the temporary suspension order.

417.7 (d) The administrative law judge presiding over the contested case hearing shall issue
417.8 a report and recommendation to the health-related licensing board no later than 30 days
417.9 after the final day of the contested case hearing. If the administrative law judge's report and
417.10 recommendations are for no action, the health-related licensing board shall issue a final
417.11 order pursuant to sections 14.61 and 14.62 within 30 days of receipt of the administrative
417.12 law judge's report and recommendations. If the administrative law judge's report and
417.13 recommendations are for action, the health-related licensing board shall issue a final order
417.14 pursuant to sections 14.61 and 14.62 within 60 days of receipt of the administrative law
417.15 judge's report and recommendations. Except as provided in paragraph (e), if the health-related
417.16 licensing board has not issued a final order pursuant to sections 14.61 and 14.62 within 30
417.17 days of receipt of the administrative law judge's report and recommendations for no action
417.18 or within 60 days of receipt of the administrative law judge's report and recommendations
417.19 for action, the temporary suspension shall be lifted.

417.20 (e) If the regulated person requests a delay in the contested case proceedings provided
417.21 for in paragraphs (c) and (d) for any reason, the temporary suspension shall remain in effect
417.22 until the health-related licensing board issues a final order pursuant to sections 14.61 and
417.23 14.62.

417.24 (f) This section shall not apply to the Office of Unlicensed Complementary and
417.25 Alternative Health Practice established under section 146A.02. The commissioner of health
417.26 shall conduct temporary suspensions for complementary and alternative health care
417.27 practitioners in accordance with section 146A.09.

417.28 Sec. 35. Minnesota Statutes 2016, section 214.10, subdivision 8, is amended to read:

417.29 Subd. 8. **Special requirements for health-related licensing boards.** In addition to the
417.30 provisions of this section that apply to all examining and licensing boards, the requirements
417.31 in this subdivision apply to all health-related licensing boards, except the Board of Veterinary
417.32 Medicine.

417.33 (a) If the executive director or consulted board member determines that a communication
417.34 received alleges a violation of statute or rule that involves sexual contact with a patient or

418.1 client, the communication shall be forwarded to the designee of the attorney general for an
418.2 investigation of the facts alleged in the communication. If, after an investigation it is the
418.3 opinion of the executive director or consulted board member that there is sufficient evidence
418.4 to justify disciplinary action, the board shall conduct a disciplinary conference or hearing.
418.5 If, after a hearing or disciplinary conference the board determines that misconduct involving
418.6 sexual contact with a patient or client occurred, the board shall take disciplinary action.
418.7 Notwithstanding subdivision 2, a board may not attempt to correct improper activities or
418.8 redress grievances through education, conciliation, and persuasion, unless in the opinion of
418.9 the executive director or consulted board member there is insufficient evidence to justify
418.10 disciplinary action. The board may settle a case by stipulation prior to, or during, a hearing
418.11 if the stipulation provides for disciplinary action.

418.12 (b) A board member who has a direct current or former financial connection or
418.13 professional relationship to a person who is the subject of board disciplinary activities must
418.14 not participate in board activities relating to that case.

418.15 (c) Each health-related licensing board shall establish procedures for exchanging
418.16 information with other Minnesota state boards, agencies, and departments responsible for
418.17 regulating health-related occupations, facilities, and programs, and for coordinating
418.18 investigations involving matters within the jurisdiction of more than one regulatory body.
418.19 The procedures must provide for the forwarding to other regulatory bodies of all information
418.20 and evidence, including the results of investigations, that are relevant to matters within that
418.21 licensing body's regulatory jurisdiction. Each health-related licensing board shall have access
418.22 to any data of the Department of Human Services relating to a person subject to the
418.23 jurisdiction of the licensing board. The data shall have the same classification under chapter
418.24 13, the Minnesota Government Data Practices Act, in the hands of the agency receiving the
418.25 data as it had in the hands of the Department of Human Services.

418.26 (d) Each health-related licensing board shall establish procedures for exchanging
418.27 information with other states regarding disciplinary actions against licensees. The procedures
418.28 must provide for the collection of information from other states about disciplinary actions
418.29 taken against persons who are licensed to practice in Minnesota or who have applied to be
418.30 licensed in this state and the dissemination of information to other states regarding
418.31 disciplinary actions taken in Minnesota. In addition to any authority in chapter 13 permitting
418.32 the dissemination of data, the board may, in its discretion, disseminate data to other states
418.33 regardless of its classification under chapter 13. Criminal history record information shall
418.34 not be exchanged. Before transferring any data that is not public, the board shall obtain
418.35 reasonable assurances from the receiving state that the data will not be made public.

419.1 Sec. 36. Minnesota Statutes 2017 Supplement, section 364.09, is amended to read:

419.2 **364.09 EXCEPTIONS.**

419.3 (a) This chapter does not apply to the licensing process for peace officers; to law
419.4 enforcement agencies as defined in section 626.84, subdivision 1, paragraph (f); to fire
419.5 protection agencies; to eligibility for a private detective or protective agent license; to the
419.6 licensing and background study process under chapters 245A and 245C; to the licensing
419.7 and background investigation process under chapter 240; to eligibility for school bus driver
419.8 endorsements; to eligibility for special transportation service endorsements; to eligibility
419.9 for a commercial driver training instructor license, which is governed by section 171.35
419.10 and rules adopted under that section; to emergency medical services personnel, or to the
419.11 licensing by political subdivisions of taxicab drivers, if the applicant for the license has
419.12 been discharged from sentence for a conviction within the ten years immediately preceding
419.13 application of a violation of any of the following:

419.14 (1) sections 609.185 to 609.2114, 609.221 to 609.223, 609.342 to 609.3451, or 617.23,
419.15 subdivision 2 or 3; or Minnesota Statutes 2012, section 609.21;

419.16 (2) any provision of chapter 152 that is punishable by a maximum sentence of 15 years
419.17 or more; or

419.18 (3) a violation of chapter 169 or 169A involving driving under the influence, leaving
419.19 the scene of an accident, or reckless or careless driving.

419.20 This chapter also shall not apply to eligibility for juvenile corrections employment, where
419.21 the offense involved child physical or sexual abuse or criminal sexual conduct.

419.22 (b) This chapter does not apply to a school district or to eligibility for a license issued
419.23 or renewed by the Professional Educator Licensing and Standards Board or the commissioner
419.24 of education.

419.25 (c) Nothing in this section precludes the Minnesota Police and Peace Officers Training
419.26 Board or the state fire marshal from recommending policies set forth in this chapter to the
419.27 attorney general for adoption in the attorney general's discretion to apply to law enforcement
419.28 or fire protection agencies.

419.29 ~~(d) This chapter does not apply to a license to practice medicine that has been denied or~~
419.30 ~~revoked by the Board of Medical Practice pursuant to section 147.091, subdivision 1a.~~

419.31 ~~(e) This chapter does not apply to any person who has been denied a license to practice~~
419.32 ~~chiropractic or whose license to practice chiropractic has been revoked by the board in~~
419.33 ~~accordance with section 148.10, subdivision 7.~~

420.1 ~~(f) This chapter does not apply to any license, registration, or permit that has been denied~~
 420.2 ~~or revoked by the Board of Nursing in accordance with section 148.261, subdivision 1a.~~

420.3 ~~(g)~~ (d) This chapter does not apply to any license, registration, permit, or certificate that
 420.4 has been denied or revoked by the commissioner of health according to section 148.5195,
 420.5 subdivision 5; or 153A.15, subdivision 2.

420.6 ~~(h)~~ (e) This chapter does not supersede a requirement under law to conduct a criminal
 420.7 history background investigation or consider criminal history records in hiring for particular
 420.8 types of employment.

420.9 (f) This chapter does not apply to the licensing or registration process for, or to any
 420.10 license, registration, or permit that has been denied or revoked by, a health-related licensing
 420.11 board listed in section 214.01, subdivision 2.

420.12 Sec. 37. **REPEALER.**

420.13 (a) Minnesota Statutes 2016, section 214.075, subdivision 8, is repealed.

420.14 (b) Minnesota Rules, part 5600.0605, subparts 5 and 8, are repealed.

420.15 **ARTICLE 26**

420.16 **PRESCRIPTION MONITORING PROGRAM**

420.17 Section 1. Minnesota Statutes 2016, section 151.065, is amended by adding a subdivision
 420.18 to read:

420.19 Subd. 7. **Deposit.** Fees collected by the board under this section shall be deposited in
 420.20 the state government special revenue fund.

420.21 Sec. 2. Minnesota Statutes 2016, section 152.126, subdivision 6, is amended to read:

420.22 Subd. 6. **Access to reporting system data.** (a) Except as indicated in this subdivision,
 420.23 the data submitted to the board under subdivision 4 is private data on individuals as defined
 420.24 in section 13.02, subdivision 12, and not subject to public disclosure.

420.25 (b) Except as specified in subdivision 5, the following persons shall be considered
 420.26 permissible users and may access the data submitted under subdivision 4 in the same or
 420.27 similar manner, and for the same or similar purposes, as those persons who are authorized
 420.28 to access similar private data on individuals under federal and state law:

421.1 (1) a prescriber or an agent or employee of the prescriber to whom the prescriber has
421.2 delegated the task of accessing the data, to the extent the information relates specifically to
421.3 a current patient, to whom the prescriber is:

421.4 (i) prescribing or considering prescribing any controlled substance;

421.5 (ii) providing emergency medical treatment for which access to the data may be necessary;

421.6 (iii) providing care, and the prescriber has reason to believe, based on clinically valid
421.7 indications, that the patient is potentially abusing a controlled substance; or

421.8 (iv) providing other medical treatment for which access to the data may be necessary
421.9 for a clinically valid purpose and the patient has consented to access to the submitted data,
421.10 and with the provision that the prescriber remains responsible for the use or misuse of data
421.11 accessed by a delegated agent or employee;

421.12 (2) a dispenser or an agent or employee of the dispenser to whom the dispenser has
421.13 delegated the task of accessing the data, to the extent the information relates specifically to
421.14 a current patient to whom that dispenser is dispensing or considering dispensing any
421.15 controlled substance and with the provision that the dispenser remains responsible for the
421.16 use or misuse of data accessed by a delegated agent or employee;

421.17 (3) a licensed pharmacist who is providing pharmaceutical care for which access to the
421.18 data may be necessary to the extent that the information relates specifically to a current
421.19 patient for whom the pharmacist is providing pharmaceutical care: (i) if the patient has
421.20 consented to access to the submitted data; or (ii) if the pharmacist is consulted by a prescriber
421.21 who is requesting data in accordance with clause (1);

421.22 (4) an individual who is the recipient of a controlled substance prescription for which
421.23 data was submitted under subdivision 4, or a guardian of the individual, parent or guardian
421.24 of a minor, or health care agent of the individual acting under a health care directive under
421.25 chapter 145C. For purposes of this clause, access by individuals includes persons in the
421.26 definition of an individual under section 13.02;

421.27 (5) personnel or designees of a health-related licensing board listed in section 214.01,
421.28 subdivision 2, or of the Emergency Medical Services Regulatory Board, assigned to conduct
421.29 a bona fide investigation of a complaint received by that board that alleges that a specific
421.30 licensee is impaired by use of a drug for which data is collected under subdivision 4, has
421.31 engaged in activity that would constitute a crime as defined in section 152.025, or has
421.32 engaged in the behavior specified in subdivision 5, paragraph (a);

422.1 (6) personnel of the board engaged in the collection, review, and analysis of controlled
422.2 substance prescription information as part of the assigned duties and responsibilities under
422.3 this section;

422.4 (7) authorized personnel of a vendor under contract with the state of Minnesota who are
422.5 engaged in the design, implementation, operation, and maintenance of the prescription
422.6 monitoring program as part of the assigned duties and responsibilities of their employment,
422.7 provided that access to data is limited to the minimum amount necessary to carry out such
422.8 duties and responsibilities, and subject to the requirement of de-identification and time limit
422.9 on retention of data specified in subdivision 5, paragraphs (d) and (e);

422.10 (8) federal, state, and local law enforcement authorities acting pursuant to a valid search
422.11 warrant;

422.12 (9) personnel of the Minnesota health care programs assigned to use the data collected
422.13 under this section to identify and manage recipients whose usage of controlled substances
422.14 may warrant restriction to a single primary care provider, a single outpatient pharmacy, and
422.15 a single hospital;

422.16 (10) personnel of the Department of Human Services assigned to access the data pursuant
422.17 to paragraph (i);

422.18 (11) personnel of the health professionals services program established under section
422.19 214.31, to the extent that the information relates specifically to an individual who is currently
422.20 enrolled in and being monitored by the program, and the individual consents to access to
422.21 that information. The health professionals services program personnel shall not provide this
422.22 data to a health-related licensing board or the Emergency Medical Services Regulatory
422.23 Board, except as permitted under section 214.33, subdivision 3; and

422.24 ~~For purposes of clause (4), access by an individual includes persons in the definition of~~
422.25 ~~an individual under section 13.02; and~~

422.26 (12) personnel or designees of a health-related licensing board listed in section 214.01,
422.27 subdivision 2, assigned to conduct a bona fide investigation of a complaint received by that
422.28 board that alleges that a specific licensee is inappropriately prescribing controlled substances
422.29 as defined in this section.

422.30 (c) By July 1, 2017, every prescriber licensed by a health-related licensing board listed
422.31 in section 214.01, subdivision 2, practicing within this state who is authorized to prescribe
422.32 controlled substances ~~for humans~~ and who holds a current registration issued by the federal
422.33 Drug Enforcement Administration, and every pharmacist licensed by the board and practicing

423.1 within the state, shall register and maintain a user account with the prescription monitoring
423.2 program. Data submitted by a prescriber, pharmacist, or their delegate during the registration
423.3 application process, other than their name, license number, and license type, is classified
423.4 as private pursuant to section 13.02, subdivision 12.

423.5 (d) Notwithstanding paragraph (b), beginning January 1, 2020, a prescriber or an agent
423.6 or employee of the prescriber to whom the prescriber has delegated the task of accessing
423.7 the data, must access the data submitted under subdivision 4 to the extent the information
423.8 relates specifically to the patient:

423.9 (1) before the prescriber issues an initial prescription order for a Schedule II or Schedule
423.10 III controlled substance to the patient; and

423.11 (2) at least once every six months for patients receiving an opiate for treatment of chronic
423.12 pain or participating in medically assisted treatment for an opioid addiction.

423.13 (e) Paragraph (d) does not apply if:

423.14 (1) the patient is receiving hospice care;

423.15 (2) the patient is being treated for pain due to cancer or the treatment of cancer;

423.16 (3) the prescription order is for a number of doses that is intended to last the patient five
423.17 days or less and is not subject to a refill;

423.18 (4) the prescription order is issued within 14 days following surgery or three days
423.19 following oral surgery;

423.20 (5) the controlled substance is prescribed or administered to a patient who is admitted
423.21 to an inpatient hospital;

423.22 (6) the controlled substance is lawfully administered by injection, ingestion, or any other
423.23 means to the patient by the prescriber, a pharmacist, or by the patient at the direction of a
423.24 prescriber and in the presence of the prescriber or pharmacist;

423.25 (7) due to a medical emergency, it is not possible for the prescriber to review the data
423.26 before the prescriber issues the prescription order for the patient; or

423.27 (8) the prescriber is unable to access the data due to operational or other technological
423.28 failure of the program so long as the prescriber reports the failure to the board.

423.29 (f) Only permissible users identified in paragraph (b), clauses (1), (2), (3), (6), (7), (9),
423.30 and (10), may directly access the data electronically. No other permissible users may directly
423.31 access the data electronically. If the data is directly accessed electronically, the permissible
423.32 user shall implement and maintain a comprehensive information security program that

424.1 contains administrative, technical, and physical safeguards that are appropriate to the user's
424.2 size and complexity, and the sensitivity of the personal information obtained. The permissible
424.3 user shall identify reasonably foreseeable internal and external risks to the security,
424.4 confidentiality, and integrity of personal information that could result in the unauthorized
424.5 disclosure, misuse, or other compromise of the information and assess the sufficiency of
424.6 any safeguards in place to control the risks.

424.7 ~~(e)~~ (g) The board shall not release data submitted under subdivision 4 unless it is provided
424.8 with evidence, satisfactory to the board, that the person requesting the information is entitled
424.9 to receive the data.

424.10 ~~(f)~~ (h) The board shall maintain a log of all persons who access the data for a period of
424.11 at least three years and shall ensure that any permissible user complies with paragraph (c)
424.12 prior to attaining direct access to the data.

424.13 ~~(g)~~ (i) Section 13.05, subdivision 6, shall apply to any contract the board enters into
424.14 pursuant to subdivision 2. A vendor shall not use data collected under this section for any
424.15 purpose not specified in this section.

424.16 ~~(h)~~ (j) The board may participate in an interstate prescription monitoring program data
424.17 exchange system provided that permissible users in other states have access to the data only
424.18 as allowed under this section, and that section 13.05, subdivision 6, applies to any contract
424.19 or memorandum of understanding that the board enters into under this paragraph.

424.20 ~~(i)~~ (k) With available appropriations, the commissioner of human services shall establish
424.21 and implement a system through which the Department of Human Services shall routinely
424.22 access the data for the purpose of determining whether any client enrolled in an opioid
424.23 treatment program licensed according to chapter 245A has been prescribed or dispensed a
424.24 controlled substance in addition to that administered or dispensed by the opioid treatment
424.25 program. When the commissioner determines there have been multiple prescribers or multiple
424.26 prescriptions of controlled substances, the commissioner shall:

424.27 (1) inform the medical director of the opioid treatment program only that the
424.28 commissioner determined the existence of multiple prescribers or multiple prescriptions of
424.29 controlled substances; and

424.30 (2) direct the medical director of the opioid treatment program to access the data directly,
424.31 review the effect of the multiple prescribers or multiple prescriptions, and document the
424.32 review.

425.1 If determined necessary, the commissioner of human services shall seek a federal waiver
425.2 of, or exception to, any applicable provision of Code of Federal Regulations, title 42, section
425.3 2.34, paragraph (c), prior to implementing this paragraph.

425.4 ~~(j)~~ (l) The board shall review the data submitted under subdivision 4 on at least a quarterly
425.5 basis and shall establish criteria, in consultation with the advisory task force, for referring
425.6 information about a patient to prescribers and dispensers who prescribed or dispensed the
425.7 prescriptions in question if the criteria are met.

425.8 Sec. 3. Minnesota Statutes 2016, section 152.126, subdivision 10, is amended to read:

425.9 Subd. 10. **Funding.** (a) The board may seek grants and private funds from nonprofit
425.10 charitable foundations, the federal government, and other sources to fund the enhancement
425.11 and ongoing operations of the prescription monitoring program established under this section.
425.12 Any funds received shall be appropriated to the board for this purpose. The board may not
425.13 expend funds to enhance the program in a way that conflicts with this section without seeking
425.14 approval from the legislature.

425.15 (b) Notwithstanding any other section, the administrative services unit for the
425.16 health-related licensing boards shall apportion between the Board of Medical Practice, the
425.17 Board of Nursing, the Board of Dentistry, the Board of Podiatric Medicine, the Board of
425.18 Optometry, the Board of Veterinary Medicine, and the Board of Pharmacy an amount to be
425.19 paid through fees by each respective board. The amount apportioned to each board shall
425.20 equal each board's share of the annual appropriation to the Board of Pharmacy from the
425.21 state government special revenue fund for operating the prescription monitoring program
425.22 under this section. Each board's apportioned share shall be based on the number of prescribers
425.23 or dispensers that each board identified in this paragraph licenses as a percentage of the
425.24 total number of prescribers and dispensers licensed collectively by these boards. Each
425.25 respective board may adjust the fees that the boards are required to collect to compensate
425.26 for the amount apportioned to each board by the administrative services unit.

425.27 (c) The board shall have the authority to modify its contract with its vendor as provided
425.28 in subdivision 2, to authorize that vendor to provide a service to prescribers and pharmacies
425.29 that allows them to access prescription monitoring program data from within the electronic
425.30 health record system or pharmacy software used by those prescribers and pharmacists.
425.31 Beginning July 1, 2018, the board has the authority to collect an annual fee from each
425.32 prescriber or pharmacist who accesses prescription monitoring program data through the
425.33 service offered by the vendor. The annual fee collected must not exceed \$50 per user. The

426.1 fees collected by the board under this paragraph shall be deposited in the state government
426.2 special revenue fund and are appropriated to the board for the purposes of this paragraph.

426.3 **ARTICLE 27**

426.4 **PROTECTION OF VULNERABLE ADULTS**

426.5 Section 1. Minnesota Statutes 2016, section 144A.53, subdivision 2, is amended to read:

426.6 Subd. 2. **Complaints.** (a) The director may receive a complaint from any source
426.7 concerning an action of an administrative agency, a health care provider, a home care
426.8 provider, a residential care home, or a health facility. The director may require a complainant
426.9 to pursue other remedies or channels of complaint open to the complainant before accepting
426.10 or investigating the complaint. Investigators are required to interview at least one family
426.11 member of the vulnerable adult identified in the complaint. If the vulnerable adult is directing
426.12 his or her own care and does not want the investigator to contact the family, this information
426.13 must be documented in the investigative file.

426.14 (b) The director shall keep written records of all complaints and any action upon them.
426.15 After completing an investigation of a complaint, the director shall inform the complainant,
426.16 the administrative agency having jurisdiction over the subject matter, the health care provider,
426.17 the home care provider, the residential care home, and the health facility of the action taken.
426.18 Complainants must be provided a copy of the public report upon completion of the
426.19 investigation.

426.20 (c) Notwithstanding section 626.557, subdivision 5 or 9c, upon request of a vulnerable
426.21 adult or an interested person, the director shall:

426.22 (1) disclose whether a health care provider or other person has made a report or submitted
426.23 a complaint that involves maltreatment of the vulnerable adult; and

426.24 (2) provide a redacted version of the initial report or complaint that does not disclose
426.25 data on individuals, as defined in section 13.02, subdivision 5.

426.26 (d) For purposes of paragraph (c), "interested person" means one of the persons listed
426.27 below in the following order of priority:

426.28 (1) a court-appointed guardian;

426.29 (2) a person designated in writing by the vulnerable adult, including a nominated guardian,
426.30 to act on behalf of the vulnerable adult;

427.1 (3) a proxy or health care agent appointed under chapter 145B or 145C or similar law
427.2 of another state, provided that the authority of the proxy or health care agent is currently
427.3 effective under section 145C.06 or similar law;

427.4 (4) a person designated in writing by the vulnerable adult as an emergency contact for
427.5 a facility; or

427.6 (5) a spouse, parent, adult child, or adult sibling of the vulnerable adult.

427.7 Interested person does not include a person whose authority has been restricted by the
427.8 vulnerable adult or by a court or who is the alleged or substantiated perpetrator of
427.9 maltreatment of the vulnerable adult.

427.10 Sec. 2. **DIRECTION TO COMMISSIONER.**

427.11 **Subdivision 1. Policies and procedures for the Office of Health Facility Complaints.**

427.12 The commissioner of health shall develop comprehensive, written policies and procedures
427.13 for the Office of Health Facility Complaints for conducting timely reviews and investigation
427.14 of allegations that are available for all investigators in a centralized location, including
427.15 policies, procedures, guidelines, and criteria for:

427.16 (1) data collection that will allow for rigorous trend analysis of maltreatment and licensing
427.17 violations;

427.18 (2) data entry in the case management system, including an up-to-date description of
427.19 each data entry point to be used consistently by all staff;

427.20 (3) intake of allegation reports, including the gathering of all data from the reporter and
427.21 verification of jurisdiction;

427.22 (4) selection of allegation reports for further investigation within the time frames required
427.23 by federal and state law;

427.24 (5) the investigative process, including guidelines for interviews and documentation;

427.25 (6) cross-referencing of data, including when and under what circumstances to combine
427.26 data collection or maltreatment investigations regarding the same vulnerable adult,
427.27 allegations, facility, or alleged perpetrator;

427.28 (7) final determinations, including having supporting documentation for the
427.29 determinations;

427.30 (8) enforcement actions, including the imposition of immediate fines and any distinctions
427.31 in process for licensing violations versus maltreatment determinations;

428.1 (9) communication with interested parties and the public regarding the status of
428.2 investigations, final determinations, enforcement actions, and appeal rights, including when
428.3 communication must be made if the timelines established in law are not able to be met and
428.4 sufficient information in written communication for understanding the process; and

428.5 (10) quality control measures, including audits and random samplings, to discover gaps
428.6 in understanding and to ensure accuracy.

428.7 **Subd. 2. Training of staff at the Office of Health Facility Complaints.** The
428.8 commissioner of health shall revise the training program at the Office of Health Facility
428.9 Complaints to ensure that all staff are trained adequately and consistently to perform their
428.10 duties. The revised training program must provide for timely and consistent training whenever
428.11 policies, procedures, guidelines, or criteria are changed due to legislative changes, decisions
428.12 by management, or interpretations of state or federal law. The revised training program
428.13 shall include a mentor-based training program that assigns a mentor to all new investigators
428.14 and ensures new investigators work with an experienced investigator during every aspect
428.15 of the investigation process.

428.16 **Subd. 3. Quality controls at the Office of Health Facility Complaints.** The
428.17 commissioner of health shall implement quality control measures to ensure that intake,
428.18 triage, investigations, final determinations, enforcement actions, and communication are
428.19 conducted and documented in a consistent, thorough, and accurate manner. The quality
428.20 control measures must include regular internal audits of staff work, including when a decision
428.21 is made to not investigate a report, reporting to staff of patterns and trends discovered
428.22 through the audits, training of staff to address patterns and trends discovered through the
428.23 audits, and electronic safeguards in the case management system to prevent backdating of
428.24 data, incomplete or missing data fields, missed deadlines, and missed communications,
428.25 including communications concerning the status of investigations, delays in investigations,
428.26 final determinations, and appeal rights following final determinations.

428.27 **Subd. 4. Provider education.** (a) The commissioner of health shall develop
428.28 decision-making tools, including decision trees, regarding provider self-reported maltreatment
428.29 allegations and share these tools with providers. As soon as practicable, the commissioner
428.30 shall update the decision-making tools as necessary, including whenever federal or state
428.31 requirements change, and inform providers that the updated tools are available. The
428.32 commissioner shall develop decision-making tools that clarify and encourage reporting
428.33 whether the provider is licensed or registered under federal or state law, while also educating
428.34 on any distinctions in reporting under federal versus state law.

429.1 (b) The commissioner of health shall conduct rigorous trend analysis of maltreatment
 429.2 reports, triage decisions, investigation determinations, enforcement actions, and appeals to
 429.3 identify trends and patterns in reporting of maltreatment, substantiated maltreatment, and
 429.4 licensing violations, and share these findings with providers and interested stakeholders.

429.5 Subd. 5. Departmental oversight of the Office of Health Facility Complaints. The
 429.6 commissioner of health shall ensure that the commissioner's office provides direct oversight
 429.7 of the Office of Health Facility Complaints.

429.8 **Sec. 3. DIRECTION TO COMMISSIONER.**

429.9 On a quarterly basis until January 2021, and annually thereafter, the commissioner of
 429.10 health must submit a report on the Office of Health Facility Complaints' response to
 429.11 allegations of maltreatment of vulnerable adults. The report must include:

429.12 (1) a description and assessment of the office's efforts to improve its internal processes
 429.13 and compliance with federal and state requirements concerning allegations of maltreatment
 429.14 of vulnerable adults, including any relevant timelines;

429.15 (2) the number of reports received by the type of reporter, the number of reports
 429.16 investigated, the percentage and number of reported cases awaiting triage, the number and
 429.17 percentage of open investigations, and the number and percentage of investigations that
 429.18 have failed to meet state or federal timelines by cause of delay;

429.19 (3) a trend analysis of internal audits conducted by the office; and

429.20 (4) trends and patterns in maltreatment of vulnerable adults, licensing violations by
 429.21 facilities or providers serving vulnerable adults, and other metrics as determined by the
 429.22 commissioner.

429.23 **Sec. 4. DIRECTION TO COMMISSIONERS.**

429.24 By February 1 of each year, the commissioners of health and human services must submit
 429.25 an annual joint report on each department's response to allegations of maltreatment of
 429.26 vulnerable adults. The annual report must include a description and assessment of the
 429.27 departments' efforts to improve their internal processes and compliance with federal and
 429.28 state requirements concerning allegations of maltreatment of vulnerable adults, including
 429.29 any relevant timelines. The report must also include trends and patterns in maltreatment of
 429.30 vulnerable adults, licensing violations by facilities or providers serving vulnerable adults,
 429.31 and other metrics as determined by the commissioner.

429.32 This section expires upon submission of the commissioners' 2024 report.

430.1

ARTICLE 28

430.2

CHILDREN AND FAMILIES; LICENSING

430.3 Section 1. Minnesota Statutes 2016, section 119B.011, is amended by adding a subdivision
430.4 to read:

430.5 Subd. 13b. **Homeless.** "Homeless" means a self-declared housing status as defined in
430.6 the McKinney-Vento Homeless Assistance Act and United States Code, title 42, section
430.7 11302, paragraph (a).

430.8 **EFFECTIVE DATE.** This section is effective August 12, 2019.

430.9 Sec. 2. Minnesota Statutes 2016, section 119B.011, subdivision 19, is amended to read:

430.10 Subd. 19. **Provider.** "Provider" means: (1) an individual or child care center or facility,
430.11 ~~either licensed or unlicensed,~~ providing licensed legal child care services as defined under
430.12 section 245A.03; ~~or~~ (2) a license exempt center required to be certified under chapter 245G;

430.13 (3) an individual or child care center or facility ~~holding~~ that:

430.14 (i) holds a valid child care license issued by another state or a tribe ~~and providing;~~

430.15 (ii) provides child care services in the licensing state or in the area under the licensing
430.16 tribe's jurisdiction; and

430.17 (iii) is in compliance with federal health and safety requirements as certified by the
430.18 licensing state or tribe, or as determined by receipt of child care development block grant
430.19 funds in the licensing state; or

430.20 (4) a legal nonlicensed child care provider as defined under section 119B.011, subdivision
430.21 16, providing legal child care services. A ~~legally unlicensed family~~ legal nonlicensed child
430.22 care provider must be at least 18 years of age, and not a member of the MFIP assistance
430.23 unit or a member of the family receiving child care assistance to be authorized under this
430.24 chapter.

430.25 **EFFECTIVE DATE.** This section is effective September 24, 2018.

430.26 Sec. 3. Minnesota Statutes 2017 Supplement, section 119B.011, subdivision 20, is amended
430.27 to read:

430.28 Subd. 20. **Transition year families.** "Transition year families" means families who have
430.29 received MFIP assistance, or who were eligible to receive MFIP assistance after choosing
430.30 to discontinue receipt of the cash portion of MFIP assistance under section 256J.31,

431.1 subdivision 12, or families who have received DWP assistance under section 256J.95 for
431.2 at least ~~three~~ one of the last six months before losing eligibility for MFIP or DWP.
431.3 Notwithstanding Minnesota Rules, parts 3400.0040, subpart 10, and 3400.0090, subpart 2,
431.4 transition year child care may be used to support employment, approved education or training
431.5 programs, or job search that meets the requirements of section 119B.10. Transition year
431.6 child care is not available to families who have been disqualified from MFIP or DWP due
431.7 to fraud.

431.8 **EFFECTIVE DATE.** This section is effective October 8, 2018.

431.9 Sec. 4. Minnesota Statutes 2016, section 119B.02, subdivision 7, is amended to read:

431.10 Subd. 7. **Child care market rate survey.** ~~Biennially,~~ The commissioner shall conduct
431.11 the next survey of prices charged by child care providers in Minnesota in state fiscal year
431.12 2021 and every three years thereafter to determine the 75th percentile for like-care
431.13 arrangements in county price clusters.

431.14 Sec. 5. Minnesota Statutes 2017 Supplement, section 119B.025, subdivision 1, is amended
431.15 to read:

431.16 Subdivision 1. **Applications.** (a) Except as provided in paragraph (c), clause (4), the
431.17 county shall verify the following at all initial child care applications using the universal
431.18 application:

431.19 (1) identity of adults;

431.20 (2) presence of the minor child in the home, if questionable;

431.21 (3) relationship of minor child to the parent, stepparent, legal guardian, eligible relative
431.22 caretaker, or the spouses of any of the foregoing;

431.23 (4) age;

431.24 (5) immigration status, if related to eligibility;

431.25 (6) Social Security number, if given;

431.26 (7) counted income;

431.27 (8) spousal support and child support payments made to persons outside the household;

431.28 (9) residence; and

431.29 (10) inconsistent information, if related to eligibility.

432.1 (b) The county must mail a notice of approval or denial of assistance to the applicant
432.2 within 30 calendar days after receiving the application. The county may extend the response
432.3 time by 15 calendar days if the applicant is informed of the extension.

432.4 (c) For an applicant who declares that the applicant is homeless and who meets the
432.5 definition of homeless in section 119B.011, subdivision 13b, the county must:

432.6 (1) if information is needed to determine eligibility, send a request for information to
432.7 the applicant within five working days after receiving the application;

432.8 (2) if the applicant is eligible, send a notice of approval of assistance within five working
432.9 days after receiving the application;

432.10 (3) if the applicant is ineligible, send a notice of denial of assistance within 30 days after
432.11 receiving the application. The county may extend the response time by 15 calendar days if
432.12 the applicant is informed of the extension;

432.13 (4) not require verifications required by paragraph (a) before issuing the notice of approval
432.14 or denial; and

432.15 (5) follow limits set by the commissioner for how frequently expedited application
432.16 processing may be used for an applicant who declares that the applicant is homeless.

432.17 (d) An applicant who declares that the applicant is homeless must submit proof of
432.18 eligibility within three months of the date the application was received. If proof of eligibility
432.19 is not submitted within three months, eligibility ends. A 15-day adverse action notice is
432.20 required to end eligibility.

432.21 **EFFECTIVE DATE.** This section is effective August 12, 2019.

432.22 Sec. 6. Minnesota Statutes 2016, section 119B.03, subdivision 9, is amended to read:

432.23 Subd. 9. **Portability pool.** (a) The commissioner shall establish a pool of up to five
432.24 percent of the annual appropriation for the basic sliding fee program to provide continuous
432.25 child care assistance for eligible families who move between Minnesota counties. At the
432.26 end of each allocation period, any unspent funds in the portability pool must be used for
432.27 assistance under the basic sliding fee program. If expenditures from the portability pool
432.28 exceed the amount of money available, the reallocation pool must be reduced to cover these
432.29 shortages.

432.30 ~~(b) To be eligible for portable basic sliding fee assistance,~~ A family that has moved from
432.31 a county in which it was receiving basic sliding fee assistance to a county with a waiting
432.32 list for the basic sliding fee program must:

433.1 (1) meet the income and eligibility guidelines for the basic sliding fee program; and

433.2 (2) notify ~~the new county of residence within 60 days of moving and submit information~~
433.3 ~~to the new county of residence to verify eligibility for the basic sliding fee program~~ the
433.4 family's previous county of residence of the family's move to a new county of residence.

433.5 (c) The receiving county must:

433.6 (1) accept administrative responsibility for applicants for portable basic sliding fee
433.7 assistance at the end of the two months of assistance under the Unitary Residency Act;

433.8 (2) continue portability pool basic sliding fee assistance ~~for the lesser of six months or~~
433.9 until the family is able to receive assistance under the county's regular basic sliding program;
433.10 and

433.11 (3) notify the commissioner through the quarterly reporting process of any family that
433.12 meets the criteria of the portable basic sliding fee assistance pool.

433.13 **EFFECTIVE DATE.** This section is effective October 8, 2018.

433.14 Sec. 7. Minnesota Statutes 2017 Supplement, section 119B.06, subdivision 1, is amended
433.15 to read:

433.16 Subdivision 1. **Commissioner to administer block grant.** The commissioner is
433.17 authorized and directed to receive, administer, and expend child care funds available under
433.18 the child care and development block grant authorized under the Child Care and Development
433.19 Block Grant Act of 2014, Public Law 113-186. From the discretionary amounts provided
433.20 for federal fiscal year 2018 and reserved for quality activities, the commissioner shall ensure
433.21 that funds are prioritized to increase the availability of training and business planning
433.22 assistance for child care providers.

433.23 Sec. 8. Minnesota Statutes 2017 Supplement, section 119B.09, subdivision 1, is amended
433.24 to read:

433.25 Subdivision 1. **General eligibility requirements.** (a) Child care services must be
433.26 available to families who need child care to find or keep employment or to obtain the training
433.27 or education necessary to find employment and who:

433.28 (1) have household income less than or equal to 67 percent of the state median income,
433.29 adjusted for family size, at application and redetermination, and meet the requirements of
433.30 section 119B.05; receive MFIP assistance; and are participating in employment and training
433.31 services under chapter 256J; or

434.1 (2) have household income less than or equal to 47 percent of the state median income,
434.2 adjusted for family size, at application and less than or equal to 67 percent of the state
434.3 median income, adjusted for family size, at redetermination.

434.4 (b) Child care services must be made available as in-kind services.

434.5 (c) All applicants for child care assistance and families currently receiving child care
434.6 assistance must be assisted and required to cooperate in establishment of paternity and
434.7 enforcement of child support obligations for all children in the family at application and
434.8 redetermination as a condition of program eligibility. For purposes of this section, a family
434.9 is considered to meet the requirement for cooperation when the family complies with the
434.10 requirements of section 256.741.

434.11 (d) All applicants for child care assistance and families currently receiving child care
434.12 assistance must pay the co-payment fee under section 119B.12, subdivision 2, as a condition
434.13 of eligibility. The co-payment fee may include additional recoupment fees due to a child
434.14 care assistance program overpayment.

434.15 (e) If a family has one child with a child care authorization and the child turns 13 years
434.16 of age or the child has a disability and turns 15 years of age, the family remains eligible
434.17 until the redetermination.

434.18 Sec. 9. Minnesota Statutes 2017 Supplement, section 119B.095, subdivision 2, is amended
434.19 to read:

434.20 Subd. 2. **Maintain steady child care authorizations.** (a) Notwithstanding Minnesota
434.21 Rules, chapter 3400, the amount of child care authorized under section 119B.10 for
434.22 employment, education, or an MFIP or DWP employment plan shall continue at the same
434.23 number of hours or more hours until redetermination, including:

434.24 (1) when the other parent moves in and is employed or has an education plan under
434.25 section 119B.10, subdivision 3, or has an MFIP or DWP employment plan; or

434.26 (2) when the participant's work hours are reduced or a participant temporarily stops
434.27 working or attending an approved education program. Temporary changes include, but are
434.28 not limited to, a medical leave, seasonal employment fluctuations, or a school break between
434.29 semesters.

434.30 (b) The county may increase the amount of child care authorized at any time if the
434.31 participant verifies the need for increased hours for authorized activities.

435.1 (c) The county may reduce the amount of child care authorized if a parent requests a
435.2 reduction or because of a change in:

435.3 (1) the child's school schedule;

435.4 (2) the custody schedule; or

435.5 (3) the provider's availability.

435.6 (d) The amount of child care authorized for a family subject to subdivision 1, paragraph
435.7 (b), must change when the participant's activity schedule changes. Paragraph (a) does not
435.8 apply to a family subject to subdivision 1, paragraph (b).

435.9 (e) When a child reaches 13 years of age or a child with a disability reaches 15 years of
435.10 age, the amount of child care authorized shall continue at the same number of hours or more
435.11 hours until redetermination.

435.12 Sec. 10. Minnesota Statutes 2017 Supplement, section 119B.13, subdivision 1, is amended
435.13 to read:

435.14 Subdivision 1. **Subsidy restrictions.** (a) ~~Beginning February 3, 2014,~~ The maximum
435.15 rate paid for child care assistance in any county or county price cluster under the child care
435.16 fund shall be the greater of the 25th percentile calculated by the commissioner of the 2011
435.17 most recent child care provider rate survey under section 119B.02, subdivision 7, or the
435.18 maximum rate effective November 28, 2011 rates in effect at the time of the update:

435.19 (1) for the first update on February 22, 2019, the commissioner shall determine the
435.20 percentile of the most recent child care provider rate survey, not to exceed the 25th percentile,
435.21 that can be funded using Minnesota's increase in federal child care and development funds
435.22 appropriated in the federal Consolidated Appropriations Act of 2018, Public Law 115-141,
435.23 and any subsequent federal appropriation for federal fiscal year 2019, after complying with
435.24 other requirements of the reauthorization of the Child Care Development Block Grant
435.25 (CCDBG) Act of 2014, enacted in state law in 2018; and

435.26 (2) beginning in fiscal year 2022, the commissioner, in consultation with the
435.27 commissioner of management and budget, shall determine the amount of federal funding
435.28 for child care assistance programs to use in setting maximum rates for child care programs
435.29 based on the most recent market survey, not to exceed the 25th percentile, so that the cost
435.30 of compliance with child care development block grant requirements enacted in state law
435.31 in 2018, including the rate adjustment, are paid only with federal CCDBG funds. If federal
435.32 CCDBG funds are not sufficient to maintain the enacted compliance requirements and the

436.1 maximum rates in effect at the time of the rate change, the commissioner must adjust
436.2 maximum rates to remain within the limits of available funds.

436.3 (b) For a child care provider located within the boundaries of a city located in two or
436.4 more of the counties of Benton, Sherburne, and Stearns, the maximum rate paid for child
436.5 care assistance shall be equal to the maximum rate paid in the county with the highest
436.6 maximum reimbursement rates or the provider's charge, whichever is less.

436.7 (c) The commissioner may: (1) assign a county with no reported provider prices to a
436.8 similar price cluster; and (2) consider county level access when determining final price
436.9 clusters.

436.10 ~~(b)~~ (d) A rate which includes a special needs rate paid under subdivision 3 may be in
436.11 excess of the maximum rate allowed under this subdivision.

436.12 ~~(e)~~ (e) The department shall monitor the effect of this paragraph on provider rates. The
436.13 county shall pay the provider's full charges for every child in care up to the maximum
436.14 established. The commissioner shall determine the maximum rate for each type of care on
436.15 an hourly, full-day, and weekly basis, including special needs and disability care.

436.16 ~~(d)~~ (f) If a child uses one provider, the maximum payment for one day of care must not
436.17 exceed the daily rate. The maximum payment for one week of care must not exceed the
436.18 weekly rate.

436.19 ~~(e)~~ (g) If a child uses two providers under section 119B.097, the maximum payment
436.20 must not exceed:

436.21 (1) the daily rate for one day of care;

436.22 (2) the weekly rate for one week of care by the child's primary provider; and

436.23 (3) two daily rates during two weeks of care by a child's secondary provider.

436.24 ~~(f)~~ (h) Child care providers receiving reimbursement under this chapter must not be paid
436.25 activity fees or an additional amount above the maximum rates for care provided during
436.26 nonstandard hours for families receiving assistance.

436.27 ~~(g)~~ (i) If the provider charge is greater than the maximum provider rate allowed, the
436.28 parent is responsible for payment of the difference in the rates in addition to any family
436.29 co-payment fee.

436.30 ~~(h)~~ (j) All maximum provider rates changes shall be implemented on the Monday
436.31 following the effective date of the maximum provider rate.

437.1 ~~(j)~~ (k) Notwithstanding Minnesota Rules, part 3400.0130, subpart 7, maximum
 437.2 registration fees in effect on January 1, 2013, shall remain in effect.

437.3 **EFFECTIVE DATE.** This section is effective February 22, 2019.

437.4 Sec. 11. Minnesota Statutes 2017 Supplement, section 245A.06, subdivision 8, is amended
 437.5 to read:

437.6 Subd. 8. **Requirement to post ~~correction order~~ conditional license.** ~~(a)~~ For licensed
 437.7 family child care providers and child care centers, upon receipt of any ~~correction order or~~
 437.8 order of conditional license issued by the commissioner under this section, and
 437.9 notwithstanding a pending request for reconsideration of the ~~correction order or~~ order of
 437.10 conditional license by the license holder, the license holder shall post the ~~correction order~~
 437.11 ~~or~~ order of conditional license in a place that is conspicuous to the people receiving services
 437.12 and all visitors to the facility for two years. When the ~~correction order or~~ order of conditional
 437.13 license is accompanied by a maltreatment investigation memorandum prepared under section
 437.14 626.556 or 626.557, the investigation memoranda must be posted with the ~~correction order~~
 437.15 ~~or~~ order of conditional license.

437.16 ~~(b) If the commissioner reverses or rescinds a violation in a correction order upon~~
 437.17 ~~reconsideration under subdivision 2, the commissioner shall issue an amended correction~~
 437.18 ~~order and the license holder shall post the amended order according to paragraph (a).~~

437.19 ~~(c) If the correction order is rescinded or reversed in full upon reconsideration under~~
 437.20 ~~subdivision 2, the license holder shall remove the original correction order posted according~~
 437.21 ~~to paragraph (a).~~

437.22 Sec. 12. Minnesota Statutes 2016, section 245A.175, is amended to read:

437.23 **245A.175 CHILD FOSTER CARE TRAINING REQUIREMENT; MENTAL**
 437.24 **HEALTH TRAINING; FETAL ALCOHOL SPECTRUM DISORDERS TRAINING.**

437.25 Prior to a nonemergency placement of a child in a foster care home, the child foster care
 437.26 license holder and caregivers in foster family and treatment foster care settings, and all staff
 437.27 providing care in foster residence settings must complete two hours of training that addresses
 437.28 the causes, symptoms, and key warning signs of mental health disorders; cultural
 437.29 considerations; and effective approaches for dealing with a child's behaviors. At least one
 437.30 hour of the annual training requirement for the foster family license holder and caregivers,
 437.31 and foster residence staff must be on children's mental health issues and treatment. Except
 437.32 for providers and services under chapter 245D, the annual training must also include at least

438.1 one hour of training on fetal alcohol spectrum disorders ~~within the first 12 months of~~
438.2 ~~licensure. After the first 12 months of licensure, training on fetal alcohol spectrum disorders~~
438.3 ~~may count,~~ which must be counted toward the 12 hours of required in-service training per
438.4 year. Short-term substitute caregivers are exempt from these requirements. Training
438.5 curriculum shall be approved by the commissioner of human services.

438.6 Sec. 13. Minnesota Statutes 2016, section 245C.14, is amended to read:

438.7 **245C.14 DISQUALIFICATION.**

438.8 Subdivision 1. **Disqualification from direct contact.** (a) The commissioner shall
438.9 disqualify an individual who is the subject of a background study from any position allowing
438.10 direct contact with persons receiving services from the license holder or entity identified in
438.11 section 245C.03, upon receipt of information showing, or when a background study
438.12 completed under this chapter shows any of the following:

438.13 (1) a conviction of, admission to, or Alford plea to one or more crimes listed in section
438.14 245C.15, regardless of whether the conviction or admission is a felony, gross misdemeanor,
438.15 or misdemeanor level crime;

438.16 (2) a preponderance of the evidence indicates the individual has committed an act or
438.17 acts that meet the definition of any of the crimes listed in section 245C.15, regardless of
438.18 whether the preponderance of the evidence is for a felony, gross misdemeanor, or
438.19 misdemeanor level crime; or

438.20 (3) an investigation results in an administrative determination listed under section
438.21 245C.15, subdivision 4, paragraph (b).

438.22 (b) No individual who is disqualified following a background study under section
438.23 245C.03, subdivisions 1 and 2, may be retained in a position involving direct contact with
438.24 persons served by a program or entity identified in section 245C.03, unless the commissioner
438.25 has provided written notice under section 245C.17 stating that:

438.26 (1) the individual may remain in direct contact during the period in which the individual
438.27 may request reconsideration as provided in section 245C.21, subdivision 2;

438.28 (2) the commissioner has set aside the individual's disqualification for that program or
438.29 entity identified in section 245C.03, as provided in section 245C.22, subdivision 4; or

438.30 (3) the license holder has been granted a variance for the disqualified individual under
438.31 section 245C.30.

439.1 (c) The commissioner shall not disqualify an individual under this subdivision based on
439.2 (1) a record of conviction that was expunged under chapter 609A and the order was directed
439.3 specifically to the commissioner, or (2) any underlying fact or element from an expunged
439.4 record of an arrest, criminal charge, or conviction and the order was directed specifically
439.5 to the commissioner. Nothing in this paragraph prohibits the commissioner from disqualifying
439.6 an individual based upon a separate administrative determination under section 245C.15,
439.7 subdivision 4, paragraph (b), unless there is a court order directed specifically to the
439.8 commissioner to expunge an administrative order.

439.9 **Subd. 2. Disqualification from access.** (a) If an individual who is studied under section
439.10 245C.03, subdivision 1, paragraph (a), clauses (2), (5), and (6), is disqualified from direct
439.11 contact under subdivision 1, the commissioner shall also disqualify the individual from
439.12 access to a person receiving services from the license holder.

439.13 (b) No individual who is disqualified following a background study under section
439.14 245C.03, subdivision 1, paragraph (a), clauses (2), (5), and (6), or as provided elsewhere
439.15 in statute who is disqualified as a result of this section, may be allowed access to persons
439.16 served by the program unless the commissioner has provided written notice under section
439.17 245C.17 stating that:

439.18 (1) the individual may remain in direct contact during the period in which the individual
439.19 may request reconsideration as provided in section 245C.21, subdivision 2;

439.20 (2) the commissioner has set aside the individual's disqualification for that licensed
439.21 program or entity identified in section 245C.03 as provided in section 245C.22, subdivision
439.22 4; or

439.23 (3) the license holder has been granted a variance for the disqualified individual under
439.24 section 245C.30.

439.25 (c) The commissioner shall not disqualify an individual under this subdivision based on
439.26 (1) a record of conviction that was expunged under chapter 609A and the order was directed
439.27 specifically to the commissioner, or (2) any underlying fact or element from an expunged
439.28 record of an arrest, criminal charge, or conviction and the order was directed specifically
439.29 to the commissioner. Nothing in this paragraph prohibits the commissioner from disqualifying
439.30 an individual based upon a separate administrative determination under section 245C.15,
439.31 subdivision 4, paragraph (b), unless there is a court order directed specifically to the
439.32 commissioner to expunge an administrative order.

440.1 Sec. 14. Minnesota Statutes 2016, section 245C.15, is amended by adding a subdivision
440.2 to read:

440.3 Subd. 6. **Expunged criminal records.** The commissioner shall not disqualify an
440.4 individual subject to a background study under this chapter based on (1) a record of
440.5 conviction that was expunged under chapter 609A and the order was directed specifically
440.6 to the commissioner, or (2) any underlying fact or element from an expunged record of an
440.7 arrest, criminal charge, or conviction and the order was directed specifically to the
440.8 commissioner. Nothing in this subdivision prohibits the commissioner from disqualifying
440.9 an individual based upon a separate administrative determination under section 245C.15,
440.10 subdivision 4, paragraph (b), unless there is a court order directed specifically to the
440.11 commissioner to expunge an administrative order.

440.12 Sec. 15. Minnesota Statutes 2017 Supplement, section 245C.16, subdivision 1, is amended
440.13 to read:

440.14 Subdivision 1. **Determining immediate risk of harm.** (a) If the commissioner determines
440.15 that the individual studied has a disqualifying characteristic, the commissioner shall review
440.16 the information immediately available and make a determination as to the subject's immediate
440.17 risk of harm to persons served by the program where the individual studied will have direct
440.18 contact with, or access to, people receiving services.

440.19 (b) The commissioner shall consider all relevant information available, including the
440.20 following factors in determining the immediate risk of harm:

440.21 (1) the recency of the disqualifying characteristic;

440.22 (2) the recency of discharge from probation for the crimes;

440.23 (3) the number of disqualifying characteristics;

440.24 (4) the intrusiveness or violence of the disqualifying characteristic;

440.25 (5) the vulnerability of the victim involved in the disqualifying characteristic;

440.26 (6) the similarity of the victim to the persons served by the program where the individual
440.27 studied will have direct contact;

440.28 (7) whether the individual has a disqualification from a previous background study that
440.29 has not been set aside; and

440.30 (8) if the individual has a disqualification which may not be set aside because it is a
440.31 permanent bar under section 245C.24, subdivision 1, or the individual is a child care staff
440.32 person who has a felony-level conviction for a drug-related offense in the last five years,

441.1 the commissioner may order the immediate removal of the individual from any position
441.2 allowing direct contact with, or access to, persons receiving services from the program.

441.3 (c) This section does not apply when the subject of a background study is regulated by
441.4 a health-related licensing board as defined in chapter 214, and the subject is determined to
441.5 be responsible for substantiated maltreatment under section 626.556 or 626.557.

441.6 (d) This section does not apply to a background study related to an initial application
441.7 for a child foster care license.

441.8 (e) Except for paragraph ~~(f)~~ (g), this section does not apply to a background study that
441.9 is also subject to the requirements under section 256B.0659, subdivisions 11 and 13, for a
441.10 personal care assistant or a qualified professional as defined in section 256B.0659,
441.11 subdivision 1.

441.12 (f) This section does not apply if the subject of a background study has a conviction that
441.13 was expunged under chapter 609A and the order was directed specifically to the
441.14 commissioner, or any underlying fact or element from an expunged record of an arrest,
441.15 criminal charge, or conviction and the order was directed specifically to the commissioner.
441.16 Nothing in this paragraph prohibits the commissioner from disqualifying an individual based
441.17 upon a separate administrative determination under section 245C.15, subdivision 4, paragraph
441.18 (b), unless there is a court order directed specifically to the commissioner to expunge an
441.19 administrative order.

441.20 ~~(f)~~ (g) If the commissioner has reason to believe, based on arrest information or an active
441.21 maltreatment investigation, that an individual poses an imminent risk of harm to persons
441.22 receiving services, the commissioner may order that the person be continuously supervised
441.23 or immediately removed pending the conclusion of the maltreatment investigation or criminal
441.24 proceedings.

441.25 Sec. 16. Minnesota Statutes 2016, section 245C.22, is amended by adding a subdivision
441.26 to read:

441.27 Subd. 8. **Expunged records.** This section does not apply if the subject of a background
441.28 study has a conviction that was expunged under chapter 609A, and the order was directed
441.29 specifically to the commissioner, or any underlying fact or element from an expunged record
441.30 of an arrest, criminal charge, or conviction and the order was directed specifically to the
441.31 commissioner. Nothing in this subdivision prohibits the commissioner from disqualifying
441.32 an individual based upon a separate administrative determination under section 245C.15,

442.1 subdivision 4, paragraph (b), unless there is a court order directed specifically to the
442.2 commissioner to expunge an administrative order.

442.3 Sec. 17. Minnesota Statutes 2016, section 245C.24, is amended by adding a subdivision
442.4 to read:

442.5 Subd. 5. **Expunged criminal records.** The commissioner shall not disqualify an
442.6 individual subject to a background study under this chapter based on (1) a record of
442.7 conviction that was expunged under chapter 609A and the order was directed specifically
442.8 to the commissioner, or (2) any underlying fact or element from an expunged record of an
442.9 arrest, criminal charge, or conviction and the order was directed specifically to the
442.10 commissioner. Nothing in this subdivision prohibits the commissioner from disqualifying
442.11 an individual based upon a separate administrative determination under section 245C.15,
442.12 subdivision 4, paragraph (b), unless there is a court order directed specifically to the
442.13 commissioner to expunge an administrative order.

442.14 Sec. 18. Minnesota Statutes 2016, section 254A.035, subdivision 2, is amended to read:

442.15 **Subd. 2. Membership terms, compensation, removal and expiration.** The membership
442.16 of this council shall be composed of 17 persons who are American Indians and who are
442.17 appointed by the commissioner. The commissioner shall appoint one representative from
442.18 each of the following groups: Red Lake Band of Chippewa Indians; Fond du Lac Band,
442.19 Minnesota Chippewa Tribe; Grand Portage Band, Minnesota Chippewa Tribe; Leech Lake
442.20 Band, Minnesota Chippewa Tribe; Mille Lacs Band, Minnesota Chippewa Tribe; Bois Forte
442.21 Band, Minnesota Chippewa Tribe; White Earth Band, Minnesota Chippewa Tribe; Lower
442.22 Sioux Indian Reservation; Prairie Island Sioux Indian Reservation; Shakopee Mdewakanton
442.23 Sioux Indian Reservation; Upper Sioux Indian Reservation; International Falls Northern
442.24 Range; Duluth Urban Indian Community; and two representatives from the Minneapolis
442.25 Urban Indian Community and two from the St. Paul Urban Indian Community. The terms,
442.26 compensation, and removal of American Indian Advisory Council members shall be as
442.27 provided in section 15.059. The council expires June 30, ~~2018~~ 2023.

442.28 Sec. 19. Minnesota Statutes 2016, section 256K.45, subdivision 2, is amended to read:

442.29 **Subd. 2. Homeless youth report.** The commissioner shall prepare a biennial report,
442.30 beginning in February 2015, which provides meaningful information to the legislative
442.31 committees having jurisdiction over the issue of homeless youth, that includes, but is not
442.32 limited to: (1) a list of the areas of the state with the greatest need for services and housing
442.33 for homeless youth, and the level and nature of the needs identified; (2) details about grants

443.1 made; (3) the distribution of funds throughout the state based on population need; (4)
443.2 follow-up information, if available, on the status of homeless youth and whether they have
443.3 stable housing two years after services are provided; and (5) any other outcomes for
443.4 populations served to determine the effectiveness of the programs and use of funding. The
443.5 commissioner is exempt from preparing this report in 2019 and must instead update the
443.6 2007 report on homeless youth under section 29.

443.7 Sec. 20. Minnesota Statutes 2016, section 256M.41, subdivision 3, is amended to read:

443.8 Subd. 3. **Payments based on performance.** (a) The commissioner shall make payments
443.9 under this section to each county ~~board on a calendar year basis in an amount determined~~
443.10 ~~under paragraph (b) on or before July 10 of each year.~~

443.11 (b) ~~Calendar year allocations under subdivision 1 shall be paid to counties in the following~~
443.12 ~~manner:~~

443.13 (1) ~~80 percent of the allocation as determined in subdivision 1 must be paid to counties~~
443.14 ~~on or before July 10 of each year;~~

443.15 (2) ~~ten percent of the allocation shall be withheld until the commissioner determines if~~
443.16 ~~the county has met the performance outcome threshold of 90 percent based on face-to-face~~
443.17 ~~contact with alleged child victims. In order to receive the performance allocation, the county~~
443.18 ~~child protection workers must have a timely face-to-face contact with at least 90 percent of~~
443.19 ~~all alleged child victims of screened-in maltreatment reports. The standard requires that~~
443.20 ~~each initial face-to-face contact occur consistent with timelines defined in section 626.556,~~
443.21 ~~subdivision 10, paragraph (i). The commissioner shall make threshold determinations in~~
443.22 ~~January of each year and payments to counties meeting the performance outcome threshold~~
443.23 ~~shall occur in February of each year. Any withheld funds from this appropriation for counties~~
443.24 ~~that do not meet this requirement shall be reallocated by the commissioner to those counties~~
443.25 ~~meeting the requirement; and~~

443.26 (3) ~~ten percent of the allocation shall be withheld until the commissioner determines~~
443.27 ~~that the county has met the performance outcome threshold of 90 percent based on~~
443.28 ~~face-to-face visits by the case manager. In order to receive the performance allocation, the~~
443.29 ~~total number of visits made by caseworkers on a monthly basis to children in foster care~~
443.30 ~~and children receiving child protection services while residing in their home must be at least~~
443.31 ~~90 percent of the total number of such visits that would occur if every child were visited~~
443.32 ~~once per month. The commissioner shall make such determinations in January of each year~~
443.33 ~~and payments to counties meeting the performance outcome threshold shall occur in February~~
443.34 ~~of each year. Any withheld funds from this appropriation for counties that do not meet this~~

444.1 ~~requirement shall be reallocated by the commissioner to those counties meeting the~~
444.2 ~~requirement. For 2015, the commissioner shall only apply the standard for monthly foster~~
444.3 ~~care visits.~~

444.4 ~~(c) The commissioner shall work with stakeholders and the Human Services Performance~~
444.5 ~~Council under section 402A.16 to develop recommendations for specific outcome measures~~
444.6 ~~that counties should meet in order to receive funds withheld under paragraph (b), and include~~
444.7 ~~in those recommendations a determination as to whether the performance measures under~~
444.8 ~~paragraph (b) should be modified or phased out. The commissioner shall report the~~
444.9 ~~recommendations to the legislative committees having jurisdiction over child protection~~
444.10 ~~issues by January 1, 2018.~~

444.11 Sec. 21. Minnesota Statutes 2016, section 256M.41, is amended by adding a subdivision
444.12 to read:

444.13 Subd. 4. **County performance on child protection measures.** The commissioner shall
444.14 set child protection measures and standards. The commissioner shall require an
444.15 underperforming county to demonstrate that the county designated sufficient funds and
444.16 implemented a reasonable strategy to improve child protection performance, including the
444.17 provision of a performance improvement plan and additional remedies identified by the
444.18 commissioner. The commissioner may redirect up to 20 percent of a county's funds under
444.19 this section toward the performance improvement plan for a county not meeting child
444.20 protection standards and not demonstrating significant improvement. Sanctions under section
444.21 256M.20, subdivision 3, related to noncompliance with federal performance standards also
444.22 apply.

444.23 Sec. 22. Minnesota Statutes 2016, section 256N.24, is amended by adding a subdivision
444.24 to read:

444.25 Subd. 2a. **Minnesota assessment of parenting for children and youth (MAPCY)**
444.26 **revision.** The commissioner, in consultation with representatives from communities of
444.27 color, including but not limited to advisory councils and ombudspersons, shall review and
444.28 revise the MAPCY tool and incorporate changes that take into consideration different
444.29 cultures and the diverse needs of communities of color.

444.30 Sec. 23. Minnesota Statutes 2016, section 260.835, subdivision 2, is amended to read:

444.31 Subd. 2. **Expiration.** The American Indian Child Welfare Advisory Council expires
444.32 June 30, ~~2018~~ 2023.

445.1 Sec. 24. [260C.008] FOSTER CARE SIBLING BILL OF RIGHTS.

445.2 Subdivision 1. Statement of rights. (a) A child placed in foster care who has a sibling
445.3 has the right to:

445.4 (1) be placed in foster care homes with the child's siblings, when possible and when it
445.5 is in the best interest of each sibling, in order to sustain family relationships;

445.6 (2) be placed in close geographical distance to the child's siblings, if placement together
445.7 is not possible, to facilitate frequent and meaningful contact;

445.8 (3) have frequent contact with the child's siblings in foster care and, whenever possible,
445.9 with the child's siblings who are not in foster care, unless the responsible social services
445.10 agency has documented that contact is not in the best interest of any sibling. Contact includes,
445.11 but is not limited to, telephone calls, text messaging, social media and other Internet use,
445.12 and video calls;

445.13 (4) annually receive a telephone number, address, and e-mail address for all siblings in
445.14 foster care, and receive updated photographs of siblings regularly, by regular mail or e-mail;

445.15 (5) participate in regular face-to-face visits with the child's siblings in foster care and,
445.16 whenever possible, with the child's siblings who are not in foster care. Participation in these
445.17 visits shall not be withheld or restricted as a consequence for behavior, and shall only be
445.18 restricted if the responsible social services agency documents that the visits are contrary to
445.19 the safety or well-being of any sibling. Social workers, parents, foster care providers, and
445.20 older children must cooperate to ensure regular visits and must coordinate dates, times,
445.21 transportation, and other accommodations as necessary. The timing and regularity of visits
445.22 shall be outlined in each sibling's service plan, based on the individual circumstances and
445.23 needs of each child. A social worker need not give explicit permission for each visit or
445.24 possible overnight visit, but foster care providers shall communicate with social workers
445.25 about these visits;

445.26 (6) be actively involved in each other's lives and share celebrations, if they choose to
445.27 do so, including but not limited to birthdays, holidays, graduations, school and extracurricular
445.28 activities, cultural customs in the siblings' native language, and other milestones;

445.29 (7) be promptly informed about changes in sibling placements or circumstances, including
445.30 but not limited to new placements, discharge from placements, significant life events, and
445.31 discharge from foster care;

445.32 (8) be included in permanency planning decisions for siblings, if appropriate; and

446.1 (9) be informed of the expectations for and possibility of continued contact with a sibling
446.2 after an adoption or transfer of permanent physical and legal custody to a relative.

446.3 (b) Adult siblings of children in foster care shall have the right to be considered as foster
446.4 care providers, adoptive parents, and relative custodians for their siblings, if they choose
446.5 to do so.

446.6 Subd. 2. **Interpretation.** The rights under this section are established for the benefit of
446.7 siblings in foster care. This statement of rights does not replace or diminish other rights,
446.8 liberties, and responsibilities that may exist relative to children in foster care, adult siblings
446.9 of children in foster care, foster care providers, parents, relatives, or responsible social
446.10 services agencies.

446.11 Subd. 3. **Disclosure.** Child welfare agency staff shall provide a copy of these rights to
446.12 a child who has a sibling at the time the child enters foster care, to any adult siblings of a
446.13 child entering foster care, if known, and to the foster care provider, in a format specified
446.14 by the commissioner of human services. The copy shall contain the address and telephone
446.15 number of the Office of Ombudsman for Families and a brief statement describing how to
446.16 file a complaint with the office.

446.17 **EFFECTIVE DATE.** This section is effective for children entering foster care on or
446.18 after August 1, 2018. Subdivision 3 is effective August 1, 2018, and applies to all children
446.19 in foster care on that date, regardless of when the child entered foster care.

446.20 Sec. 25. **[260C.81] CHILD WELFARE TRAINING SYSTEM.**

446.21 Subdivision 1. **Child welfare training system.** (a) The commissioner of human services
446.22 shall modify the Child Welfare Training System developed pursuant to section 626.5591,
446.23 subdivision 2, as provided in this section. The new training framework shall be known as
446.24 the Child Welfare Training Academy.

446.25 (b) The Child Welfare Training Academy shall be administered through five regional
446.26 hubs in northwest, northeast, southwest, southeast, and central Minnesota. Each hub shall
446.27 deliver training targeted to the needs of its particular region, taking into account varying
446.28 demographics, resources, and practice outcomes.

446.29 (c) The Child Welfare Training Academy shall use training methods best suited to the
446.30 training content. National best practices in adult learning must be used to the greatest extent
446.31 possible, including online learning methodologies, coaching, mentoring, and simulated skill
446.32 application.

447.1 (d) Each child welfare worker and supervisor shall be required to complete a certification,
447.2 including a competency-based knowledge test and a skills demonstration, at the completion
447.3 of the worker's initial training and biennially thereafter. The commissioner shall develop
447.4 ongoing training requirements and a method for tracking certifications.

447.5 (e) Each regional hub shall have a regional organizational effectiveness specialist trained
447.6 in continuous quality improvement strategies. The specialist shall provide organizational
447.7 change assistance to counties and tribes, with priority given to efforts intended to impact
447.8 child safety.

447.9 (f) The Child Welfare Training Academy shall include training and resources that address
447.10 worker well-being and secondary traumatic stress.

447.11 (g) The Child Welfare Training Academy shall serve the primary training audiences of:
447.12 (1) county and tribal child welfare workers; (2) county and tribal child welfare supervisors;
447.13 and (3) staff at private agencies providing out-of-home placement services for children
447.14 involved in Minnesota's county and tribal child welfare system.

447.15 (h) The commissioner of human services shall enter: (1) into a partnership with the
447.16 University of Minnesota to collaborate in the administration of workforce training; and (2)
447.17 enter into a partnership with one or more agencies to provide consultation, subject matter
447.18 expertise, and capacity building in organizational resilience and child welfare workforce
447.19 well-being.

447.20 Subd. 2. **Rulemaking.** The commissioner of human services may adopt rules by
447.21 December 31, 2020, as necessary to establish the Child Welfare Training Academy. If the
447.22 commissioner of human services does not adopt rules by December 31, 2020, rulemaking
447.23 authority under this section is repealed. Rulemaking authority under this section is not
447.24 continuing authority to amend or repeal rules. Any additional action on rules after adoption
447.25 must be under specific statutory authority to take the additional action.

447.26 Sec. 26. Minnesota Statutes 2016, section 626.556, is amended by adding a subdivision
447.27 to read:

447.28 Subd. 17. **Child protection safety and risk-based framework response system**
447.29 planning initiative. (a) The commissioner shall partner with select Minnesota counties and
447.30 tribal child welfare agencies, including Hennepin County and at least one rural county, and
447.31 other counties that must represent a balance around the state, to make recommendations for
447.32 the creation of a safety and risk-based framework that will improve appropriate, timely, and
447.33 adequate responses to a child's safety needs using a trauma-informed lens. As part of this

448.1 work, the commissioner, county, and tribal child welfare agencies shall review Minnesota's
448.2 child maltreatment statutes, administrative rules, guidelines, and practices, and make
448.3 recommendations on modifications needed to implement a safety and risk-based framework
448.4 and a response system that enhances the protection of children and best focuses county and
448.5 tribal child protection resources in accordance with the risk and safety needs of children.
448.6 In forming these recommendations, the commissioner shall consult with county attorneys,
448.7 law enforcement, parents, attorneys representing parents, the guardian ad litem program,
448.8 mental and physical health care providers, child development experts, and other stakeholders
448.9 that the commissioner deems appropriate.

448.10 (b) By January 31, 2019, the commissioner shall make recommendations regarding the
448.11 creation of a safety and risk-based framework to the relevant legislative committees.

448.12 **Sec. 27. 2018 REPORT TO LEGISLATURE ON HOMELESS YOUTH.**

448.13 Subdivision 1. **Report development.** In lieu of the biennial homeless youth report under
448.14 Minnesota Statutes, section 256K.45, subdivision 2, the commissioner of human services
448.15 shall update the information in the 2007 legislative report on runaway and homeless youth.
448.16 In developing the updated report, the commissioner may use existing data, studies, and
448.17 analysis provided by state, county, and other entities including, but not limited to:

448.18 (1) Minnesota Housing Finance Agency analysis on housing availability;

448.19 (2) Minnesota state plan to end homelessness;

448.20 (3) continuum of care counts of youth experiencing homelessness and assessments as
448.21 provided by Department of Housing and Urban Development (HUD)-required coordinated
448.22 entry systems;

448.23 (4) data collected through the Department of Human Services Homeless Youth Act grant
448.24 program;

448.25 (5) Wilder Research homeless study;

448.26 (6) Voices of Youth Count sponsored by Hennepin County; and

448.27 (7) privately funded analysis, including:

448.28 (i) nine evidence-based principles to support youth in overcoming homelessness;

448.29 (ii) return on investment analysis conducted for YouthLink by Foldes Consulting; and

448.30 (iii) evaluation of Homeless Youth Act resources conducted by Rainbow Research.

449.1 Subd. 2. Key elements; due date. (a) The report may include three key elements where
449.2 significant learning has occurred in the state since the 2007 report, including:

449.3 (1) unique causes of youth homelessness;

449.4 (2) targeted responses to youth homelessness, including significance of positive youth
449.5 development as fundamental to each targeted response; and

449.6 (3) recommendations based on existing reports and analysis on what it will take to end
449.7 youth homelessness.

449.8 (b) To the extent data is available, the report may include:

449.9 (1) general accounting of the federal and philanthropic funds leveraged to support
449.10 homeless youth activities;

449.11 (2) general accounting of the increase in volunteer responses to support youth
449.12 experiencing homelessness; and

449.13 (3) data-driven accounting of geographic areas or distinct populations that have gaps in
449.14 service or are not yet served by homeless youth responses.

449.15 (c) The commissioner of human services may consult with community-based providers
449.16 of homeless youth services and other expert stakeholders to complete the report. The
449.17 commissioner shall submit the report to the chairs and ranking minority members of the
449.18 legislative committees with jurisdiction over youth homelessness by February 15, 2019.

449.19 **Sec. 28. AFRICAN AMERICAN CHILD WELFARE WORK GROUP.**

449.20 The commissioner of human services shall form an African American child welfare
449.21 work group within the implementation work group for the Governor's Child Protection Task
449.22 Force to help formulate policies and procedures relating to African American child welfare
449.23 services and to ensure that African American families are provided with all possible services
449.24 and opportunities to care for their children in their homes. The work group shall include
449.25 child welfare policy and social work professionals and paraprofessionals, community
449.26 members, community leaders, and parents representing all regions of the state. By February
449.27 1, 2019, the work group shall report its findings and recommendations to the chairs and
449.28 ranking minority members of the legislative committees with jurisdiction over child
449.29 protection issues.

450.1 Sec. 29. **REVIEW OF BACKGROUND STUDIES AND LICENSING PROCESSES**
450.2 **FOR RELATIVE FOSTER CARE.**

450.3 (a) The commissioner shall work with six counties, which must include Hennepin County,
450.4 at least one rural county, and other counties that must represent a balance around the state,
450.5 to review the background study and licensing processes for relative child foster care. The
450.6 review must analyze past reports on foster care, licensing data, barriers to timely licensure
450.7 for relatives, child safety, well-being, and permanency outcomes of children placed in foster
450.8 care with relatives.

450.9 (b) By January 31, 2019, the commissioner shall make recommendations for improving
450.10 the background study and licensing processes for children placed in foster care with relatives
450.11 to the relevant legislative committees.

450.12 Sec. 30. **DEPARTMENT OF LICENSING, BACKGROUND STUDIES, AND**
450.13 **OVERSIGHT.**

450.14 (a) It is the goal of the legislature to consolidate into one new state agency the licensing,
450.15 background study, and related oversight functions currently in the Department of Human
450.16 Services and Department of Health, including the Office of Inspector General, the Minnesota
450.17 Adult Abuse Reporting Center (MAARC), and the Office of Health Facility Complaints
450.18 (OHFC).

450.19 (b) The commissioners of human services and health shall work with the revisor of
450.20 statutes to draft legislation establishing the new state agency, and provide the legislation to
450.21 the chairs and ranking minority members of the senate and house of representatives
450.22 committees with jurisdiction over health and human services by December 15, 2018, with
450.23 the goal of the new state agency to begin operations on July 1, 2019.

450.24 **ARTICLE 29**

450.25 **STATE-OPERATED SERVICES; CHEMICAL AND MENTAL HEALTH**

450.26 Section 1. Minnesota Statutes 2017 Supplement, section 245.4889, subdivision 1, is
450.27 amended to read:

450.28 Subdivision 1. **Establishment and authority.** (a) The commissioner is authorized to
450.29 make grants from available appropriations to assist:

450.30 (1) counties;

450.31 (2) Indian tribes;

- 451.1 (3) children's collaboratives under section 124D.23 or 245.493; or
- 451.2 (4) mental health service providers.
- 451.3 (b) The following services are eligible for grants under this section:
- 451.4 (1) services to children with emotional disturbances as defined in section 245.4871,
- 451.5 subdivision 15, and their families;
- 451.6 (2) transition services under section 245.4875, subdivision 8, for young adults under
- 451.7 age 21 and their families;
- 451.8 (3) respite care services for children with severe emotional disturbances who are at risk
- 451.9 of out-of-home placement;
- 451.10 (4) children's mental health crisis services;
- 451.11 (5) mental health services for people from cultural and ethnic minorities;
- 451.12 (6) children's mental health screening and follow-up diagnostic assessment and treatment;
- 451.13 (7) services to promote and develop the capacity of providers to use evidence-based
- 451.14 practices in providing children's mental health services;
- 451.15 (8) school-linked mental health services, ~~including transportation for children receiving~~
- 451.16 ~~school-linked mental health services when school is not in session;~~
- 451.17 (9) building evidence-based mental health intervention capacity for children birth to age
- 451.18 five;
- 451.19 (10) suicide prevention and counseling services that use text messaging statewide;
- 451.20 (11) mental health first aid training;
- 451.21 (12) training for parents, collaborative partners, and mental health providers on the
- 451.22 impact of adverse childhood experiences and trauma and development of an interactive
- 451.23 Web site to share information and strategies to promote resilience and prevent trauma;
- 451.24 (13) transition age services to develop or expand mental health treatment and supports
- 451.25 for adolescents and young adults 26 years of age or younger;
- 451.26 (14) early childhood mental health consultation;
- 451.27 (15) evidence-based interventions for youth at risk of developing or experiencing a first
- 451.28 episode of psychosis, and a public awareness campaign on the signs and symptoms of
- 451.29 psychosis;
- 451.30 (16) psychiatric consultation for primary care practitioners; and

452.1 (17) providers to begin operations and meet program requirements when establishing a
452.2 new children's mental health program. These may be start-up grants.

452.3 (c) Services under paragraph (b) must be designed to help each child to function and
452.4 remain with the child's family in the community and delivered consistent with the child's
452.5 treatment plan. Transition services to eligible young adults under this paragraph must be
452.6 designed to foster independent living in the community.

452.7 (d) As a condition of receiving grant funds, a grantee must obtain all available third-party
452.8 reimbursement sources, if applicable.

452.9 Sec. 2. Minnesota Statutes 2016, section 245.4889, is amended by adding a subdivision
452.10 to read:

452.11 Subd. 1a. **School-linked mental health services grants.** (a) An eligible applicant for
452.12 school-linked mental health services grants under subdivision 1, paragraph (b), clause (8),
452.13 is an entity that is:

452.14 (1) certified under Minnesota Rules, parts 9520.0750 to 9520.0870;

452.15 (2) a community mental health center under section 256B.0625, subdivision 5;

452.16 (3) an Indian health service facility or facility owned and operated by a tribe or tribal
452.17 organization operating under United States Code, title 25, section 5321;

452.18 (4) a provider of children's therapeutic services and supports as defined in section
452.19 256B.0943; or

452.20 (5) enrolled in medical assistance as a mental health or substance use disorder provider
452.21 agency and employs at least two full-time equivalent mental health professionals as defined
452.22 in section 245.4871, subdivision 27, clauses (1) to (6), or two alcohol and drug counselors
452.23 licensed or exempt from licensure under chapter 148F who are qualified to provide clinical
452.24 services to children and families.

452.25 (b) Allowable grant expenses include transportation for children receiving school-linked
452.26 mental health services when school is not in session, and may be used to purchase equipment,
452.27 connection charges, set-up fees, and site fees in order to deliver school-linked mental health
452.28 services defined in subdivision 1a, via telemedicine consistent with section 256B.0625,
452.29 subdivision 3b.

453.1 Sec. 3. **[246.0415] PLACEMENT OF CLIENTS WHO EXHIBIT ASSAULTIVE OR**
 453.2 **VIOLENT BEHAVIOR.**

453.3 Clients who exhibit assaultive or violent behavior, have severe behavior issues, or are
 453.4 involved with or are at risk of being involved with the criminal justice system must be placed
 453.5 in or moved to a setting that meets the client's needs and ensures the safety of the public.
 453.6 The commissioner shall balance the needs of the client to live in the most integrated setting
 453.7 with public safety. The commissioner shall provide an appropriate placement for clients
 453.8 who have a medium or high risk for committing violent acts, and clients must not be placed
 453.9 in a residential setting that jeopardizes the safety of others until the commissioner determines
 453.10 that the client is low risk for committing violent acts.

453.11 Sec. 4. Minnesota Statutes 2016, section 254B.02, subdivision 1, is amended to read:

453.12 Subdivision 1. **Chemical dependency treatment allocation.** The chemical dependency
 453.13 treatment appropriation shall be placed in a special revenue account. ~~The commissioner~~
 453.14 ~~shall annually transfer funds from the chemical dependency fund to pay for operation of~~
 453.15 ~~the drug and alcohol abuse normative evaluation system and to pay for all costs incurred~~
 453.16 ~~by adding two positions for licensing of chemical dependency treatment and rehabilitation~~
 453.17 ~~programs located in hospitals for which funds are not otherwise appropriated. The remainder~~
 453.18 ~~of the money in the special revenue account must be used according to the requirements in~~
 453.19 this chapter.

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

453.21 Sec. 5. Minnesota Statutes 2016, section 254B.06, subdivision 1, is amended to read:

453.22 Subdivision 1. **State collections.** The commissioner is responsible for all collections
 453.23 from persons determined to be partially responsible for the cost of care of an eligible person
 453.24 receiving services under Laws 1986, chapter 394, sections 8 to 20. The commissioner may
 453.25 initiate, or request the attorney general to initiate, necessary civil action to recover the unpaid
 453.26 cost of care. The commissioner may collect all third-party payments for chemical dependency
 453.27 services provided under Laws 1986, chapter 394, sections 8 to 20, including private insurance
 453.28 and federal Medicaid and Medicare financial participation. ~~The commissioner shall deposit~~
 453.29 ~~in a dedicated account a percentage of collections to pay for the cost of operating the chemical~~
 453.30 ~~dependency consolidated treatment fund invoice processing and vendor payment system,~~
 453.31 ~~billing, and collections. The remaining~~ receipts must be deposited in the chemical dependency
 453.32 fund.

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

454.1 **Sec. 6. PERSON-CENTERED TELEPRESENCE PLATFORM EXPANSION WORK**
454.2 **GROUP.**

454.3 Subdivision 1. **Membership.** (a) The commissioner of human services shall convene a
454.4 work group for the purpose of exploring opportunities to collaborate and expand strategies
454.5 for person-centered innovation using Internet telepresence in delivering health and human
454.6 services, as well as related educational and correctional services. The commissioner, in
454.7 consultation with the commissioner of health, shall appoint the following members:

454.8 (1) three members representing county services in the areas of human services, health,
454.9 and corrections or law enforcement. These members must represent counties outside the
454.10 metropolitan area defined in Minnesota Statutes, section 473.121;

454.11 (2) one member representing public health;

454.12 (3) one member recommended by the Minnesota American Indian Mental Health
454.13 Advisory Council;

454.14 (4) one member recommended by the Minnesota Medical Association who is a primary
454.15 care provider practicing in outstate Minnesota;

454.16 (5) one member recommended by NAMI of Minnesota;

454.17 (6) two members recommended by the Minnesota School Boards Association;

454.18 (7) one member recommended by the Minnesota Hospital Association representing rural
454.19 hospital emergency departments;

454.20 (8) one member representing community mental health centers;

454.21 (9) one member representing adolescent treatment centers;

454.22 (10) one member representing child advocacy centers; and

454.23 (11) one member recommended by the chief justice of the Supreme Court representing
454.24 the judicial system.

454.25 (b) In addition to the members identified in paragraph (a), the work group shall include:

454.26 (1) the commissioner of MN.IT services or a designee;

454.27 (2) the commissioner of corrections or a designee;

454.28 (3) the commissioner of health or a designee; and

454.29 (4) the commissioner of education or a designee.

455.1 Subd. 2. **First meeting; chair.** The commissioner shall serve as the chair, and make
455.2 appointments and convene the first meeting of the work group by September 1, 2018.

455.3 Subd. 3. **Duties.** The work group shall:

455.4 (1) explore opportunities for improving behavioral health and other health care service
455.5 delivery through the use of a common interoperable person-centered telepresence platform
455.6 that provides connectivity and technical support to potential users;

455.7 (2) review and coordinate state and local innovation initiatives and investments designed
455.8 to leverage telepresence connectivity and collaboration;

455.9 (3) identify standards and capabilities for a single interoperable telepresence platform;

455.10 (4) identify barriers to providing a telepresence technology, including limited availability
455.11 of bandwidth, limitations in providing certain services via telepresence, and broadband
455.12 infrastructure needs;

455.13 (5) identify and make recommendations for governance to assure person-centered
455.14 responsiveness;

455.15 (6) identify how the business model itself can be innovated to provide an incentive for
455.16 ongoing innovation in Minnesota's health and human service ecosystems;

455.17 (7) evaluate and make recommendations for a potential vendor that could provide a
455.18 single telepresence platform in terms of delivering the identified standards and capabilities;

455.19 (8) identify sustainable financial support for a single telepresence platform, including
455.20 infrastructure costs and start-up costs for potential users; and

455.21 (9) identify the benefits to the state, political subdivisions, and tribal governments, and
455.22 the constituents they serve in using a common person-centered telepresence platform for
455.23 delivering behavioral health services.

455.24 Subd. 4. **Report.** The commissioner shall report to the chairs and ranking minority
455.25 members of the committees in the senate and the house of representatives with primary
455.26 jurisdiction over health and state information technology by January 15, 2019, with
455.27 recommendations related to expanding the state's telepresence platform and any legislation
455.28 required to implement the recommendations.

455.29 Subd. 5. **Expiration.** The work group expires January 16, 2019.

456.1

ARTICLE 30

456.2

COMMUNITY SUPPORTS AND CONTINUING CARE

456.3

Section 1. Minnesota Statutes 2017 Supplement, section 245A.03, subdivision 7, is

456.4

amended to read:

456.5

Subd. 7. Licensing moratorium. (a) The commissioner shall not issue an initial license

456.6

for child foster care licensed under Minnesota Rules, parts 2960.3000 to 2960.3340, or adult

456.7

foster care licensed under Minnesota Rules, parts 9555.5105 to 9555.6265, under this chapter

456.8

for a physical location that will not be the primary residence of the license holder for the

456.9

entire period of licensure. If a license is issued during this moratorium, and the license

456.10

holder changes the license holder's primary residence away from the physical location of

456.11

the foster care license, the commissioner shall revoke the license according to section

456.12

245A.07. The commissioner shall not issue an initial license for a community residential

456.13

setting licensed under chapter 245D. When approving an exception under this paragraph,

456.14

the commissioner shall consider the resource need determination process in paragraph (h),

456.15

the availability of foster care licensed beds in the geographic area in which the licensee

456.16

seeks to operate, the results of a person's choices during their annual assessment and service

456.17

plan review, and the recommendation of the local county board. The determination by the

456.18

commissioner is final and not subject to appeal. Exceptions to the moratorium include:

456.19

(1) foster care settings that are required to be registered under chapter 144D;

456.20

(2) foster care licenses replacing foster care licenses in existence on May 15, 2009, or

456.21

community residential setting licenses replacing adult foster care licenses in existence on

456.22

December 31, 2013, and determined to be needed by the commissioner under paragraph

456.23

(b);

456.24

(3) new foster care licenses or community residential setting licenses determined to be

456.25

needed by the commissioner under paragraph (b) for the closure of a nursing facility, ICF/DD,

456.26

or regional treatment center; restructuring of state-operated services that limits the capacity

456.27

of state-operated facilities; or allowing movement to the community for people who no

456.28

longer require the level of care provided in state-operated facilities as provided under section

456.29

256B.092, subdivision 13, or 256B.49, subdivision 24;

456.30

(4) new foster care licenses or community residential setting licenses determined to be

456.31

needed by the commissioner under paragraph (b) for persons requiring hospital level care;

457.1 (5) new foster care licenses or community residential setting licenses determined to be
 457.2 needed by the commissioner for the transition of people from personal care assistance to
 457.3 the home and community-based services;

457.4 (6) new foster care licenses or community residential setting licenses determined to be
 457.5 needed by the commissioner for the transition of people from the residential care waiver
 457.6 services to foster care services. This exception applies only when:

457.7 (i) the person's case manager provided the person with information about the choice of
 457.8 service, service provider, and location of service to help the person make an informed choice;
 457.9 and

457.10 (ii) the person's foster care services are less than or equal to the cost of the person's
 457.11 services delivered in the residential care waiver service setting as determined by the lead
 457.12 agency; ~~or~~

457.13 (7) new foster care licenses or community residential setting licenses for people receiving
 457.14 services under chapter 245D and residing in an unlicensed setting before May 1, 2017, and
 457.15 for which a license is required. This exception does not apply to people living in their own
 457.16 home. For purposes of this clause, there is a presumption that a foster care or community
 457.17 residential setting license is required for services provided to three or more people in a
 457.18 dwelling unit when the setting is controlled by the provider. A license holder subject to this
 457.19 exception may rebut the presumption that a license is required by seeking a reconsideration
 457.20 of the commissioner's determination. The commissioner's disposition of a request for
 457.21 reconsideration is final and not subject to appeal under chapter 14. The exception is available
 457.22 until June 30, ~~2018~~ 2019. This exception is available when:

457.23 (i) the person's case manager provided the person with information about the choice of
 457.24 service, service provider, and location of service, including in the person's home, to help
 457.25 the person make an informed choice; and

457.26 (ii) the person's services provided in the licensed foster care or community residential
 457.27 setting are less than or equal to the cost of the person's services delivered in the unlicensed
 457.28 setting as determined by the lead agency; or

457.29 (8) a vacancy in a setting granted an exception under clause (7), created between January
 457.30 1, 2017, and the date of the exception request, by the departure of a person receiving services
 457.31 under chapter 245D and residing in the unlicensed setting between January 1, 2017, and
 457.32 May 1, 2017. This exception is available when the lead agency provides documentation to
 457.33 the commissioner on the eligibility criteria being met. This exception is available until June
 457.34 30, 2019.

458.1 (b) The commissioner shall determine the need for newly licensed foster care homes or
458.2 community residential settings as defined under this subdivision. As part of the determination,
458.3 the commissioner shall consider the availability of foster care capacity in the area in which
458.4 the licensee seeks to operate, and the recommendation of the local county board. The
458.5 determination by the commissioner must be final. A determination of need is not required
458.6 for a change in ownership at the same address.

458.7 (c) When an adult resident served by the program moves out of a foster home that is not
458.8 the primary residence of the license holder according to section 256B.49, subdivision 15,
458.9 paragraph (f), or the adult community residential setting, the county shall immediately
458.10 inform the Department of Human Services Licensing Division. The department may decrease
458.11 the statewide licensed capacity for adult foster care settings.

458.12 (d) Residential settings that would otherwise be subject to the decreased license capacity
458.13 established in paragraph (c) shall be exempt if the license holder's beds are occupied by
458.14 residents whose primary diagnosis is mental illness and the license holder is certified under
458.15 the requirements in subdivision 6a or section 245D.33.

458.16 (e) A resource need determination process, managed at the state level, using the available
458.17 reports required by section 144A.351, and other data and information shall be used to
458.18 determine where the reduced capacity determined under section 256B.493 will be
458.19 implemented. The commissioner shall consult with the stakeholders described in section
458.20 144A.351, and employ a variety of methods to improve the state's capacity to meet the
458.21 informed decisions of those people who want to move out of corporate foster care or
458.22 community residential settings, long-term service needs within budgetary limits, including
458.23 seeking proposals from service providers or lead agencies to change service type, capacity,
458.24 or location to improve services, increase the independence of residents, and better meet
458.25 needs identified by the long-term services and supports reports and statewide data and
458.26 information.

458.27 (f) At the time of application and reapplication for licensure, the applicant and the license
458.28 holder that are subject to the moratorium or an exclusion established in paragraph (a) are
458.29 required to inform the commissioner whether the physical location where the foster care
458.30 will be provided is or will be the primary residence of the license holder for the entire period
458.31 of licensure. If the primary residence of the applicant or license holder changes, the applicant
458.32 or license holder must notify the commissioner immediately. The commissioner shall print
458.33 on the foster care license certificate whether or not the physical location is the primary
458.34 residence of the license holder.

459.1 (g) License holders of foster care homes identified under paragraph (f) that are not the
459.2 primary residence of the license holder and that also provide services in the foster care home
459.3 that are covered by a federally approved home and community-based services waiver, as
459.4 authorized under section 256B.0915, 256B.092, or 256B.49, must inform the human services
459.5 licensing division that the license holder provides or intends to provide these waiver-funded
459.6 services.

459.7 (h) The commissioner may adjust capacity to address needs identified in section
459.8 144A.351. Under this authority, the commissioner may approve new licensed settings or
459.9 delicense existing settings. Delicensing of settings will be accomplished through a process
459.10 identified in section 256B.493. Annually, by August 1, the commissioner shall provide
459.11 information and data on capacity of licensed long-term services and supports, actions taken
459.12 under the subdivision to manage statewide long-term services and supports resources, and
459.13 any recommendations for change to the legislative committees with jurisdiction over the
459.14 health and human services budget.

459.15 (i) The commissioner must notify a license holder when its corporate foster care or
459.16 community residential setting licensed beds are reduced under this section. The notice of
459.17 reduction of licensed beds must be in writing and delivered to the license holder by certified
459.18 mail or personal service. The notice must state why the licensed beds are reduced and must
459.19 inform the license holder of its right to request reconsideration by the commissioner. The
459.20 license holder's request for reconsideration must be in writing. If mailed, the request for
459.21 reconsideration must be postmarked and sent to the commissioner within 20 calendar days
459.22 after the license holder's receipt of the notice of reduction of licensed beds. If a request for
459.23 reconsideration is made by personal service, it must be received by the commissioner within
459.24 20 calendar days after the license holder's receipt of the notice of reduction of licensed beds.

459.25 (j) The commissioner shall not issue an initial license for children's residential treatment
459.26 services licensed under Minnesota Rules, parts 2960.0580 to 2960.0700, under this chapter
459.27 for a program that Centers for Medicare and Medicaid Services would consider an institution
459.28 for mental diseases. Facilities that serve only private pay clients are exempt from the
459.29 moratorium described in this paragraph. The commissioner has the authority to manage
459.30 existing statewide capacity for children's residential treatment services subject to the
459.31 moratorium under this paragraph and may issue an initial license for such facilities if the
459.32 initial license would not increase the statewide capacity for children's residential treatment
459.33 services subject to the moratorium under this paragraph.

459.34 **EFFECTIVE DATE.** This section is effective June 29, 2018.

460.1 Sec. 2. Minnesota Statutes 2017 Supplement, section 245A.11, subdivision 2a, is amended
460.2 to read:

460.3 Subd. 2a. **Adult foster care and community residential setting license capacity.** (a)
460.4 The commissioner shall issue adult foster care and community residential setting licenses
460.5 with a maximum licensed capacity of four beds, including nonstaff roomers and boarders,
460.6 except that the commissioner may issue a license with a capacity of five beds, including
460.7 roomers and boarders, according to paragraphs (b) to (g).

460.8 (b) The license holder may have a maximum license capacity of five if all persons in
460.9 care are age 55 or over and do not have a serious and persistent mental illness or a
460.10 developmental disability.

460.11 (c) The commissioner may grant variances to paragraph (b) to allow a facility with a
460.12 licensed capacity of up to five persons to admit an individual under the age of 55 if the
460.13 variance complies with section 245A.04, subdivision 9, and approval of the variance is
460.14 recommended by the county in which the licensed facility is located.

460.15 (d) The commissioner may grant variances to paragraph (a) to allow the use of an
460.16 additional bed, up to five, for emergency crisis services for a person with serious and
460.17 persistent mental illness or a developmental disability, regardless of age, if the variance
460.18 complies with section 245A.04, subdivision 9, and approval of the variance is recommended
460.19 by the county in which the licensed facility is located.

460.20 (e) The commissioner may grant a variance to paragraph (b) to allow for the use of an
460.21 additional bed, up to five, for respite services, as defined in section 245A.02, for persons
460.22 with disabilities, regardless of age, if the variance complies with sections 245A.03,
460.23 subdivision 7, and 245A.04, subdivision 9, and approval of the variance is recommended
460.24 by the county in which the licensed facility is located. Respite care may be provided under
460.25 the following conditions:

460.26 (1) staffing ratios cannot be reduced below the approved level for the individuals being
460.27 served in the home on a permanent basis;

460.28 (2) no more than two different individuals can be accepted for respite services in any
460.29 calendar month and the total respite days may not exceed 120 days per program in any
460.30 calendar year;

460.31 (3) the person receiving respite services must have his or her own bedroom, which could
460.32 be used for alternative purposes when not used as a respite bedroom, and cannot be the
460.33 room of another person who lives in the facility; and

461.1 (4) individuals living in the facility must be notified when the variance is approved. The
461.2 provider must give 60 days' notice in writing to the residents and their legal representatives
461.3 prior to accepting the first respite placement. Notice must be given to residents at least two
461.4 days prior to service initiation, or as soon as the license holder is able if they receive notice
461.5 of the need for respite less than two days prior to initiation, each time a respite client will
461.6 be served, unless the requirement for this notice is waived by the resident or legal guardian.

461.7 (f) The commissioner may issue an adult foster care or community residential setting
461.8 license with a capacity of five adults if the fifth bed does not increase the overall statewide
461.9 capacity of licensed adult foster care or community residential setting beds in homes that
461.10 are not the primary residence of the license holder, as identified in a plan submitted to the
461.11 commissioner by the county, when the capacity is recommended by the county licensing
461.12 agency of the county in which the facility is located and if the recommendation verifies
461.13 that:

461.14 (1) the facility meets the physical environment requirements in the adult foster care
461.15 licensing rule;

461.16 (2) the five-bed living arrangement is specified for each resident in the resident's:

461.17 (i) individualized plan of care;

461.18 (ii) individual service plan under section 256B.092, subdivision 1b, if required; or

461.19 (iii) individual resident placement agreement under Minnesota Rules, part 9555.5105,
461.20 subpart 19, if required;

461.21 (3) the license holder obtains written and signed informed consent from each resident
461.22 or resident's legal representative documenting the resident's informed choice to remain
461.23 living in the home and that the resident's refusal to consent would not have resulted in
461.24 service termination; and

461.25 (4) the facility was licensed for adult foster care before ~~March 1, 2011~~ June 30, 2016.

461.26 (g) The commissioner shall not issue a new adult foster care license under paragraph (f)
461.27 after June 30, ~~2019~~ 2021. The commissioner shall allow a facility with an adult foster care
461.28 license issued under paragraph (f) before June 30, ~~2019~~ 2021, to continue with a capacity
461.29 of five adults if the license holder continues to comply with the requirements in paragraph
461.30 (f).

462.1 Sec. 3. Minnesota Statutes 2017 Supplement, section 245D.03, subdivision 1, is amended
462.2 to read:

462.3 Subdivision 1. **Applicability.** (a) The commissioner shall regulate the provision of home
462.4 and community-based services to persons with disabilities and persons age 65 and older
462.5 pursuant to this chapter. The licensing standards in this chapter govern the provision of
462.6 basic support services and intensive support services.

462.7 (b) Basic support services provide the level of assistance, supervision, and care that is
462.8 necessary to ensure the health and welfare of the person and do not include services that
462.9 are specifically directed toward the training, treatment, habilitation, or rehabilitation of the
462.10 person. Basic support services include:

462.11 (1) in-home and out-of-home respite care services as defined in section 245A.02,
462.12 subdivision 15, and under the brain injury, community alternative care, community access
462.13 for disability inclusion, developmental ~~disability~~ disabilities, and elderly waiver plans,
462.14 excluding out-of-home respite care provided to children in a family child foster care home
462.15 licensed under Minnesota Rules, parts 2960.3000 to 2960.3100, when the child foster care
462.16 license holder complies with the requirements under section 245D.06, subdivisions 5, 6, 7,
462.17 and 8, or successor provisions; and section 245D.061 or successor provisions, which must
462.18 be stipulated in the statement of intended use required under Minnesota Rules, part
462.19 2960.3000, subpart 4;

462.20 (2) adult companion services as defined under the brain injury, community access for
462.21 disability inclusion, community alternative care, and elderly waiver plans, excluding adult
462.22 companion services provided under the Corporation for National and Community Services
462.23 Senior Companion Program established under the Domestic Volunteer Service Act of 1973,
462.24 Public Law 98-288;

462.25 (3) personal support as defined under the developmental ~~disability~~ disabilities waiver
462.26 plan;

462.27 (4) 24-hour emergency assistance, personal emergency response as defined under the
462.28 community access for disability inclusion and developmental disability waiver plans;

462.29 (5) night supervision services as defined under the brain injury, community access for
462.30 disability inclusion, community alternative care, and developmental disabilities waiver ~~plan~~
462.31 plans;

462.32 (6) homemaker services as defined under the community access for disability inclusion,
462.33 brain injury, community alternative care, developmental ~~disability~~ disabilities, and elderly

463.1 waiver plans, excluding providers licensed by the Department of Health under chapter 144A
 463.2 and those providers providing cleaning services only; and

463.3 (7) individual community living support under section 256B.0915, subdivision 3j.

463.4 (c) Intensive support services provide assistance, supervision, and care that is necessary
 463.5 to ensure the health and welfare of the person and services specifically directed toward the
 463.6 training, habilitation, or rehabilitation of the person. Intensive support services include:

463.7 (1) intervention services, including:

463.8 (i) ~~behavioral~~ positive support services as defined under the brain injury ~~and~~ community
 463.9 access for disability inclusion, community alternative care, and developmental disabilities
 463.10 waiver plans;

463.11 (ii) in-home or out-of-home crisis respite services as defined under the brain injury,
 463.12 community access for disability inclusion, community alternative care, and developmental
 463.13 disability disabilities waiver ~~plan~~ plans; and

463.14 (iii) specialist services as defined under the current brain injury, community access for
 463.15 disability inclusion, community alternative care, and developmental disability disabilities
 463.16 waiver ~~plan~~ plans;

463.17 (2) in-home support services, including:

463.18 (i) in-home family support and supported living services as defined under the
 463.19 developmental ~~disability~~ disabilities waiver plan;

463.20 (ii) independent living services training as defined under the brain injury and community
 463.21 access for disability inclusion waiver plans;

463.22 (iii) semi-independent living services; and

463.23 (iv) individualized home supports services as defined under the brain injury, community
 463.24 alternative care, and community access for disability inclusion waiver plans;

463.25 (3) residential supports and services, including:

463.26 (i) supported living services as defined under the developmental ~~disability~~ disabilities
 463.27 waiver plan provided in a family or corporate child foster care residence, a family adult
 463.28 foster care residence, a community residential setting, or a supervised living facility;

463.29 (ii) foster care services as defined in the brain injury, community alternative care, and
 463.30 community access for disability inclusion waiver plans provided in a family or corporate

464.1 child foster care residence, a family adult foster care residence, or a community residential
464.2 setting; and

464.3 (iii) residential services provided to more than four persons with developmental
464.4 disabilities in a supervised living facility, including ICFs/DD;

464.5 (4) day services, including:

464.6 (i) structured day services as defined under the brain injury waiver plan;

464.7 (ii) day training and habilitation services under sections 252.41 to 252.46, and as defined
464.8 under the developmental ~~disability~~ disabilities waiver plan; and

464.9 (iii) prevocational services as defined under the brain injury and community access for
464.10 disability inclusion waiver plans; and

464.11 (5) employment exploration services as defined under the brain injury, community
464.12 alternative care, community access for disability inclusion, and developmental ~~disability~~
464.13 disabilities waiver plans;

464.14 (6) employment development services as defined under the brain injury, community
464.15 alternative care, community access for disability inclusion, and developmental ~~disability~~
464.16 disabilities waiver plans; and

464.17 (7) employment support services as defined under the brain injury, community alternative
464.18 care, community access for disability inclusion, and developmental ~~disability~~ disabilities
464.19 waiver plans.

464.20 Sec. 4. Minnesota Statutes 2016, section 245D.071, subdivision 5, is amended to read:

464.21 Subd. 5. **Service plan review and evaluation.** (a) The license holder must give the
464.22 person or the person's legal representative and case manager an opportunity to participate
464.23 in the ongoing review and development of the service plan and the methods used to support
464.24 the person and accomplish outcomes identified in subdivisions 3 and 4. At least once per
464.25 year, or within 30 days of a written request by the person, the person's legal representative,
464.26 or the case manager, the license holder, in coordination with the person's support team or
464.27 expanded support team, must meet with the person, the person's legal representative, and
464.28 the case manager, and participate in service plan review meetings following stated timelines
464.29 established in the person's coordinated service and support plan or coordinated service and
464.30 support plan addendum ~~or within 30 days of a written request by the person, the person's~~
464.31 ~~legal representative, or the case manager, at a minimum of once per year.~~ The purpose of
464.32 the service plan review is to determine whether changes are needed to the service plan based

465.1 on the assessment information, the license holder's evaluation of progress towards
465.2 accomplishing outcomes, or other information provided by the support team or expanded
465.3 support team.

465.4 (b) At least once per year, the license holder, in coordination with the person's support
465.5 team or expanded support team, must meet with the person, the person's legal representative,
465.6 and the case manager to discuss how technology might be used to meet the person's desired
465.7 outcomes. The coordinated service and support plan or support plan addendum must include
465.8 a summary of this discussion. The summary must include a statement regarding any decision
465.9 made related to the use of technology and a description of any further research that must
465.10 be completed before a decision regarding the use of technology can be made. Nothing in
465.11 this paragraph requires the coordinated service and support plan to include the use of
465.12 technology for the provision of services.

465.13 ~~(b)~~ (c) The license holder must summarize the person's status and progress toward
465.14 achieving the identified outcomes and make recommendations and identify the rationale
465.15 for changing, continuing, or discontinuing implementation of supports and methods identified
465.16 in subdivision 4 in a report available at the time of the progress review meeting. The report
465.17 must be sent at least five working days prior to the progress review meeting if requested by
465.18 the team in the coordinated service and support plan or coordinated service and support
465.19 plan addendum.

465.20 ~~(c)~~ (d) The license holder must send the coordinated service and support plan addendum
465.21 to the person, the person's legal representative, and the case manager by mail within ten
465.22 working days of the progress review meeting. Within ten working days of the mailing of
465.23 the coordinated service and support plan addendum, the license holder must obtain dated
465.24 signatures from the person or the person's legal representative and the case manager to
465.25 document approval of any changes to the coordinated service and support plan addendum.

465.26 ~~(d)~~ (e) If, within ten working days of submitting changes to the coordinated service and
465.27 support plan and coordinated service and support plan addendum, the person or the person's
465.28 legal representative or case manager has not signed and returned to the license holder the
465.29 coordinated service and support plan or coordinated service and support plan addendum or
465.30 has not proposed written modifications to the license holder's submission, the submission
465.31 is deemed approved and the coordinated service and support plan addendum becomes
465.32 effective and remains in effect until the legal representative or case manager submits a
465.33 written request to revise the coordinated service and support plan addendum.

466.1 Sec. 5. Minnesota Statutes 2016, section 245D.091, subdivision 2, is amended to read:

466.2 Subd. 2. ~~Behavior~~ **Positive support professional qualifications.** A ~~behavior~~ positive
466.3 support professional providing ~~behavioral~~ positive support services as identified in section
466.4 245D.03, subdivision 1, paragraph (c), clause (1), item (i), must have competencies in the
466.5 following areas as required under the brain injury ~~and~~ community access for disability
466.6 inclusion, community alternative care, and developmental disability waiver plans or successor
466.7 plans:

466.8 (1) ethical considerations;

466.9 (2) functional assessment;

466.10 (3) functional analysis;

466.11 (4) measurement of behavior and interpretation of data;

466.12 (5) selecting intervention outcomes and strategies;

466.13 (6) behavior reduction and elimination strategies that promote least restrictive approved
466.14 alternatives;

466.15 (7) data collection;

466.16 (8) staff and caregiver training;

466.17 (9) support plan monitoring;

466.18 (10) co-occurring mental disorders or neurocognitive disorder;

466.19 (11) demonstrated expertise with populations being served; and

466.20 (12) must be a:

466.21 (i) psychologist licensed under sections 148.88 to 148.98, who has stated to the Board
466.22 of Psychology competencies in the above identified areas;

466.23 (ii) clinical social worker licensed as an independent clinical social worker under chapter
466.24 148D, or a person with a master's degree in social work from an accredited college or
466.25 university, with at least 4,000 hours of post-master's supervised experience in the delivery
466.26 of clinical services in the areas identified in clauses (1) to (11);

466.27 (iii) physician licensed under chapter 147 and certified by the American Board of
466.28 Psychiatry and Neurology or eligible for board certification in psychiatry with competencies
466.29 in the areas identified in clauses (1) to (11);

467.1 (iv) licensed professional clinical counselor licensed under sections 148B.29 to 148B.39
 467.2 with at least 4,000 hours of post-master's supervised experience in the delivery of clinical
 467.3 services who has demonstrated competencies in the areas identified in clauses (1) to (11);

467.4 (v) person with a master's degree from an accredited college or university in one of the
 467.5 behavioral sciences or related fields, with at least 4,000 hours of post-master's supervised
 467.6 experience in the delivery of clinical services with demonstrated competencies in the areas
 467.7 identified in clauses (1) to (11); ~~or~~

467.8 (vi) person with a master's degree or PhD in one of the behavioral sciences or related
 467.9 fields with demonstrated expertise in positive support services; or

467.10 (vii) registered nurse who is licensed under sections 148.171 to 148.285, and who is
 467.11 certified as a clinical specialist or as a nurse practitioner in adult or family psychiatric and
 467.12 mental health nursing by a national nurse certification organization, or who has a master's
 467.13 degree in nursing or one of the behavioral sciences or related fields from an accredited
 467.14 college or university or its equivalent, with at least 4,000 hours of post-master's supervised
 467.15 experience in the delivery of clinical services.

467.16 Sec. 6. Minnesota Statutes 2016, section 245D.091, subdivision 3, is amended to read:

467.17 Subd. 3. ~~Behavior~~ **Positive support analyst qualifications.** (a) A ~~behavior~~ positive
 467.18 support analyst providing behavioral positive support services as identified in section
 467.19 245D.03, subdivision 1, paragraph (c), clause (1), item (i), must have competencies in the
 467.20 following areas as required under the brain injury ~~and~~ community access for disability
 467.21 inclusion, community alternative care, and developmental disability waiver plans or successor
 467.22 plans:

467.23 (1) have obtained a baccalaureate degree, master's degree, or PhD in a social services
 467.24 discipline; ~~or~~

467.25 (2) meet the qualifications of a mental health practitioner as defined in section 245.462,
 467.26 subdivision 17; or

467.27 (3) be a board certified behavior analyst or board certified assistant behavior analyst by
 467.28 the Behavior Analyst Certification Board, Incorporated.

467.29 (b) In addition, a ~~behavior~~ positive support analyst must:

467.30 (1) have four years of supervised experience ~~working with individuals who exhibit~~
 467.31 ~~challenging behaviors as well as co-occurring mental disorders or neurocognitive disorder~~
 467.32 conducting functional behavior assessments and designing, implementing, and evaluating

468.1 effectiveness of positive practices behavior support strategies for people who exhibit
 468.2 challenging behaviors as well as co-occurring mental disorders and neurocognitive disorder;

468.3 ~~(2) have received ten hours of instruction in functional assessment and functional analysis;~~
 468.4 training prior to hire or within 90 calendar days of hire that includes:

468.5 (i) ten hours of instruction in functional assessment and functional analysis;

468.6 (ii) 20 hours of instruction in the understanding of the function of behavior;

468.7 (iii) ten hours of instruction on design of positive practices behavior support strategies;

468.8 (iv) 20 hours of instruction preparing written intervention strategies, designing data
 468.9 collection protocols, training other staff to implement positive practice strategies,
 468.10 summarizing and reporting program evaluation data, analyzing program evaluation data to
 468.11 identify design flaws in behavioral interventions or failures in implementation fidelity, and
 468.12 recommending enhancements based on evaluation data; and

468.13 (v) eight hours of instruction on principles of person-centered thinking;

468.14 ~~(3) have received 20 hours of instruction in the understanding of the function of behavior;~~

468.15 ~~(4) have received ten hours of instruction on design of positive practices behavior support~~
 468.16 ~~strategies;~~

468.17 ~~(5) have received 20 hours of instruction on the use of behavior reduction approved~~
 468.18 ~~strategies used only in combination with behavior positive practices strategies;~~

468.19 ~~(6)~~ (3) be determined by a behavior positive support professional to have the training
 468.20 and prerequisite skills required to provide positive practice strategies as well as behavior
 468.21 reduction approved and permitted intervention to the person who receives behavioral positive
 468.22 support; and

468.23 ~~(7)~~ (4) be under the direct supervision of a behavior positive support professional.

468.24 (c) Meeting the qualifications for a positive support professional under subdivision 2
 468.25 shall substitute for meeting the qualifications listed in paragraph (b).

468.26 Sec. 7. Minnesota Statutes 2016, section 245D.091, subdivision 4, is amended to read:

468.27 Subd. 4. **Behavior Positive support specialist qualifications.** (a) A behavior positive
 468.28 support specialist providing behavioral positive support services as identified in section
 468.29 245D.03, subdivision 1, paragraph (c), clause (1), item (i), must have competencies in the
 468.30 following areas as required under the brain injury ~~and~~₂ community access for disability

469.1 inclusion, community alternative care, and developmental disability waiver plans or successor
469.2 plans:

469.3 (1) have an associate's degree in a social services discipline; or

469.4 (2) have two years of supervised experience working with individuals who exhibit
469.5 challenging behaviors as well as co-occurring mental disorders or neurocognitive disorder.

469.6 (b) In addition, a behavior specialist must:

469.7 (1) have received training prior to hire or within 90 calendar days of hire that includes:

469.8 (i) a minimum of four hours of training in functional assessment;

469.9 ~~(2) have received~~ (ii) 20 hours of instruction in the understanding of the function of
469.10 behavior;

469.11 ~~(3) have received~~ (iii) ten hours of instruction on design of positive practices behavioral
469.12 support strategies; and

469.13 (iv) eight hours of instruction on principles of person-centered thinking;

469.14 ~~(4)~~ (2) be determined by a behavior positive support professional to have the training
469.15 and prerequisite skills required to provide positive practices strategies as well as behavior
469.16 reduction approved intervention to the person who receives behavioral positive support;
469.17 and

469.18 ~~(5)~~ (3) be under the direct supervision of a behavior positive support professional.

469.19 (c) Meeting the qualifications for a positive support professional under subdivision 2
469.20 shall substitute for meeting the qualifications listed in paragraphs (a) and (b).

469.21 Sec. 8. Minnesota Statutes 2016, section 256B.0659, subdivision 3a, is amended to read:

469.22 Subd. 3a. **Assessment; defined.** (a) "Assessment" means a review and evaluation of a
469.23 recipient's need for personal care assistance services conducted in person. Assessments for
469.24 personal care assistance services shall be conducted by the county public health nurse or a
469.25 certified public health nurse under contract with the county except when a long-term care
469.26 consultation assessment is being conducted for the purposes of determining a person's
469.27 eligibility for home and community-based waiver services including personal care assistance
469.28 services according to section 256B.0911. During the transition to MnCHOICES, a certified
469.29 assessor may complete the assessment defined in this subdivision. An in-person assessment
469.30 must include: documentation of health status, determination of need, evaluation of service
469.31 effectiveness, identification of appropriate services, service plan development or modification,

470.1 coordination of services, referrals and follow-up to appropriate payers and community
470.2 resources, completion of required reports, recommendation of service authorization, and
470.3 consumer education. Once the need for personal care assistance services is determined under
470.4 this section, the county public health nurse or certified public health nurse under contract
470.5 with the county is responsible for communicating this recommendation to the commissioner
470.6 and the recipient. An in-person assessment must occur at least annually or when there is a
470.7 significant change in the recipient's condition or when there is a change in the need for
470.8 personal care assistance services. A service update may substitute for the annual face-to-face
470.9 assessment when there is not a significant change in recipient condition or a change in the
470.10 need for personal care assistance service. A service update may be completed by telephone,
470.11 used when there is no need for an increase in personal care assistance services, and used
470.12 for two consecutive assessments if followed by a face-to-face assessment. A service update
470.13 must be completed on a form approved by the commissioner. A service update or review
470.14 for temporary increase includes a review of initial baseline data, evaluation of service
470.15 effectiveness, redetermination of service need, modification of service plan and appropriate
470.16 referrals, update of initial forms, obtaining service authorization, and on going consumer
470.17 education. Assessments or reassessments must be completed on forms provided by the
470.18 commissioner within 30 days of a request for home care services by a recipient or responsible
470.19 party.

470.20 (b) This subdivision expires when notification is given by the commissioner as described
470.21 in section 256B.0911, subdivision 3a.

470.22 Sec. 9. Minnesota Statutes 2016, section 256B.0659, subdivision 11, is amended to read:

470.23 Subd. 11. **Personal care assistant; requirements.** (a) A personal care assistant must
470.24 meet the following requirements:

470.25 (1) be at least 18 years of age with the exception of persons who are 16 or 17 years of
470.26 age with these additional requirements:

470.27 (i) supervision by a qualified professional every 60 days; and

470.28 (ii) employment by only one personal care assistance provider agency responsible for
470.29 compliance with current labor laws;

470.30 (2) be employed by a personal care assistance provider agency;

470.31 (3) enroll with the department as a personal care assistant after clearing a background
470.32 study. Except as provided in subdivision 11a, before a personal care assistant provides
470.33 services, the personal care assistance provider agency must initiate a background study on

471.1 the personal care assistant under chapter 245C, and the personal care assistance provider
471.2 agency must have received a notice from the commissioner that the personal care assistant
471.3 is:

471.4 (i) not disqualified under section 245C.14; or

471.5 (ii) is disqualified, but the personal care assistant has received a set aside of the
471.6 disqualification under section 245C.22;

471.7 (4) be able to effectively communicate with the recipient and personal care assistance
471.8 provider agency;

471.9 (5) be able to provide covered personal care assistance services according to the recipient's
471.10 personal care assistance care plan, respond appropriately to recipient needs, and report
471.11 changes in the recipient's condition to the supervising qualified professional or physician;

471.12 (6) not be a consumer of personal care assistance services;

471.13 (7) maintain daily written records including, but not limited to, time sheets under
471.14 subdivision 12;

471.15 (8) effective January 1, 2010, complete standardized training as determined by the
471.16 commissioner before completing enrollment. The training must be available in languages
471.17 other than English and to those who need accommodations due to disabilities. Personal care
471.18 assistant training must include successful completion of the following training components:
471.19 basic first aid, vulnerable adult, child maltreatment, OSHA universal precautions, basic
471.20 roles and responsibilities of personal care assistants including information about assistance
471.21 with lifting and transfers for recipients, emergency preparedness, orientation to positive
471.22 behavioral practices, fraud issues, and completion of time sheets. Upon completion of the
471.23 training components, the personal care assistant must demonstrate the competency to provide
471.24 assistance to recipients;

471.25 (9) complete training and orientation on the needs of the recipient; and

471.26 (10) be limited to providing and being paid for up to 275 hours per month of personal
471.27 care assistance services regardless of the number of recipients being served or the number
471.28 of personal care assistance provider agencies enrolled with. The number of hours worked
471.29 per day shall not be disallowed by the department unless in violation of the law.

471.30 (b) A legal guardian may be a personal care assistant if the guardian is not being paid
471.31 for the guardian services and meets the criteria for personal care assistants in paragraph (a).

472.1 (c) Persons who do not qualify as a personal care assistant include parents, stepparents,
472.2 and legal guardians of minors; spouses; paid legal guardians of adults; family foster care
472.3 providers, except as otherwise allowed in section 256B.0625, subdivision 19a; and staff of
472.4 a residential setting.

472.5 (d) Personal care services qualify for the enhanced rate described in subdivision 17a if
472.6 the personal care assistant providing the services:

472.7 (1) provides services, according to the care plan in subdivision 7, to a recipient who
472.8 qualifies for 12 or more hours per day of PCA services; and

472.9 (2) satisfies the current requirements of Medicare for training and competency or
472.10 competency evaluation of home health aides or nursing assistants, as provided in the Code
472.11 of Federal Regulations, title 42, section 483.151 or 484.36, or alternative state approved
472.12 training or competency requirements.

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

472.14 Sec. 10. Minnesota Statutes 2016, section 256B.0659, is amended by adding a subdivision
472.15 to read:

472.16 Subd. 17a. **Enhanced rate.** An enhanced rate of 105 percent of the rate paid for PCA
472.17 services shall be paid for services provided to persons who qualify for 12 or more hours of
472.18 PCA service per day when provided by a PCA who meets the requirements of subdivision
472.19 11, paragraph (d). The enhanced rate for PCA services includes, and is not in addition to,
472.20 any rate adjustments implemented by the commissioner on July 1, 2018, to comply with
472.21 the terms of a collective bargaining agreement between the state of Minnesota and an
472.22 exclusive representative of individual providers under section 179A.54 that provides for
472.23 wage increases for individual providers who serve participants assessed to need 12 or more
472.24 hours of PCA services per day.

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

472.26 Sec. 11. Minnesota Statutes 2016, section 256B.0659, subdivision 21, is amended to read:

472.27 Subd. 21. **Requirements for provider enrollment of personal care assistance provider**
472.28 **agencies.** (a) All personal care assistance provider agencies must provide, at the time of
472.29 enrollment, reenrollment, and revalidation as a personal care assistance provider agency in
472.30 a format determined by the commissioner, information and documentation that includes,
472.31 but is not limited to, the following:

473.1 (1) the personal care assistance provider agency's current contact information including
473.2 address, telephone number, and e-mail address;

473.3 (2) proof of surety bond coverage. Upon new enrollment, or if the provider's Medicaid
473.4 revenue in the previous calendar year is up to and including \$300,000, the provider agency
473.5 must purchase a surety bond of \$50,000. If the Medicaid revenue in the previous year is
473.6 over \$300,000, the provider agency must purchase a surety bond of \$100,000. The surety
473.7 bond must be in a form approved by the commissioner, must be renewed annually, and must
473.8 allow for recovery of costs and fees in pursuing a claim on the bond;

473.9 (3) proof of fidelity bond coverage in the amount of \$20,000;

473.10 (4) proof of workers' compensation insurance coverage;

473.11 (5) proof of liability insurance;

473.12 (6) a description of the personal care assistance provider agency's organization identifying
473.13 the names of all owners, managing employees, staff, board of directors, and the affiliations
473.14 of the directors, owners, or staff to other service providers;

473.15 (7) a copy of the personal care assistance provider agency's written policies and
473.16 procedures including: hiring of employees; training requirements; service delivery; and
473.17 employee and consumer safety including process for notification and resolution of consumer
473.18 grievances, identification and prevention of communicable diseases, and employee
473.19 misconduct;

473.20 (8) copies of all other forms the personal care assistance provider agency uses in the
473.21 course of daily business including, but not limited to:

473.22 (i) a copy of the personal care assistance provider agency's time sheet if the time sheet
473.23 varies from the standard time sheet for personal care assistance services approved by the
473.24 commissioner, and a letter requesting approval of the personal care assistance provider
473.25 agency's nonstandard time sheet;

473.26 (ii) the personal care assistance provider agency's template for the personal care assistance
473.27 care plan; and

473.28 (iii) the personal care assistance provider agency's template for the written agreement
473.29 in subdivision 20 for recipients using the personal care assistance choice option, if applicable;

473.30 (9) a list of all training and classes that the personal care assistance provider agency
473.31 requires of its staff providing personal care assistance services;

474.1 (10) documentation that the personal care assistance provider agency and staff have
474.2 successfully completed all the training required by this section, including the requirements
474.3 under subdivision 11, paragraph (d), if enhanced PCA services are provided and submitted
474.4 for an enhanced rate under subdivision 17a;

474.5 (11) documentation of the agency's marketing practices;

474.6 (12) disclosure of ownership, leasing, or management of all residential properties that
474.7 is used or could be used for providing home care services;

474.8 (13) documentation that the agency will use the following percentages of revenue
474.9 generated from the medical assistance rate paid for personal care assistance services for
474.10 employee personal care assistant wages and benefits: 72.5 percent of revenue in the personal
474.11 care assistance choice option and 72.5 percent of revenue from other personal care assistance
474.12 providers. The revenue generated by the qualified professional and the reasonable costs
474.13 associated with the qualified professional shall not be used in making this calculation; and

474.14 (14) effective May 15, 2010, documentation that the agency does not burden recipients'
474.15 free exercise of their right to choose service providers by requiring personal care assistants
474.16 to sign an agreement not to work with any particular personal care assistance recipient or
474.17 for another personal care assistance provider agency after leaving the agency and that the
474.18 agency is not taking action on any such agreements or requirements regardless of the date
474.19 signed.

474.20 (b) Personal care assistance provider agencies shall provide the information specified
474.21 in paragraph (a) to the commissioner at the time the personal care assistance provider agency
474.22 enrolls as a vendor or upon request from the commissioner. The commissioner shall collect
474.23 the information specified in paragraph (a) from all personal care assistance providers
474.24 beginning July 1, 2009.

474.25 (c) All personal care assistance provider agencies shall require all employees in
474.26 management and supervisory positions and owners of the agency who are active in the
474.27 day-to-day management and operations of the agency to complete mandatory training as
474.28 determined by the commissioner before enrollment of the agency as a provider. Employees
474.29 in management and supervisory positions and owners who are active in the day-to-day
474.30 operations of an agency who have completed the required training as an employee with a
474.31 personal care assistance provider agency do not need to repeat the required training if they
474.32 are hired by another agency, if they have completed the training within the past three years.
474.33 By September 1, 2010, the required training must be available with meaningful access
474.34 according to title VI of the Civil Rights Act and federal regulations adopted under that law

475.1 or any guidance from the United States Health and Human Services Department. The
 475.2 required training must be available online or by electronic remote connection. The required
 475.3 training must provide for competency testing. Personal care assistance provider agency
 475.4 billing staff shall complete training about personal care assistance program financial
 475.5 management. This training is effective July 1, 2009. Any personal care assistance provider
 475.6 agency enrolled before that date shall, if it has not already, complete the provider training
 475.7 within 18 months of July 1, 2009. Any new owners or employees in management and
 475.8 supervisory positions involved in the day-to-day operations are required to complete
 475.9 mandatory training as a requisite of working for the agency. Personal care assistance provider
 475.10 agencies certified for participation in Medicare as home health agencies are exempt from
 475.11 the training required in this subdivision. When available, Medicare-certified home health
 475.12 agency owners, supervisors, or managers must successfully complete the competency test.

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

475.14 Sec. 12. Minnesota Statutes 2016, section 256B.0659, subdivision 24, is amended to read:

475.15 Subd. 24. **Personal care assistance provider agency; general duties.** A personal care
 475.16 assistance provider agency shall:

475.17 (1) enroll as a Medicaid provider meeting all provider standards, including completion
 475.18 of the required provider training;

475.19 (2) comply with general medical assistance coverage requirements;

475.20 (3) demonstrate compliance with law and policies of the personal care assistance program
 475.21 to be determined by the commissioner;

475.22 (4) comply with background study requirements;

475.23 (5) verify and keep records of hours worked by the personal care assistant and qualified
 475.24 professional;

475.25 (6) not engage in any agency-initiated direct contact or marketing in person, by phone,
 475.26 or other electronic means to potential recipients, guardians, or family members;

475.27 (7) pay the personal care assistant and qualified professional based on actual hours of
 475.28 services provided;

475.29 (8) withhold and pay all applicable federal and state taxes;

475.30 (9) ~~effective January 1, 2010,~~ document that the agency uses a minimum of 72.5 percent
 475.31 of the revenue generated by the medical assistance rate for personal care assistance services
 475.32 for employee personal care assistant wages and benefits. The revenue generated by the

476.1 qualified professional and the reasonable costs associated with the qualified professional
476.2 shall not be used in making this calculation;

476.3 (10) make the arrangements and pay unemployment insurance, taxes, workers'
476.4 compensation, liability insurance, and other benefits, if any;

476.5 (11) enter into a written agreement under subdivision 20 before services are provided;

476.6 (12) report suspected neglect and abuse to the common entry point according to section
476.7 256B.0651;

476.8 (13) provide the recipient with a copy of the home care bill of rights at start of service;

476.9 **and**

476.10 (14) request reassessments at least 60 days prior to the end of the current authorization
476.11 for personal care assistance services, on forms provided by the commissioner; and

476.12 (15) document that the agency uses the additional revenue due to the enhanced rate under
476.13 subdivision 17a for the wages and benefits of the PCAs whose services meet the requirements
476.14 under subdivision 11, paragraph (d).

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

476.16 Sec. 13. Minnesota Statutes 2016, section 256B.0659, subdivision 28, is amended to read:

476.17 Subd. 28. **Personal care assistance provider agency; required documentation.** (a)

476.18 Required documentation must be completed and kept in the personal care assistance provider
476.19 agency file or the recipient's home residence. The required documentation consists of:

476.20 (1) employee files, including:

476.21 (i) applications for employment;

476.22 (ii) background study requests and results;

476.23 (iii) orientation records about the agency policies;

476.24 (iv) trainings completed with demonstration of competence, including verification of
476.25 the completion of training required under subdivision 11, paragraph (d), for any billing of
476.26 the enhanced rate under subdivision 17a;

476.27 (v) supervisory visits;

476.28 (vi) evaluations of employment; and

476.29 (vii) signature on fraud statement;

476.30 (2) recipient files, including:

- 477.1 (i) demographics;
- 477.2 (ii) emergency contact information and emergency backup plan;
- 477.3 (iii) personal care assistance service plan;
- 477.4 (iv) personal care assistance care plan;
- 477.5 (v) month-to-month service use plan;
- 477.6 (vi) all communication records;
- 477.7 (vii) start of service information, including the written agreement with recipient; and
- 477.8 (viii) date the home care bill of rights was given to the recipient;
- 477.9 (3) agency policy manual, including:
- 477.10 (i) policies for employment and termination;
- 477.11 (ii) grievance policies with resolution of consumer grievances;
- 477.12 (iii) staff and consumer safety;
- 477.13 (iv) staff misconduct; and
- 477.14 (v) staff hiring, service delivery, staff and consumer safety, staff misconduct, and
- 477.15 resolution of consumer grievances;
- 477.16 (4) time sheets for each personal care assistant along with completed activity sheets for
- 477.17 each recipient served; and
- 477.18 (5) agency marketing and advertising materials and documentation of marketing activities
- 477.19 and costs.
- 477.20 (b) The commissioner may assess a fine of up to \$500 on provider agencies that do not
- 477.21 consistently comply with the requirements of this subdivision.

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

477.23 Sec. 14. Minnesota Statutes 2017 Supplement, section 256B.0911, subdivision 1a, is

477.24 amended to read:

477.25 Subd. 1a. **Definitions.** For purposes of this section, the following definitions apply:

477.26 (a) Until additional requirements apply under paragraph (b), "long-term care consultation

477.27 services" means:

477.28 (1) intake for and access to assistance in identifying services needed to maintain an

477.29 individual in the most inclusive environment;

- 478.1 (2) providing recommendations for and referrals to cost-effective community services
478.2 that are available to the individual;
- 478.3 (3) development of an individual's person-centered community support plan;
- 478.4 (4) providing information regarding eligibility for Minnesota health care programs;
- 478.5 (5) face-to-face long-term care consultation assessments, which may be completed in a
478.6 hospital, nursing facility, intermediate care facility for persons with developmental disabilities
478.7 (ICF/DDs), regional treatment centers, or the person's current or planned residence;
- 478.8 (6) determination of home and community-based waiver and other service eligibility as
478.9 required under sections 256B.0913, 256B.0915, and 256B.49, including level of care
478.10 determination for individuals who need an institutional level of care as determined under
478.11 subdivision 4e, based on assessment and community support plan development, appropriate
478.12 referrals to obtain necessary diagnostic information, and including an eligibility determination
478.13 for consumer-directed community supports;
- 478.14 (7) providing recommendations for institutional placement when there are no
478.15 cost-effective community services available;
- 478.16 (8) providing access to assistance to transition people back to community settings after
478.17 institutional admission; and
- 478.18 (9) providing information about competitive employment, with or without supports, for
478.19 school-age youth and working-age adults and referrals to the Disability Linkage Line and
478.20 Disability Benefits 101 to ensure that an informed choice about competitive employment
478.21 can be made. For the purposes of this subdivision, "competitive employment" means work
478.22 in the competitive labor market that is performed on a full-time or part-time basis in an
478.23 integrated setting, and for which an individual is compensated at or above the minimum
478.24 wage, but not less than the customary wage and level of benefits paid by the employer for
478.25 the same or similar work performed by individuals without disabilities.
- 478.26 (b) Upon statewide implementation of lead agency requirements in subdivisions 2b, 2c,
478.27 and 3a, "long-term care consultation services" also means:
- 478.28 (1) service eligibility determination for state plan ~~home care~~ services identified in:
- 478.29 (i) section 256B.0625, subdivisions 7, 19a, and 19c;
- 478.30 (ii) consumer support grants under section 256.476; or
- 478.31 (iii) section 256B.85;

479.1 (2) notwithstanding provisions in Minnesota Rules, parts 9525.0004 to 9525.0024,
479.2 determination of eligibility for case management services available under sections 256B.0621,
479.3 subdivision 2, paragraph clause (4), and 256B.0924 ~~and Minnesota Rules, part 9525.0016;~~

479.4 (3) determination of institutional level of care, home and community-based service
479.5 waiver, and other service eligibility as required under section 256B.092, ~~determination of~~
479.6 ~~eligibility for family support grants under section 252.32,~~ semi-independent living services
479.7 under section 252.275, and day training and habilitation services under section 256B.092;
479.8 ~~and~~

479.9 (4) obtaining necessary diagnostic information to determine eligibility under clauses (2)
479.10 ~~and (3); and~~

479.11 (5) notwithstanding Minnesota Rules, parts 9525.0004 to 9525.0024, initial eligibility
479.12 determination for case management services available under Minnesota Rules, part
479.13 9525.0016.

479.14 (c) "Long-term care options counseling" means the services provided by the linkage
479.15 lines as mandated by sections 256.01, subdivision 24, and 256.975, subdivision 7, and also
479.16 includes telephone assistance and follow up once a long-term care consultation assessment
479.17 has been completed.

479.18 (d) "Minnesota health care programs" means the medical assistance program under this
479.19 chapter and the alternative care program under section 256B.0913.

479.20 (e) "Lead agencies" means counties administering or tribes and health plans under
479.21 contract with the commissioner to administer long-term care consultation assessment and
479.22 support planning services.

479.23 (f) "Person-centered planning" is a process that includes the active participation of a
479.24 person in the planning of the person's services, including in making meaningful and informed
479.25 choices about the person's own goals, talents, and objectives, as well as making meaningful
479.26 and informed choices about the services the person receives. For the purposes of this section,
479.27 "informed choice" means a voluntary choice of services by a person from all available
479.28 service options based on accurate and complete information concerning all available service
479.29 options and concerning the person's own preferences, abilities, goals, and objectives. In
479.30 order for a person to make an informed choice, all available options must be developed and
479.31 presented to the person to empower the person to make decisions.

480.1 Sec. 15. Minnesota Statutes 2017 Supplement, section 256B.0911, subdivision 3a, is
480.2 amended to read:

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

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

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

480.20 (d) The assessment must be conducted in a face-to-face conversational interview with
480.21 the person being assessed ~~and~~. The person's legal representative must provide input during
480.22 the assessment process and may do so remotely if requested. At the request of the person,
480.23 other individuals may participate in the assessment to provide information on the needs,
480.24 strengths, and preferences of the person necessary to develop a community support plan
480.25 that ensures the person's health and safety. Except for legal representatives or family members
480.26 invited by the person, persons participating in the assessment may not be a provider of
480.27 service or have any financial interest in the provision of services. For persons who are to
480.28 be assessed for elderly waiver customized living or adult day services under section
480.29 256B.0915, with the permission of the person being assessed or the person's designated or
480.30 legal representative, the client's current or proposed provider of services may submit a copy
480.31 of the provider's nursing assessment or written report outlining its recommendations regarding
480.32 the client's care needs. The person conducting the assessment must notify the provider of
480.33 the date by which this information is to be submitted. This information shall be provided
480.34 to the person conducting the assessment prior to the assessment. For a person who is to be
480.35 assessed for waiver services under section 256B.092 or 256B.49, with the permission of

481.1 the person being assessed or the person's designated legal representative, the person's current
481.2 provider of services may submit a written report outlining recommendations regarding the
481.3 person's care needs prepared by a direct service employee with at least 20 hours of service
481.4 to that client. The person conducting the assessment or reassessment must notify the provider
481.5 of the date by which this information is to be submitted. This information shall be provided
481.6 to the person conducting the assessment and the person or the person's legal representative,
481.7 and must be considered prior to the finalization of the assessment or reassessment.

481.8 (e) The person or the person's legal representative must be provided with a written
481.9 community support plan within ~~40 calendar days of the assessment visit~~ the timelines
481.10 established by the commissioner, regardless of whether the individual is eligible for
481.11 Minnesota health care programs. The timeline for completing the community support plan
481.12 and any required coordinated service and support plan must not exceed 56 calendar days
481.13 from the assessment visit.

481.14 (f) For a person being assessed for elderly waiver services under section 256B.0915, a
481.15 provider who submitted information under paragraph (d) shall receive the final written
481.16 community support plan when available and the Residential Services Workbook.

481.17 (g) The written community support plan must include:

481.18 (1) a summary of assessed needs as defined in paragraphs (c) and (d);

481.19 (2) the individual's options and choices to meet identified needs, including all available
481.20 options for case management services and providers, including service provided in a
481.21 non-disability-specific setting;

481.22 (3) identification of health and safety risks and how those risks will be addressed,
481.23 including personal risk management strategies;

481.24 (4) referral information; and

481.25 (5) informal caregiver supports, if applicable.

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

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

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

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

482.7 (1) written recommendations for community-based services and consumer-directed
482.8 options;

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

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

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

482.25 (5) information about Minnesota health care programs;

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

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

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

483.1 (9) the person's right to appeal the certified assessor's decision regarding eligibility for
483.2 all services and programs as defined in subdivision 1a, paragraphs (a), clauses (6), (7), and
483.3 (8), and (b), and incorporating the decision regarding the need for institutional level of care
483.4 or the lead agency's final decisions regarding public programs eligibility according to section
483.5 256.045, subdivision 3. The certified assessor must verbally communicate this appeal right
483.6 to the person and must visually point out where in the document the right to appeal is stated.

483.7 (k) Face-to-face assessment completed as part of eligibility determination for the
483.8 alternative care, elderly waiver, developmental disabilities, community access for disability
483.9 inclusion, community alternative care, and brain injury waiver programs under sections
483.10 256B.0913, 256B.0915, 256B.092, and 256B.49 is valid to establish service eligibility for
483.11 no more than 60 calendar days after the date of assessment.

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

483.19 (m) If an eligibility update is completed within 90 days of the previous face-to-face
483.20 assessment and documented in the department's Medicaid Management Information System
483.21 (MMIS), the effective date of eligibility for programs included in paragraph (k) is the date
483.22 of the previous face-to-face assessment when all other eligibility requirements are met.

483.23 (n) At the time of reassessment, the certified assessor shall assess each person receiving
483.24 waiver services currently residing in a community residential setting, or licensed adult foster
483.25 care home that is not the primary residence of the license holder, or in which the license
483.26 holder is not the primary caregiver, to determine if that person would prefer to be served in
483.27 a community-living setting as defined in section 256B.49, subdivision 23. The certified
483.28 assessor shall offer the person, through a person-centered planning process, the option to
483.29 receive alternative housing and service options.

483.30 Sec. 16. Minnesota Statutes 2017 Supplement, section 256B.0911, subdivision 3f, is
483.31 amended to read:

483.32 Subd. 3f. **Long-term care reassessments and community support plan updates.** (a)
483.33 Prior to a face-to-face reassessment, the certified assessor must review the person's most
483.34 recent assessment. Reassessments must be tailored using the professional judgment of the

484.1 assessor to the person's known needs, strengths, preferences, and circumstances.
484.2 Reassessments provide information to support the person's informed choice and opportunities
484.3 to express choice regarding activities that contribute to quality of life, as well as information
484.4 and opportunity to identify goals related to desired employment, community activities, and
484.5 preferred living environment. Reassessments ~~allow for~~ require a review of the most recent
484.6 assessment, review of the current coordinated service and support plan's effectiveness,
484.7 monitoring of services, and the development of an updated person-centered community
484.8 support plan. Reassessments verify continued eligibility or offer alternatives as warranted
484.9 and provide an opportunity for quality assurance of service delivery. Face-to-face assessments
484.10 reassessments must be conducted annually or as required by federal and state laws and rules.
484.11 For reassessments, the certified assessor and the individual responsible for developing the
484.12 coordinated service and support plan must ensure the continuity of care for the person
484.13 receiving services and complete the updated community support plan and the updated
484.14 coordinated service and support plan within the timelines established by the commissioner.

484.15 (b) The commissioner shall develop mechanisms for providers and case managers to
484.16 share information with the assessor to facilitate a reassessment and support planning process
484.17 tailored to the person's current needs and preferences.

484.18 Sec. 17. Minnesota Statutes 2017 Supplement, section 256B.0911, subdivision 5, is
484.19 amended to read:

484.20 Subd. 5. **Administrative activity.** (a) The commissioner shall streamline the processes,
484.21 including timelines for when assessments need to be completed, required to provide the
484.22 services in this section and shall implement integrated solutions to automate the business
484.23 processes to the extent necessary for community support plan approval, reimbursement,
484.24 program planning, evaluation, and policy development.

484.25 (b) The commissioner of human services shall work with lead agencies responsible for
484.26 conducting long-term consultation services to modify the MnCHOICES application and
484.27 assessment policies to create efficiencies while ensuring federal compliance with medical
484.28 assistance and long-term services and supports eligibility criteria.

484.29 (c) The commissioner shall work with lead agencies responsible for conducting long-term
484.30 consultation services to develop a set of measurable benchmarks sufficient to demonstrate
484.31 quarterly improvement in the average time per assessment and other mutually agreed upon
484.32 measures of increasing efficiency. The commissioner shall collect data on these benchmarks
484.33 and provide to the lead agencies and the chairs and ranking minority members of the
484.34 legislative committees with jurisdiction over human services an annual trend analysis of

485.1 the data in order to demonstrate the commissioner's compliance with the requirements of
485.2 this subdivision.

485.3 Sec. 18. Minnesota Statutes 2016, section 256B.0915, subdivision 6, is amended to read:

485.4 Subd. 6. **Implementation of coordinated service and support plan.** (a) Each elderly
485.5 waiver client shall be provided a copy of a written coordinated service and support plan
485.6 ~~which~~ that:

485.7 (1) is developed with and signed by the recipient within ~~ten working days after the case~~
485.8 ~~manager receives the assessment information and written community support plan as~~
485.9 ~~described in section 256B.0911, subdivision 3a, from the certified assessor~~ the timelines
485.10 established by the commissioner. The timeline for completing the community support plan
485.11 under section 256B.0911, subdivision 3a, and the coordinated service and support plan must
485.12 not exceed 56 calendar days from the assessment visit;

485.13 (2) includes the person's need for service and identification of service needs that will be
485.14 or that are met by the person's relatives, friends, and others, as well as community services
485.15 used by the general public;

485.16 (3) reasonably ensures the health and welfare of the recipient;

485.17 (4) identifies the person's preferences for services as stated by the person or the person's
485.18 legal guardian or conservator;

485.19 (5) reflects the person's informed choice between institutional and community-based
485.20 services, as well as choice of services, supports, and providers, including available case
485.21 manager providers;

485.22 (6) identifies long-range and short-range goals for the person;

485.23 (7) identifies specific services and the amount, frequency, duration, and cost of the
485.24 services to be provided to the person based on assessed needs, preferences, and available
485.25 resources;

485.26 (8) includes information about the right to appeal decisions under section 256.045; and

485.27 (9) includes the authorized annual and estimated monthly amounts for the services.

485.28 (b) In developing the coordinated service and support plan, the case manager should
485.29 also include the use of volunteers, religious organizations, social clubs, and civic and service
485.30 organizations to support the individual in the community. The lead agency must be held
485.31 harmless for damages or injuries sustained through the use of volunteers and agencies under
485.32 this paragraph, including workers' compensation liability.

486.1 Sec. 19. Minnesota Statutes 2016, section 256B.092, subdivision 1b, is amended to read:

486.2 Subd. 1b. **Coordinated service and support plan.** (a) Each recipient of home and
486.3 community-based waived services shall be provided a copy of the written coordinated
486.4 service and support plan ~~which~~ that:

486.5 (1) is developed with and signed by the recipient within ~~ten working days after the case~~
486.6 ~~manager receives the assessment information and written community support plan as~~
486.7 ~~described in section 256B.0911, subdivision 3a, from the certified assessor~~ the timelines
486.8 established by the commissioner. The timeline for completing the community support plan
486.9 under section 256B.0911, subdivision 3a, and the coordinated service and support plan must
486.10 not exceed 56 calendar days from the assessment visit;

486.11 (2) includes the person's need for service, including identification of service needs that
486.12 will be or that are met by the person's relatives, friends, and others, as well as community
486.13 services used by the general public;

486.14 (3) reasonably ensures the health and welfare of the recipient;

486.15 (4) identifies the person's preferences for services as stated by the person, the person's
486.16 legal guardian or conservator, or the parent if the person is a minor, including the person's
486.17 choices made on self-directed options and on services and supports to achieve employment
486.18 goals;

486.19 (5) provides for an informed choice, as defined in section 256B.77, subdivision 2,
486.20 paragraph (o), of service and support providers, and identifies all available options for case
486.21 management services and providers;

486.22 (6) identifies long-range and short-range goals for the person;

486.23 (7) identifies specific services and the amount and frequency of the services to be provided
486.24 to the person based on assessed needs, preferences, and available resources. The coordinated
486.25 service and support plan shall also specify other services the person needs that are not
486.26 available;

486.27 (8) identifies the need for an individual program plan to be developed by the provider
486.28 according to the respective state and federal licensing and certification standards, and
486.29 additional assessments to be completed or arranged by the provider after service initiation;

486.30 (9) identifies provider responsibilities to implement and make recommendations for
486.31 modification to the coordinated service and support plan;

487.1 (10) includes notice of the right to request a conciliation conference or a hearing under
487.2 section 256.045;

487.3 (11) is agreed upon and signed by the person, the person's legal guardian or conservator,
487.4 or the parent if the person is a minor, and the authorized county representative;

487.5 (12) is reviewed by a health professional if the person has overriding medical needs that
487.6 impact the delivery of services; and

487.7 (13) includes the authorized annual and monthly amounts for the services.

487.8 (b) In developing the coordinated service and support plan, the case manager is
487.9 encouraged to include the use of volunteers, religious organizations, social clubs, and civic
487.10 and service organizations to support the individual in the community. The lead agency must
487.11 be held harmless for damages or injuries sustained through the use of volunteers and agencies
487.12 under this paragraph, including workers' compensation liability.

487.13 (c) Approved, written, and signed changes to a consumer's services that meet the criteria
487.14 in this subdivision shall be an addendum to that consumer's individual service plan.

487.15 Sec. 20. Minnesota Statutes 2016, section 256B.092, subdivision 1g, is amended to read:

487.16 Subd. 1g. **Conditions not requiring development of coordinated service and support**
487.17 **plan.** (a) Unless otherwise required by federal law, the county agency is not required to
487.18 complete a coordinated service and support plan as defined in subdivision 1b for:

487.19 (1) persons whose families are requesting respite care for their family member who
487.20 resides with them, or whose families are requesting a family support grant and are not
487.21 requesting purchase or arrangement of habilitative services; and

487.22 (2) persons with developmental disabilities, living independently without authorized
487.23 services or receiving funding for services at a rehabilitation facility as defined in section
487.24 268A.01, subdivision 6, and not in need of or requesting additional services.

487.25 (b) Unless otherwise required by federal law, the county agency is not required to conduct
487.26 or arrange for an annual needs reassessment by a certified assessor. The case manager who
487.27 works on behalf of the person to identify the person's needs and to minimize the impact of
487.28 the disability on the person's life must develop a person-centered service plan based on the
487.29 person's assessed needs and preferences. The person-centered service plan must be reviewed
487.30 annually. This paragraph applies to persons with developmental disabilities who are receiving
487.31 case management services under Minnesota Rules, part 9525.0036, and who make an
487.32 informed choice to decline an assessment under section 256B.0911.

488.1 Sec. 21. Minnesota Statutes 2017 Supplement, section 256B.49, subdivision 13, is amended
488.2 to read:

488.3 Subd. 13. **Case management.** (a) Each recipient of a home and community-based waiver
488.4 shall be provided case management services by qualified vendors as described in the federally
488.5 approved waiver application. The case management service activities provided must include:

488.6 (1) finalizing the written coordinated service and support plan within ~~ten working days~~
488.7 ~~after the case manager receives the plan from the certified assessor~~ the timelines established
488.8 by the commissioner. The timeline for completing the community support plan under section
488.9 256B.0911, subdivision 3a, and the coordinated service and support plan must not exceed
488.10 56 calendar days from the assessment visit;

488.11 (2) informing the recipient or the recipient's legal guardian or conservator of service
488.12 options;

488.13 (3) assisting the recipient in the identification of potential service providers and available
488.14 options for case management service and providers, including services provided in a
488.15 non-disability-specific setting;

488.16 (4) assisting the recipient to access services and assisting with appeals under section
488.17 256.045; and

488.18 (5) coordinating, evaluating, and monitoring of the services identified in the service
488.19 plan.

488.20 (b) The case manager may delegate certain aspects of the case management service
488.21 activities to another individual provided there is oversight by the case manager. The case
488.22 manager may not delegate those aspects which require professional judgment including:

488.23 (1) finalizing the coordinated service and support plan;

488.24 (2) ongoing assessment and monitoring of the person's needs and adequacy of the
488.25 approved coordinated service and support plan; and

488.26 (3) adjustments to the coordinated service and support plan.

488.27 (c) Case management services must be provided by a public or private agency that is
488.28 enrolled as a medical assistance provider determined by the commissioner to meet all of
488.29 the requirements in the approved federal waiver plans. Case management services must not
488.30 be provided to a recipient by a private agency that has any financial interest in the provision
488.31 of any other services included in the recipient's coordinated service and support plan. For

489.1 purposes of this section, "private agency" means any agency that is not identified as a lead
489.2 agency under section 256B.0911, subdivision 1a, paragraph (e).

489.3 (d) For persons who need a positive support transition plan as required in chapter 245D,
489.4 the case manager shall participate in the development and ongoing evaluation of the plan
489.5 with the expanded support team. At least quarterly, the case manager, in consultation with
489.6 the expanded support team, shall evaluate the effectiveness of the plan based on progress
489.7 evaluation data submitted by the licensed provider to the case manager. The evaluation must
489.8 identify whether the plan has been developed and implemented in a manner to achieve the
489.9 following within the required timelines:

489.10 (1) phasing out the use of prohibited procedures;

489.11 (2) acquisition of skills needed to eliminate the prohibited procedures within the plan's
489.12 timeline; and

489.13 (3) accomplishment of identified outcomes.

489.14 If adequate progress is not being made, the case manager shall consult with the person's
489.15 expanded support team to identify needed modifications and whether additional professional
489.16 support is required to provide consultation.

489.17 Sec. 22. Minnesota Statutes 2017 Supplement, section 256B.4914, subdivision 2, is
489.18 amended to read:

489.19 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the
489.20 meanings given them, unless the context clearly indicates otherwise.

489.21 (b) "Commissioner" means the commissioner of human services.

489.22 (c) "Component value" means underlying factors that are part of the cost of providing
489.23 services that are built into the waiver rates methodology to calculate service rates.

489.24 (d) "Customized living tool" means a methodology for setting service rates that delineates
489.25 and documents the amount of each component service included in a recipient's customized
489.26 living service plan.

489.27 (e) "Direct care staff" means employees providing direct service provision to people
489.28 receiving services under this section. Direct care staff does not include executive, managerial,
489.29 and administrative staff.

489.30 (f) "Disability waiver rates system" means a statewide system that establishes rates that
489.31 are based on uniform processes and captures the individualized nature of waiver services
489.32 and recipient needs.

490.1 ~~(f)~~ (g) "Individual staffing" means the time spent as a one-to-one interaction specific to
490.2 an individual recipient by staff to provide direct support and assistance with activities of
490.3 daily living, instrumental activities of daily living, and training to participants, and is based
490.4 on the requirements in each individual's coordinated service and support plan under section
490.5 245D.02, subdivision 4b; any coordinated service and support plan addendum under section
490.6 245D.02, subdivision 4c; and an assessment tool. Provider observation of an individual's
490.7 needs must also be considered.

490.8 ~~(g)~~ (h) "Lead agency" means a county, partnership of counties, or tribal agency charged
490.9 with administering waived services under sections 256B.092 and 256B.49.

490.10 ~~(h)~~ (i) "Median" means the amount that divides distribution into two equal groups,
490.11 one-half above the median and one-half below the median.

490.12 ~~(i)~~ (j) "Payment or rate" means reimbursement to an eligible provider for services
490.13 provided to a qualified individual based on an approved service authorization.

490.14 ~~(j)~~ (k) "Rates management system" means a Web-based software application that uses
490.15 a framework and component values, as determined by the commissioner, to establish service
490.16 rates.

490.17 ~~(k)~~ (l) "Recipient" means a person receiving home and community-based services funded
490.18 under any of the disability waivers.

490.19 ~~(l)~~ (m) "Shared staffing" means time spent by employees, not defined under paragraph
490.20 ~~(f)~~ (g), providing or available to provide more than one individual with direct support and
490.21 assistance with activities of daily living as defined under section 256B.0659, subdivision
490.22 1, paragraph (b); instrumental activities of daily living as defined under section 256B.0659,
490.23 subdivision 1, paragraph (i); ancillary activities needed to support individual services; and
490.24 training to participants, and is based on the requirements in each individual's coordinated
490.25 service and support plan under section 245D.02, subdivision 4b; any coordinated service
490.26 and support plan addendum under section 245D.02, subdivision 4c; an assessment tool; and
490.27 provider observation of an individual's service need. Total shared staffing hours are divided
490.28 proportionally by the number of individuals who receive the shared service provisions.

490.29 ~~(m)~~ (n) "Staffing ratio" means the number of recipients a service provider employee
490.30 supports during a unit of service based on a uniform assessment tool, provider observation,
490.31 case history, and the recipient's services of choice, and not based on the staffing ratios under
490.32 section 245D.31.

490.33 ~~(n)~~ (o) "Unit of service" means the following:

491.1 (1) for residential support services under subdivision 6, a unit of service is a day. Any
491.2 portion of any calendar day, within allowable Medicaid rules, where an individual spends
491.3 time in a residential setting is billable as a day;

491.4 (2) for day services under subdivision 7:

491.5 (i) for day training and habilitation services, a unit of service is either:

491.6 (A) a day unit of service is defined as six or more hours of time spent providing direct
491.7 services and transportation; or

491.8 (B) a partial day unit of service is defined as fewer than six hours of time spent providing
491.9 direct services and transportation; and

491.10 (C) for new day service recipients after January 1, 2014, 15 minute units of service must
491.11 be used for fewer than six hours of time spent providing direct services and transportation;

491.12 (ii) for adult day and structured day services, a unit of service is a day or 15 minutes. A
491.13 day unit of service is six or more hours of time spent providing direct services;

491.14 (iii) for prevocational services, a unit of service is a day or an hour. A day unit of service
491.15 is six or more hours of time spent providing direct service;

491.16 (3) for unit-based services with programming under subdivision 8:

491.17 (i) for supported living services, a unit of service is a day or 15 minutes. When a day
491.18 rate is authorized, any portion of a calendar day where an individual receives services is
491.19 billable as a day; and

491.20 (ii) for all other services, a unit of service is 15 minutes; and

491.21 (4) for unit-based services without programming under subdivision 9, a unit of service
491.22 is 15 minutes.

491.23 Sec. 23. Minnesota Statutes 2017 Supplement, section 256B.4914, subdivision 3, is
491.24 amended to read:

491.25 Subd. 3. **Applicable services.** Applicable services are those authorized under the state's
491.26 home and community-based services waivers under sections 256B.092 and 256B.49,
491.27 including the following, as defined in the federally approved home and community-based
491.28 services plan:

491.29 (1) 24-hour customized living;

491.30 (2) adult day care;

- 492.1 (3) adult day care bath;
- 492.2 ~~(4) behavioral programming;~~
- 492.3 ~~(5)~~ (4) companion services;
- 492.4 ~~(6)~~ (5) customized living;
- 492.5 ~~(7)~~ (6) day training and habilitation;
- 492.6 (7) employment development services;
- 492.7 (8) employment exploration services;
- 492.8 (9) employment support services;
- 492.9 ~~(8)~~ (10) housing access coordination;
- 492.10 ~~(9)~~ (11) independent living skills;
- 492.11 (12) independent living skills specialist services;
- 492.12 (13) individualized home supports;
- 492.13 ~~(10)~~ (14) in-home family support;
- 492.14 ~~(11)~~ (15) night supervision;
- 492.15 ~~(12)~~ (16) personal support;
- 492.16 (17) positive support service;
- 492.17 ~~(13)~~ (18) prevocational services;
- 492.18 ~~(14)~~ (19) residential care services;
- 492.19 ~~(15)~~ (20) residential support services;
- 492.20 ~~(16)~~ (21) respite services;
- 492.21 ~~(17)~~ (22) structured day services;
- 492.22 ~~(18)~~ (23) supported employment services;
- 492.23 ~~(19)~~ (24) supported living services;
- 492.24 ~~(20)~~ (25) transportation services;
- 492.25 ~~(21) individualized home supports;~~
- 492.26 ~~(22) independent living skills specialist services;~~
- 492.27 ~~(23) employment exploration services;~~

493.1 ~~(24) employment development services;~~

493.2 ~~(25) employment support services; and~~

493.3 (26) other services as approved by the federal government in the state home and
493.4 community-based services plan.

493.5 Sec. 24. Minnesota Statutes 2016, section 256B.4914, subdivision 4, is amended to read:

493.6 Subd. 4. **Data collection for rate determination.** (a) Rates for applicable home and
493.7 community-based waived services, including rate exceptions under subdivision 12, are
493.8 set by the rates management system.

493.9 (b) Data for services under section 256B.4913, subdivision 4a, shall be collected in a
493.10 manner prescribed by the commissioner.

493.11 (c) Data and information in the rates management system may be used to calculate an
493.12 individual's rate.

493.13 (d) Service providers, with information from the community support plan and oversight
493.14 by lead agencies, shall provide values and information needed to calculate an individual's
493.15 rate into the rates management system. The determination of service levels must be part of
493.16 a discussion with members of the support team as defined in section 245D.02, subdivision
493.17 34. This discussion must occur prior to the final establishment of each individual's rate. The
493.18 values and information include:

493.19 (1) shared staffing hours;

493.20 (2) individual staffing hours;

493.21 (3) direct registered nurse hours;

493.22 (4) direct licensed practical nurse hours;

493.23 (5) staffing ratios;

493.24 (6) information to document variable levels of service qualification for variable levels
493.25 of reimbursement in each framework;

493.26 (7) shared or individualized arrangements for unit-based services, including the staffing
493.27 ratio;

493.28 (8) number of trips and miles for transportation services; and

493.29 (9) service hours provided through monitoring technology.

493.30 (e) Updates to individual data must include:

494.1 (1) data for each individual that is updated annually when renewing service plans; and
494.2 (2) requests by individuals or lead agencies to update a rate whenever there is a change
494.3 in an individual's service needs, with accompanying documentation.

494.4 (f) Lead agencies shall review and approve all services reflecting each individual's needs,
494.5 and the values to calculate the final payment rate for services with variables under
494.6 subdivisions 6, 7, 8, and 9 for each individual. Lead agencies must notify the individual and
494.7 the service provider of the final agreed-upon values and rate, and provide information that
494.8 is identical to what was entered into the rates management system. If a value used was
494.9 mistakenly or erroneously entered and used to calculate a rate, a provider may petition lead
494.10 agencies to correct it. Lead agencies must respond to these requests. When responding to
494.11 the request, the lead agency must consider:

494.12 (1) meeting the health and welfare needs of the individual or individuals receiving
494.13 services by service site, identified in their coordinated service and support plan under section
494.14 245D.02, subdivision 4b, and any addendum under section 245D.02, subdivision 4c;

494.15 (2) meeting the requirements for staffing under subdivision 2, paragraphs ~~(f)~~ (g), ~~(h)~~ (m),
494.16 and ~~(n)~~ (n); and meeting or exceeding the licensing standards for staffing required under
494.17 section 245D.09, subdivision 1; and

494.18 (3) meeting the staffing ratio requirements under subdivision 2, paragraph (n), and
494.19 meeting or exceeding the licensing standards for staffing required under section 245D.31.

494.20 Sec. 25. Minnesota Statutes 2017 Supplement, section 256B.4914, subdivision 5, is
494.21 amended to read:

494.22 Subd. 5. **Base wage index and standard component values.** (a) The base wage index
494.23 is established to determine staffing costs associated with providing services to individuals
494.24 receiving home and community-based services. For purposes of developing and calculating
494.25 the proposed base wage, Minnesota-specific wages taken from job descriptions and standard
494.26 occupational classification (SOC) codes from the Bureau of Labor Statistics as defined in
494.27 the most recent edition of the Occupational Handbook must be used. The base wage index
494.28 must be calculated as follows:

494.29 (1) for residential direct care staff, the sum of:

494.30 (i) 15 percent of the subtotal of 50 percent of the median wage for personal and home
494.31 health aide (SOC code 39-9021); 30 percent of the median wage for nursing assistant (SOC
494.32 code 31-1014); and 20 percent of the median wage for social and human services aide (SOC
494.33 code 21-1093); and

- 495.1 (ii) 85 percent of the subtotal of 20 percent of the median wage for home health aide
495.2 (SOC code 31-1011); 20 percent of the median wage for personal and home health aide
495.3 (SOC code 39-9021); 20 percent of the median wage for nursing assistant (SOC code
495.4 31-1014); 20 percent of the median wage for psychiatric technician (SOC code 29-2053);
495.5 and 20 percent of the median wage for social and human services aide (SOC code 21-1093);
- 495.6 (2) for day services, 20 percent of the median wage for nursing assistant (SOC code
495.7 31-1014); 20 percent of the median wage for psychiatric technician (SOC code 29-2053);
495.8 and 60 percent of the median wage for social and human services aide (SOC code 21-1093);
- 495.9 (3) for residential asleep-overnight staff, the wage is the minimum wage in Minnesota
495.10 for large employers, except in a family foster care setting, the wage is 36 percent of the
495.11 minimum wage in Minnesota for large employers;
- 495.12 (4) for behavior program analyst staff, 100 percent of the median wage for mental health
495.13 counselors (SOC code 21-1014);
- 495.14 (5) for behavior program professional staff, 100 percent of the median wage for clinical
495.15 counseling and school psychologist (SOC code 19-3031);
- 495.16 (6) for behavior program specialist staff, 100 percent of the median wage for psychiatric
495.17 technicians (SOC code 29-2053);
- 495.18 (7) for supportive living services staff, 20 percent of the median wage for nursing assistant
495.19 (SOC code 31-1014); 20 percent of the median wage for psychiatric technician (SOC code
495.20 29-2053); and 60 percent of the median wage for social and human services aide (SOC code
495.21 21-1093);
- 495.22 (8) for housing access coordination staff, 100 percent of the median wage for community
495.23 and social services specialist (SOC code 21-1099);
- 495.24 (9) for in-home family support staff, 20 percent of the median wage for nursing aide
495.25 (SOC code 31-1012); 30 percent of the median wage for community social service specialist
495.26 (SOC code 21-1099); 40 percent of the median wage for social and human services aide
495.27 (SOC code 21-1093); and ten percent of the median wage for psychiatric technician (SOC
495.28 code 29-2053);
- 495.29 (10) for individualized home supports services staff, 40 percent of the median wage for
495.30 community social service specialist (SOC code 21-1099); 50 percent of the median wage
495.31 for social and human services aide (SOC code 21-1093); and ten percent of the median
495.32 wage for psychiatric technician (SOC code 29-2053);

496.1 (11) for independent living skills staff, 40 percent of the median wage for community
496.2 social service specialist (SOC code 21-1099); 50 percent of the median wage for social and
496.3 human services aide (SOC code 21-1093); and ten percent of the median wage for psychiatric
496.4 technician (SOC code 29-2053);

496.5 (12) for independent living skills specialist staff, 100 percent of mental health and
496.6 substance abuse social worker (SOC code 21-1023);

496.7 (13) for supported employment staff, 20 percent of the median wage for nursing assistant
496.8 (SOC code 31-1014); 20 percent of the median wage for psychiatric technician (SOC code
496.9 29-2053); and 60 percent of the median wage for social and human services aide (SOC code
496.10 21-1093);

496.11 (14) for employment support services staff, 50 percent of the median wage for
496.12 rehabilitation counselor (SOC code 21-1015); and 50 percent of the median wage for
496.13 community and social services specialist (SOC code 21-1099);

496.14 (15) for employment exploration services staff, 50 percent of the median wage for
496.15 rehabilitation counselor (SOC code 21-1015); and 50 percent of the median wage for
496.16 community and social services specialist (SOC code 21-1099);

496.17 (16) for employment development services staff, 50 percent of the median wage for
496.18 education, guidance, school, and vocational counselors (SOC code 21-1012); and 50 percent
496.19 of the median wage for community and social services specialist (SOC code 21-1099);

496.20 (17) for adult companion staff, 50 percent of the median wage for personal and home
496.21 care aide (SOC code 39-9021); and 50 percent of the median wage for nursing assistant
496.22 (SOC code 31-1014);

496.23 (18) for night supervision staff, 20 percent of the median wage for home health aide
496.24 (SOC code 31-1011); 20 percent of the median wage for personal and home health aide
496.25 (SOC code 39-9021); 20 percent of the median wage for nursing assistant (SOC code
496.26 31-1014); 20 percent of the median wage for psychiatric technician (SOC code 29-2053);
496.27 and 20 percent of the median wage for social and human services aide (SOC code 21-1093);

496.28 (19) for respite staff, 50 percent of the median wage for personal and home care aide
496.29 (SOC code 39-9021); and 50 percent of the median wage for nursing assistant (SOC code
496.30 31-1014);

496.31 (20) for personal support staff, 50 percent of the median wage for personal and home
496.32 care aide (SOC code 39-9021); and 50 percent of the median wage for nursing assistant
496.33 (SOC code 31-1014);

497.1 (21) for supervisory staff, 100 percent of the median wage for community and social
497.2 services specialist (SOC code 21-1099), with the exception of the supervisor of behavior
497.3 professional, behavior analyst, and behavior specialists, which is 100 percent of the median
497.4 wage for clinical counseling and school psychologist (SOC code 19-3031);

497.5 (22) for registered nurse staff, 100 percent of the median wage for registered nurses
497.6 (SOC code 29-1141); and

497.7 (23) for licensed practical nurse staff, 100 percent of the median wage for licensed
497.8 practical nurses (SOC code 29-2061).

497.9 (b) Component values for residential support services are:

497.10 (1) supervisory span of control ratio: 11 percent;

497.11 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;

497.12 (3) employee-related cost ratio: 23.6 percent;

497.13 (4) general administrative support ratio: 13.25 percent;

497.14 (5) program-related expense ratio: 1.3 percent; and

497.15 (6) absence and utilization factor ratio: 3.9 percent.

497.16 (c) Component values for family foster care are:

497.17 (1) supervisory span of control ratio: 11 percent;

497.18 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;

497.19 (3) employee-related cost ratio: 23.6 percent;

497.20 (4) general administrative support ratio: 3.3 percent;

497.21 (5) program-related expense ratio: 1.3 percent; and

497.22 (6) absence factor: 1.7 percent.

497.23 (d) Component values for day services for all services are:

497.24 (1) supervisory span of control ratio: 11 percent;

497.25 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;

497.26 (3) employee-related cost ratio: 23.6 percent;

497.27 (4) program plan support ratio: 5.6 percent;

497.28 (5) client programming and support ratio: ten percent;

- 498.1 (6) general administrative support ratio: 13.25 percent;
- 498.2 (7) program-related expense ratio: 1.8 percent; and
- 498.3 (8) absence and utilization factor ratio: 9.4 percent.
- 498.4 (e) Component values for unit-based services with programming are:
- 498.5 (1) supervisory span of control ratio: 11 percent;
- 498.6 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 498.7 (3) employee-related cost ratio: 23.6 percent;
- 498.8 (4) program plan supports ratio: 15.5 percent;
- 498.9 (5) client programming and supports ratio: 4.7 percent;
- 498.10 (6) general administrative support ratio: 13.25 percent;
- 498.11 (7) program-related expense ratio: 6.1 percent; and
- 498.12 (8) absence and utilization factor ratio: 3.9 percent.
- 498.13 (f) Component values for unit-based services without programming except respite are:
- 498.14 (1) supervisory span of control ratio: 11 percent;
- 498.15 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 498.16 (3) employee-related cost ratio: 23.6 percent;
- 498.17 (4) program plan support ratio: 7.0 percent;
- 498.18 (5) client programming and support ratio: 2.3 percent;
- 498.19 (6) general administrative support ratio: 13.25 percent;
- 498.20 (7) program-related expense ratio: 2.9 percent; and
- 498.21 (8) absence and utilization factor ratio: 3.9 percent.
- 498.22 (g) Component values for unit-based services without programming for respite are:
- 498.23 (1) supervisory span of control ratio: 11 percent;
- 498.24 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 498.25 (3) employee-related cost ratio: 23.6 percent;
- 498.26 (4) general administrative support ratio: 13.25 percent;
- 498.27 (5) program-related expense ratio: 2.9 percent; and

499.1 (6) absence and utilization factor ratio: 3.9 percent.

499.2 (h) On July 1, 2017, the commissioner shall update the base wage index in paragraph
499.3 (a) based on the wage data by standard occupational code (SOC) from the Bureau of Labor
499.4 Statistics available on December 31, 2016. The commissioner shall publish these updated
499.5 values and load them into the rate management system. On July 1, 2022, and every five
499.6 years thereafter, the commissioner shall update the base wage index in paragraph (a) based
499.7 on the most recently available wage data by SOC from the Bureau of Labor Statistics. The
499.8 commissioner shall publish these updated values and load them into the rate management
499.9 system.

499.10 (i) On July 1, 2017, the commissioner shall update the framework components in
499.11 paragraph (d), clause (5); paragraph (e), clause (5); and paragraph (f), clause (5); subdivision
499.12 6, clauses (8) and (9); and subdivision 7, clauses (10), (16), and (17), for changes in the
499.13 Consumer Price Index. The commissioner will adjust these values higher or lower by the
499.14 percentage change in the Consumer Price Index-All Items, United States city average
499.15 (CPI-U) from January 1, 2014, to January 1, 2017. The commissioner shall publish these
499.16 updated values and load them into the rate management system. On July 1, 2022, and every
499.17 five years thereafter, the commissioner shall update the framework components in paragraph
499.18 (d), clause (5); paragraph (e), clause (5); and paragraph (f), clause (5); subdivision 6, clauses
499.19 (8) and (9); and subdivision 7, clauses (10), (16), and (17), for changes in the Consumer
499.20 Price Index. The commissioner shall adjust these values higher or lower by the percentage
499.21 change in the CPI-U from the date of the previous update to the date of the data most recently
499.22 available prior to the scheduled update. The commissioner shall publish these updated values
499.23 and load them into the rate management system.

499.24 (j) In this subdivision, if Bureau of Labor Statistics occupational codes or Consumer
499.25 Price Index items are unavailable in the future, the commissioner shall recommend to the
499.26 legislature codes or items to update and replace missing component values.

499.27 (k) The commissioner shall increase the updated base wage index in paragraph (h) with
499.28 a competitive workforce factor as follows:

499.29 (1) upon federal approval, the competitive workforce factor is 8.35 percent;

499.30 (2) effective July 1, 2019, the competitive workforce factor is decreased to 5.5 percent;

499.31 and

499.32 (3) effective July 1, 2020, the competitive workforce factor is decreased to 1.8 percent.

500.1 The lead agencies must implement changes to the competitive workforce factor on the dates
500.2 listed in clauses (1) to (3), and not as reassessments, reauthorizations, or service plan renewals
500.3 occur.

500.4 **EFFECTIVE DATE.** This section is effective upon federal approval. The commissioner
500.5 shall inform the revisor of statutes when federal approval is obtained.

500.6 Sec. 26. Minnesota Statutes 2017 Supplement, section 256B.4914, subdivision 10, is
500.7 amended to read:

500.8 Subd. 10. **Updating payment values and additional information.** (a) From January
500.9 1, 2014, through December 31, 2017, the commissioner shall develop and implement uniform
500.10 procedures to refine terms and adjust values used to calculate payment rates in this section.

500.11 (b) No later than July 1, 2014, the commissioner shall, within available resources, begin
500.12 to conduct research and gather data and information from existing state systems or other
500.13 outside sources on the following items:

500.14 (1) differences in the underlying cost to provide services and care across the state; and

500.15 (2) mileage, vehicle type, lift requirements, incidents of individual and shared rides, and
500.16 units of transportation for all day services, which must be collected from providers using
500.17 the rate management worksheet and entered into the rates management system; and

500.18 (3) the distinct underlying costs for services provided by a license holder under sections
500.19 245D.05, 245D.06, 245D.07, 245D.071, 245D.081, and 245D.09, and for services provided
500.20 by a license holder certified under section 245D.33.

500.21 (c) Beginning January 1, 2014, through December 31, 2018, using a statistically valid
500.22 set of rates management system data, the commissioner, in consultation with stakeholders,
500.23 shall analyze for each service the average difference in the rate on December 31, 2013, and
500.24 the framework rate at the individual, provider, lead agency, and state levels. The
500.25 commissioner shall issue semiannual reports to the stakeholders on the difference in rates
500.26 by service and by county during the banding period under section 256B.4913, subdivision
500.27 4a. The commissioner shall issue the first report by October 1, 2014, and the final report
500.28 shall be issued by December 31, 2018.

500.29 (d) No later than July 1, 2014, the commissioner, in consultation with stakeholders, shall
500.30 begin the review and evaluation of the following values already in subdivisions 6 to 9, or
500.31 issues that impact all services, including, but not limited to:

500.32 (1) values for transportation rates;

- 501.1 (2) values for services where monitoring technology replaces staff time;
- 501.2 (3) values for indirect services;
- 501.3 (4) values for nursing;
- 501.4 (5) values for the facility use rate in day services, and the weightings used in the day
- 501.5 service ratios and adjustments to those weightings;
- 501.6 (6) values for workers' compensation as part of employee-related expenses;
- 501.7 (7) values for unemployment insurance as part of employee-related expenses;
- 501.8 (8) any changes in state or federal law with a direct impact on the underlying cost of
- 501.9 providing home and community-based services; ~~and~~
- 501.10 (9) direct care staff labor market measures; and
- 501.11 (10) outcome measures, determined by the commissioner, for home and community-based
- 501.12 services rates determined under this section.
- 501.13 (e) The commissioner shall report to the chairs and the ranking minority members of
- 501.14 the legislative committees and divisions with jurisdiction over health and human services
- 501.15 policy and finance with the information and data gathered under paragraphs (b) to (d), and
- 501.16 subdivision 10, paragraph (g), clause (6), on the following dates:
- 501.17 (1) January 15, 2015, with preliminary results and data;
- 501.18 (2) January 15, 2016, with a status implementation update, and additional data and
- 501.19 summary information;
- 501.20 (3) January 15, 2017, with the full report; and
- 501.21 (4) January 15, 2020, with another full report, and a full report once every four years
- 501.22 thereafter.
- 501.23 (f) The commissioner shall implement a regional adjustment factor to all rate calculations
- 501.24 in subdivisions 6 to 9, effective no later than January 1, 2015. Beginning July 1, 2017, the
- 501.25 commissioner shall renew analysis and implement changes to the regional adjustment factors
- 501.26 when adjustments required under subdivision 5, paragraph (h), occur. Prior to
- 501.27 implementation, the commissioner shall consult with stakeholders on the methodology to
- 501.28 calculate the adjustment.
- 501.29 (g) The commissioner shall provide a public notice via LISTSERV in October of each
- 501.30 year beginning October 1, 2014, containing information detailing legislatively approved
- 501.31 changes in:

502.1 (1) calculation values including derived wage rates and related employee and
502.2 administrative factors;

502.3 (2) service utilization;

502.4 (3) county and tribal allocation changes; and

502.5 (4) information on adjustments made to calculation values and the timing of those
502.6 adjustments.

502.7 The information in this notice must be effective January 1 of the following year.

502.8 (h) When the available shared staffing hours in a residential setting are insufficient to
502.9 meet the needs of an individual who enrolled in residential services after January 1, 2014,
502.10 or insufficient to meet the needs of an individual with a service agreement adjustment
502.11 described in section 256B.4913, subdivision 4a, paragraph (f), then individual staffing hours
502.12 shall be used.

502.13 (i) The commissioner shall study the underlying cost of absence and utilization for day
502.14 services. Based on the commissioner's evaluation of the data collected under this paragraph,
502.15 the commissioner shall make recommendations to the legislature by January 15, 2018, for
502.16 changes, if any, to the absence and utilization factor ratio component value for day services.

502.17 (j) Beginning July 1, 2017, the commissioner shall collect transportation and trip
502.18 information for all day services through the rates management system.

502.19 Sec. 27. Minnesota Statutes 2017 Supplement, section 256B.4914, subdivision 10a, is
502.20 amended to read:

502.21 Subd. 10a. **Reporting and analysis of cost data.** (a) The commissioner must ensure
502.22 that wage values and component values in subdivisions 5 to 9 reflect the cost to provide the
502.23 service. As determined by the commissioner, in consultation with stakeholders identified
502.24 in section 256B.4913, subdivision 5, a provider enrolled to provide services with rates
502.25 determined under this section must submit requested cost data to the commissioner to support
502.26 research on the cost of providing services that have rates determined by the disability waiver
502.27 rates system. Requested cost data may include, but is not limited to:

502.28 (1) worker wage costs;

502.29 (2) benefits paid;

502.30 (3) supervisor wage costs;

502.31 (4) executive wage costs;

- 503.1 (5) vacation, sick, and training time paid;
- 503.2 (6) taxes, workers' compensation, and unemployment insurance costs paid;
- 503.3 (7) administrative costs paid;
- 503.4 (8) program costs paid;
- 503.5 (9) transportation costs paid;
- 503.6 (10) vacancy rates; and
- 503.7 (11) other data relating to costs required to provide services requested by the
- 503.8 commissioner.

503.9 (b) At least once in any five-year period, a provider must submit cost data for a fiscal

503.10 year that ended not more than 18 months prior to the submission date. The commissioner

503.11 shall provide each provider a 90-day notice prior to its submission due date. If a provider

503.12 fails to submit required reporting data, the commissioner shall provide notice to providers

503.13 that have not provided required data 30 days after the required submission date, and a second

503.14 notice for providers who have not provided required data 60 days after the required

503.15 submission date. The commissioner shall temporarily suspend payments to the provider if

503.16 cost data is not received 90 days after the required submission date. Withheld payments

503.17 shall be made once data is received by the commissioner.

503.18 (c) The commissioner shall conduct a random validation of data submitted under

503.19 paragraph (a) to ensure data accuracy. The commissioner shall analyze cost documentation

503.20 in paragraph (a) and provide recommendations for adjustments to cost components.

503.21 (d) The commissioner shall analyze cost documentation in paragraph (a) and, in

503.22 consultation with stakeholders identified in section 256B.4913, subdivision 5, may submit

503.23 recommendations on component values and inflationary factor adjustments to the chairs

503.24 and ranking minority members of the legislative committees with jurisdiction over human

503.25 services every four years beginning January 1, 2020. The commissioner shall make

503.26 recommendations in conjunction with reports submitted to the legislature according to

503.27 subdivision 10, paragraph (e). The commissioner shall release cost data in an aggregate

503.28 form, and cost data from individual providers shall not be released except as provided for

503.29 in current law.

503.30 (e) The commissioner, in consultation with stakeholders identified in section 256B.4913,

503.31 subdivision 5, shall develop and implement a process for providing training and technical

503.32 assistance necessary to support provider submission of cost documentation required under

503.33 paragraph (a).

504.1 (f) Beginning January 1, 2019, providers enrolled to provide services with rates
504.2 determined under this section shall submit labor market data to the commissioner annually.

504.3 (g) Beginning January 15, 2020, the commissioner shall publish annual reports on
504.4 provider and state-level labor market data, including, but not limited to:

504.5 (1) number of direct care staff;

504.6 (2) wages of direct care staff;

504.7 (3) benefits provided to direct care staff;

504.8 (4) direct care staff job vacancies;

504.9 (5) direct care staff retention rates; and

504.10 (6) an evaluation of the effectiveness of the competitive workforce factors.

504.11 Sec. 28. Minnesota Statutes 2017 Supplement, section 256I.03, subdivision 8, is amended
504.12 to read:

504.13 Subd. 8. **Supplementary services.** "Supplementary services" means housing support
504.14 services provided to individuals in addition to room and board including, but not limited
504.15 to, oversight and up to 24-hour supervision, medication reminders, assistance with
504.16 transportation, arranging for meetings and appointments, and arranging for medical and
504.17 social services. Providers must comply with section 256I.04, subdivision 2h.

504.18 Sec. 29. Minnesota Statutes 2017 Supplement, section 256I.04, subdivision 2b, is amended
504.19 to read:

504.20 Subd. 2b. **Housing support agreements.** (a) Agreements between agencies and providers
504.21 of housing support must be in writing on a form developed and approved by the commissioner
504.22 and must specify the name and address under which the establishment subject to the
504.23 agreement does business and under which the establishment, or service provider, if different
504.24 from the group residential housing establishment, is licensed by the Department of Health
504.25 or the Department of Human Services; the specific license or registration from the
504.26 Department of Health or the Department of Human Services held by the provider and the
504.27 number of beds subject to that license; the address of the location or locations at which
504.28 group residential housing is provided under this agreement; the per diem and monthly rates
504.29 that are to be paid from housing support funds for each eligible resident at each location;
504.30 the number of beds at each location which are subject to the agreement; whether the license
504.31 holder is a not-for-profit corporation under section 501(c)(3) of the Internal Revenue Code;

505.1 and a statement that the agreement is subject to the provisions of sections 256I.01 to 256I.06
505.2 and subject to any changes to those sections.

505.3 (b) Providers are required to verify the following minimum requirements in the
505.4 agreement:

505.5 (1) current license or registration, including authorization if managing or monitoring
505.6 medications;

505.7 (2) all staff who have direct contact with recipients meet the staff qualifications;

505.8 (3) the provision of housing support;

505.9 (4) the provision of supplementary services, if applicable;

505.10 (5) reports of adverse events, including recipient death or serious injury; ~~and~~

505.11 (6) submission of residency requirements that could result in recipient eviction; and

505.12 (7) confirmation that the provider will not limit or restrict the number of hours an
505.13 applicant or recipient chooses to be employed, as specified in subdivision 5.

505.14 (c) Agreements may be terminated with or without cause by the commissioner, the
505.15 agency, or the provider with two calendar months prior notice. The commissioner may
505.16 immediately terminate an agreement under subdivision 2d.

505.17 Sec. 30. Minnesota Statutes 2016, section 256I.04, is amended by adding a subdivision
505.18 to read:

505.19 Subd. 2h. **Required supplementary services.** Providers of supplementary services shall
505.20 ensure that recipients have, at a minimum, assistance with services as identified in the
505.21 recipient's professional statement of need under section 256I.03, subdivision 12. Providers
505.22 of supplementary services shall maintain case notes with the date and description of services
505.23 provided to individual recipients.

505.24 Sec. 31. Minnesota Statutes 2016, section 256I.04, is amended by adding a subdivision
505.25 to read:

505.26 Subd. 5. **Employment.** A provider is prohibited from limiting or restricting the number
505.27 of hours an applicant or recipient is employed.

506.1 Sec. 32. Minnesota Statutes 2017 Supplement, section 256I.05, subdivision 3, is amended
506.2 to read:

506.3 Subd. 3. **Limits on rates.** When a room and board rate is used to pay for an individual's
506.4 room and board, the rate payable to the residence must not exceed the rate paid by an
506.5 individual not receiving a room and board rate ~~under this chapter~~ but who is eligible under
506.6 section 256I.04, subdivision 1.

506.7 Sec. 33. Laws 2014, chapter 312, article 27, section 76, is amended to read:

506.8 Sec. 76. **DISABILITY WAIVER REIMBURSEMENT RATE ADJUSTMENTS.**

506.9 Subdivision 1. **Historical rate.** The commissioner of human services shall adjust the
506.10 historical rates calculated in Minnesota Statutes, section 256B.4913, subdivision 4a,
506.11 paragraph (b), in effect during the banding period under Minnesota Statutes, section
506.12 256B.4913, subdivision 4a, paragraph (a), for the reimbursement rate increases effective
506.13 April 1, 2014, and any rate modification enacted during the 2014 legislative session.

506.14 ~~Subd. 2. **Residential support services.** The commissioner of human services shall adjust~~
506.15 ~~the rates calculated in Minnesota Statutes, section 256B.4914, subdivision 6, paragraphs~~
506.16 ~~(b), clause (4), and (c), for the reimbursement rate increases effective April 1, 2014, and~~
506.17 ~~any rate modification enacted during the 2014 legislative session.~~

506.18 ~~Subd. 3. **Day programs.** The commissioner of human services shall adjust the rates~~
506.19 ~~calculated in Minnesota Statutes, section 256B.4914, subdivision 7, paragraph (a), clauses~~
506.20 ~~(15) to (17), for the reimbursement rate increases effective April 1, 2014, and any rate~~
506.21 ~~modification enacted during the 2014 legislative session.~~

506.22 ~~Subd. 4. **Unit-based services with programming.** The commissioner of human services~~
506.23 ~~shall adjust the rate calculated in Minnesota Statutes, section 256B.4914, subdivision 8,~~
506.24 ~~paragraph (a), clause (14), for the reimbursement rate increases effective April 1, 2014, and~~
506.25 ~~any rate modification enacted during the 2014 legislative session.~~

506.26 ~~Subd. 5. **Unit-based services without programming.** The commissioner of human~~
506.27 ~~services shall adjust the rate calculated in Minnesota Statutes, section 256B.4914, subdivision~~
506.28 ~~9, paragraph (a), clause (23), for the reimbursement rate increases effective April 1, 2014,~~
506.29 ~~and any rate modification enacted during the 2014 legislative session.~~

506.30 **EFFECTIVE DATE.** This section is effective upon federal approval of the competitive
506.31 workforce factor under section 25, or January 1, 2019, whichever occurs first. The

507.1 commissioner of human services shall notify the revisor if this section becomes effective
 507.2 prior to January 1, 2019.

507.3 Sec. 34. Laws 2017, First Special Session chapter 6, article 1, section 52, is amended to
 507.4 read:

507.5 Sec. 52. **RANDOM MOMENT TIME STUDY EVALUATION REQUIRED.**

507.6 The commissioner of human services shall implement administrative efficiencies and
 507.7 evaluate the random moment time study methodology for reimbursement of costs associated
 507.8 with county duties required under Minnesota Statutes, section 256B.0911. The evaluation
 507.9 must determine whether random moment is efficient and effective in supporting functions
 507.10 of assessment and support planning and the purpose under Minnesota Statutes, section
 507.11 256B.0911, subdivision 1. The commissioner shall submit a report to the chairs and ranking
 507.12 minority members of the house of representatives and senate committees with jurisdiction
 507.13 over health and human services by January 15, 2019. The report must include at least one
 507.14 option for a flat-rate payment methodology for long-term care consultation assessment and
 507.15 support planning services, draft legislation to implement the flat-rate options, a fiscal analysis
 507.16 of the flat-rate options, and a policy analysis of the flat-rate options, including the
 507.17 commissioner's rationale for supporting or opposing the option that is, in the commissioner's
 507.18 opinion, the best of the flat-rate options.

507.19 Sec. 35. Laws 2017, First Special Session chapter 6, article 3, section 49, is amended to
 507.20 read:

507.21 Sec. 49. **ELECTRONIC SERVICE DELIVERY DOCUMENTATION SYSTEM**
 507.22 **VISIT VERIFICATION.**

507.23 Subdivision 1. **Documentation; establishment.** The commissioner of human services
 507.24 shall establish implementation requirements and standards for ~~an electronic service delivery~~
 507.25 ~~documentation system~~ visit verification to comply with the 21st Century Cures Act, Public
 507.26 Law 114-255. Within available appropriations, the commissioner shall take steps to comply
 507.27 with the electronic visit verification requirements in the 21st Century Cures Act, Public
 507.28 Law 114-255.

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

507.31 (b) "Electronic ~~service delivery documentation~~ visit verification" means the electronic
 507.32 documentation of the:

508.1 (1) type of service performed;

508.2 (2) individual receiving the service;

508.3 (3) date of the service;

508.4 (4) location of the service delivery;

508.5 (5) individual providing the service; and

508.6 (6) time the service begins and ends.

508.7 (c) "~~Electronic service delivery documentation~~ visit verification system" means a system
508.8 that provides electronic ~~service delivery documentation~~ verification of services that complies
508.9 with the 21st Century Cures Act, Public Law 114-255, and the requirements of subdivision
508.10 3.

508.11 (d) "Service" means one of the following:

508.12 (1) personal care assistance services as defined in Minnesota Statutes, section 256B.0625,
508.13 subdivision 19a, and provided according to Minnesota Statutes, section 256B.0659; ~~or~~

508.14 (2) community first services and supports under Minnesota Statutes, section 256B.85;

508.15 (3) home health services under Minnesota Statutes, section 256B.0625, subdivision 6a;

508.16 or

508.17 (4) other medical supplies and equipment or home and community-based services that
508.18 are required to be electronically verified by the 21st Century Cures Act, Public Law 114-255.

508.19 Subd. 3. **System requirements.** (a) In developing implementation requirements for an
508.20 ~~electronic service delivery documentation system~~ visit verification, the commissioner shall
508.21 ~~consider electronic visit verification systems and other electronic service delivery~~
508.22 ~~documentation methods. The commissioner shall convene stakeholders that will be impacted~~
508.23 ~~by an electronic service delivery system, including service providers and their representatives,~~
508.24 ~~service recipients and their representatives, and, as appropriate, those with expertise in the~~
508.25 ~~development and operation of an electronic service delivery documentation system, to ensure~~
508.26 that the requirements:

508.27 (1) are minimally administratively and financially burdensome to a provider;

508.28 (2) are minimally burdensome to the service recipient and the least disruptive to the
508.29 service recipient in receiving and maintaining allowed services;

508.30 (3) consider existing best practices and use of electronic ~~service delivery documentation~~
508.31 visit verification;

509.1 (4) are conducted according to all state and federal laws;

509.2 (5) are effective methods for preventing fraud when balanced against the requirements
509.3 of clauses (1) and (2); and

509.4 (6) are consistent with the Department of Human Services' policies related to covered
509.5 services, flexibility of service use, and quality assurance.

509.6 (b) The commissioner shall make training available to providers on the electronic ~~service~~
509.7 ~~delivery documentation~~ visit verification system requirements.

509.8 (c) The commissioner shall establish baseline measurements related to preventing fraud
509.9 and establish measures to determine the effect of electronic ~~service delivery documentation~~
509.10 visit verification requirements on program integrity.

509.11 (d) The commissioner shall make a state-selected electronic visit verification system
509.12 available to providers of services.

509.13 Subd. 3a. **Provider requirements.** (a) Providers of services may select their own
509.14 electronic visit verification system that meets the requirements established by the
509.15 commissioner.

509.16 (b) All electronic visit verification systems used by providers to comply with the
509.17 requirements established by the commissioner must provide data to the commissioner in a
509.18 format and at a frequency to be established by the commissioner.

509.19 (c) Providers must implement the electronic visit verification systems required under
509.20 this section by January 1, 2019, for personal care services and by January 1, 2023, for home
509.21 health services in accordance with the 21st Century Cures Act, Public Law 114-255, and
509.22 the Centers for Medicare and Medicaid Services guidelines. For the purposes of this
509.23 paragraph, "personal care services" and "home health services" have the meanings given
509.24 in United States Code, title 42, section 1396b(l)(5).

509.25 ~~Subd. 4. **Legislative report.** (a) The commissioner shall submit a report by January 15,~~
509.26 ~~2018, to the chairs and ranking minority members of the legislative committees with~~
509.27 ~~jurisdiction over human services with recommendations, based on the requirements of~~
509.28 ~~subdivision 3, to establish electronic service delivery documentation system requirements~~
509.29 ~~and standards. The report shall identify:~~

509.30 (1) ~~the essential elements necessary to operationalize a base-level electronic service~~
509.31 ~~delivery documentation system to be implemented by January 1, 2019; and~~

510.1 ~~(2) enhancements to the base-level electronic service delivery documentation system to~~
 510.2 ~~be implemented by January 1, 2019, or after, with projected operational costs and the costs~~
 510.3 ~~and benefits for system enhancements.~~

510.4 ~~(b) The report must also identify current regulations on service providers that are either~~
 510.5 ~~inefficient, minimally effective, or will be unnecessary with the implementation of an~~
 510.6 ~~electronic service delivery documentation system.~~

510.7 **Sec. 36. ANALYSIS OF LICENSING ADULT FOSTER CARE.**

510.8 The commissioner shall complete an analysis of settings identified by the commissioner,
 510.9 in collaboration with county licensing agencies, as needing a license under Minnesota
 510.10 Statutes, section 245A.03, subdivision 7, paragraph (a), clause (7), to determine if revisions
 510.11 to the definition of residential program for recipients of home and community-based waiver
 510.12 services are needed. The commissioner shall engage stakeholders, including licensed
 510.13 providers of services governed by Minnesota Statutes, chapter 245D, and family members
 510.14 who own and maintain control of the residence in which the service recipients live, in the
 510.15 process of determining if revisions are needed and developing recommendations. The
 510.16 commissioner shall provide a summary of the analysis and stakeholder input along with
 510.17 recommendations, if any, to revise the definition of residential program under Minnesota
 510.18 Statutes, section 245A.02, subdivision 14, to the chairs and ranking minorities members of
 510.19 the legislative committees with jurisdiction over human services by February 15, 2019.

510.20 **Sec. 37. DIRECTION TO COMMISSIONER.**

510.21 Between July 1, 2018, and December 31, 2018, or until federal approval of the
 510.22 competitive workforce factor under section 25 if federal approval is obtained before
 510.23 December 31, 2018, the commissioner of human services shall continue to reimburse the
 510.24 Centers for Medicare and Medicaid Services for the disallowed federal share of the rate
 510.25 increases described in Laws 2014, chapter 312, article 27, section 76, subdivisions 2 to 5.

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

510.27 **Sec. 38. DIRECTION TO COMMISSIONER; BI AND CADI WAIVER**
 510.28 **CUSTOMIZED LIVING SERVICES PROVIDER LOCATED IN HENNEPIN**
 510.29 **COUNTY.**

510.30 (a) The commissioner of human services shall allow a housing with services establishment
 510.31 located in Minneapolis that provides customized living and 24-hour customized living
 510.32 services for clients enrolled in the brain injury (BI) or community access for disability

511.1 inclusion (CADI) waiver and had a capacity to serve 66 clients as of July 1, 2017, to transfer
 511.2 service capacity of up to 66 clients to no more than three new housing with services
 511.3 establishments located in Hennepin County.

511.4 (b) Notwithstanding Minnesota Statutes, section 256B.492, the commissioner shall
 511.5 determine whether the new housing with services establishments described under paragraph
 511.6 (a) meet the BI and CADI waiver customized living and 24-hour customized living size
 511.7 limitation exception for clients receiving those services at the new housing with services
 511.8 establishments described under paragraph (a).

511.9 **Sec. 39. DIRECTION TO COMMISSIONER.**

511.10 (a) The commissioner of human services must ensure that the MnCHOICES 2.0
 511.11 assessment and support planning tool incorporates a qualitative approach with open-ended
 511.12 questions and a conversational, culturally sensitive approach to interviewing that captures
 511.13 the assessor's professional judgment based on the person's responses.

511.14 (b) If the commissioner of human services convenes a working group or consults with
 511.15 stakeholders for the purposes of modifying the assessment and support planning process or
 511.16 tool, the commissioner must include members of the disability community, including
 511.17 representatives of organizations and individuals involved in assessment and support planning.

511.18 **Sec. 40. REVISOR'S INSTRUCTION.**

511.19 The revisor of statutes shall codify Laws 2017, First Special Session chapter 6, article
 511.20 3, section 49, as amended in this act, in Minnesota Statutes, chapter 256B.

511.21 **Sec. 41. REPEALER.**

511.22 Minnesota Statutes 2016, section 256B.0705, is repealed.

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

511.24 **ARTICLE 31**

511.25 **HUMAN SERVICES FORECAST ADJUSTMENTS**

511.26 **Section 1. HUMAN SERVICES APPROPRIATION.**

511.27 The dollar amounts shown in the columns marked "Appropriations" are added to or, if
 511.28 shown in parentheses, are subtracted from the appropriations in Laws 2017, First Special
 511.29 Session chapter 6, article 18, from the general fund or any fund named to the Department
 511.30 of Human Services for the purposes specified in this article, to be available for the fiscal

512.1 year indicated for each purpose. The figures "2018" and "2019" used in this article mean
 512.2 that the appropriations listed under them are available for the fiscal years ending June 30,
 512.3 2018, or June 30, 2019, respectively. "The first year" is fiscal year 2018. "The second year"
 512.4 is fiscal year 2019. "The biennium" is fiscal years 2018 and 2019.

512.5 **APPROPRIATIONS**
 512.6 **Available for the Year**
 512.7 **Ending June 30**
 512.8 **2018** **2019**

512.9 **Sec. 2. COMMISSIONER OF HUMAN**
 512.10 **SERVICES**

512.11 **Subdivision 1. Total Appropriation** **\$** **(208,963,000)** **\$** **(88,363,000)**

512.12 **Appropriations by Fund**

512.13 **General Fund** **(210,083,000)** **(103,535,000)**

512.14 **Health Care Access**

512.15 **Fund** **7,620,000** **9,258,000**

512.16 **Federal TANF** **(6,500,000)** **5,914,000**

512.17 **Subd. 2. Forecasted Programs**

512.18 **(a) MFIP/DWP**

512.19 **Appropriations by Fund**

512.20 **General Fund** **(3,749,000)** **(11,267,000)**

512.21 **Federal TANF** **(7,418,000)** **4,565,000**

512.22 **(b) MFIP Child Care Assistance** **(7,995,000)** **(521,000)**

512.23 **(c) General Assistance** **(4,850,000)** **(3,770,000)**

512.24 **(d) Minnesota Supplemental Aid** **(1,179,000)** **(821,000)**

512.25 **(e) Housing Support** **(3,260,000)** **(3,038,000)**

512.26 **(f) Northstar Care for Children** **(5,168,000)** **(6,458,000)**

512.27 **(g) MinnesotaCare** **7,620,000** **9,258,000**

512.28 **These appropriations are from the health care**

512.29 **access fund.**

512.30 **(h) Medical Assistance**

512.31 **Appropriations by Fund**

512.32 **General Fund** **(199,817,000)** **(106,124,000)**

512.33 **Health Care Access**

512.34 **Fund** **-0-** **-0-**

513.1	<u>(i) Alternative Care Program</u>	<u>-0-</u>	<u>-0-</u>
513.2	<u>(j) CCDTF Entitlements</u>	<u>15,935,000</u>	<u>28,464,000</u>
513.3	<u>Subd. 3. Technical Activities</u>	<u>918,000</u>	<u>1,349,000</u>

513.4 These appropriations are from the federal

513.5 TANF fund.

513.6 EFFECTIVE DATE. This section is effective June 1, 2018.

513.7 **ARTICLE 32**

513.8 **APPROPRIATIONS**

513.9 Section 1. **HEALTH AND HUMAN SERVICES APPROPRIATIONS.**

513.10 The sums shown in the columns marked "Appropriations" are added to or, if shown in
513.11 parentheses, subtracted from the appropriations in Laws 2017, First Special Session chapter
513.12 6, article 18, to the agencies and for the purposes specified in this article. The appropriations
513.13 are from the general fund, or another named fund, and are available for the fiscal years
513.14 indicated for each purpose. The figures "2018" and "2019" used in this article mean that
513.15 the addition to or subtraction from appropriations listed under them are available for the
513.16 fiscal year ending June 30, 2018, or June 30, 2019, respectively. Base level adjustments
513.17 mean the addition or subtraction from the base level adjustments in Laws 2017, First Special
513.18 Session chapter 6, article 18. "The first year" is fiscal year 2018. "The second year" is fiscal
513.19 year 2019. "The biennium" is fiscal years 2018 and 2019. Supplemental appropriations and
513.20 reductions to appropriations for the fiscal year ending June 30, 2018, are effective June 30,
513.21 2018, unless a different effective date is specified.

513.22 **APPROPRIATIONS**

513.23 **Available for the Year**

513.24 **Ending June 30**

513.25 **2018** **2019**

513.26 **Sec. 2. COMMISSIONER OF HUMAN**
513.27 **SERVICES**

513.28 **Subdivision 1. Total Appropriation** **\$** **-0-** **\$** **30,176,000**

514.1	<u>The amounts that may be spent for each</u>		
514.2	<u>purpose are specified in the following</u>		
514.3	<u>subdivisions.</u>		
514.4	<u>Subd. 2. Central Office; Operations</u>	<u>-0-</u>	<u>5,318,000</u>
514.5	<u>(a) Person-Centered Telepresence Platform</u>		
514.6	<u>Expansion Work Group. \$23,000 in fiscal</u>		
514.7	<u>year 2019 is for the Person-Centered</u>		
514.8	<u>Telepresence Platform Expansion Work Group</u>		
514.9	<u>in article 29, section 6. This is a onetime</u>		
514.10	<u>appropriation.</u>		
514.11	<u>(b) Base Level Adjustment. The general fund</u>		
514.12	<u>base is increased by \$6,564,000 in fiscal year</u>		
514.13	<u>2020 and increased by \$6,587,000 in fiscal</u>		
514.14	<u>year 2021.</u>		
514.15	<u>Subd. 3. Central Office; Children and Families</u>	<u>-0-</u>	<u>1,933,000</u>
514.16	<u>Child Welfare Training. \$1,933,000 in fiscal</u>		
514.17	<u>year 2019 is for initial costs for the child</u>		
514.18	<u>welfare training in Minnesota Statutes, section</u>		
514.19	<u>260C.81. No money from this appropriation</u>		
514.20	<u>may be used for indirect costs by an entity</u>		
514.21	<u>under contract to implement Minnesota</u>		
514.22	<u>Statutes, section 260C.81. This is a onetime</u>		
514.23	<u>appropriation and is available until June 30,</u>		
514.24	<u>2021.</u>		
514.25	<u>Subd. 4. Central Office; Health Care</u>	<u>-0-</u>	<u>1,024,000</u>
514.26	<u>Base Level Adjustment. The general fund</u>		
514.27	<u>base is increased by \$1,507,000 in fiscal year</u>		
514.28	<u>2020 and increased by \$1,513,000 in fiscal</u>		
514.29	<u>year 2021.</u>		
514.30	<u>Subd. 5. Central Office; Continuing Care for</u>		
514.31	<u>Older Adults</u>	<u>-0-</u>	<u>418,000</u>
514.32	<u>Base Level Adjustment. The general fund</u>		
514.33	<u>base is increased by \$425,000 in fiscal year</u>		

515.1	<u>2020 and increased by \$425,000 in fiscal year</u>		
515.2	<u>2021.</u>		
515.3	<u>Subd. 6. Central Office; Community Supports</u>	<u>-0-</u>	<u>3,942,000</u>
515.4	<u>Base Level Adjustment.</u> The general fund		
515.5	<u>base is increased by \$3,968,000 in fiscal year</u>		
515.6	<u>2020 and increased by \$3,968,000 in fiscal</u>		
515.7	<u>year 2021.</u>		
515.8	<u>Subd. 7. Forecasted Programs; Medical</u>		
515.9	<u>Assistance</u>	<u>-0-</u>	<u>26,670,000</u>
515.10	<u>Subd. 8. Forecasted Programs; Alternative Care</u>	<u>-0-</u>	<u>(28,000)</u>
515.11	<u>Subd. 9. Forecasted Programs; Chemical</u>		
515.12	<u>Dependency Treatment Fund</u>	<u>-0-</u>	<u>(14,243,000)</u>
515.13	<u>Subd. 10. Grant Programs; Children's Services</u>		
515.14	<u>Grants</u>	<u>-0-</u>	<u>365,000</u>
515.15	<u>American Indian Child Welfare Initiative.</u>		
515.16	<u>\$365,000 in fiscal year 2019 is for planning</u>		
515.17	<u>efforts to expand the American Indian Child</u>		
515.18	<u>Welfare Initiative authorized under Minnesota</u>		
515.19	<u>Statutes, section 256.01, subdivision 14b. Of</u>		
515.20	<u>this appropriation, \$240,000 is for grants to</u>		
515.21	<u>the Mille Lacs Band of Ojibwe and \$125,000</u>		
515.22	<u>is for grants to the Red Lake Nation. This is</u>		
515.23	<u>a onetime appropriation.</u>		
515.24	<u>Subd. 11. Adult Mental Health Grants</u>		
515.25	<u>Peer-Run Respite Services in Todd County.</u>		
515.26	<u>On June 1, 2018, any unexpended balance</u>		
515.27	<u>from the appropriation in Laws 2017, First</u>		
515.28	<u>Special Session chapter 6, article 18, section</u>		
515.29	<u>2, subdivision 30, paragraph (a), is canceled.</u>		
515.30	<u>In fiscal year 2018, the unexpended balance</u>		
515.31	<u>in the general fund from this law is for Todd</u>		
515.32	<u>County for the planning and development of</u>		
515.33	<u>a peer-run respite center for individuals</u>		
515.34	<u>experiencing mental health conditions or</u>		
515.35	<u>co-occurring substance abuse disorder. This</u>		

516.1 is a onetime appropriation and is available
516.2 until June 30, 2021. The grant is contingent
516.3 on Todd County providing to the
516.4 commissioner of human services a plan to
516.5 fund, operate, and sustain the program and
516.6 services after the onetime state grant is
516.7 expended. Todd County must outline the
516.8 proposed funding stream or mechanism, and
516.9 any necessary local funding commitment,
516.10 which will ensure the program will result in a
516.11 sustainable program. The funding stream may
516.12 include state funding for programs and
516.13 services for which the individuals served under
516.14 this paragraph may be eligible. The
516.15 commissioner of human services, in
516.16 collaboration with Todd County, may explore
516.17 a plan for continued funding using existing
516.18 appropriations through eligibility for group
516.19 residential housing under Minnesota Statutes,
516.20 chapter 256I.

516.21 The peer-run respite center must:

516.22 (1) admit individuals who are in need of peer
516.23 support and supportive services while
516.24 addressing an increase in symptoms or
516.25 stressors or exacerbation of their mental health
516.26 or substance abuse;

516.27 (2) admit individuals to reside at the center on
516.28 a short-term basis, no longer than five days;

516.29 (3) be operated by a nonprofit organization;

516.30 (4) employ individuals who have personal
516.31 experience with mental health or co-occurring
516.32 substance abuse conditions who meet the
516.33 qualifications of a mental health certified peer

517.1 specialist under Minnesota Statutes, section
 517.2 256B.0615, or a recovery peer;
 517.3 (5) provide at least three but no more than six
 517.4 beds in private rooms; and
 517.5 (6) not provide clinical services.

517.6 By November 1, 2018, the commissioner of
 517.7 human services, in consultation with Todd
 517.8 County, shall report to the committees in the
 517.9 senate and house of representatives with
 517.10 jurisdiction over mental health issues, the
 517.11 status of planning and development of the
 517.12 peer-run respite center, and the plan to
 517.13 financially support the program and services
 517.14 after the state grant is expended.

517.15 **Subd. 12. Grant Programs; Child Mental Health**
 517.16 **Grants**

-0-

4,777,000

517.17 **(a) School-Linked Mental Health Services**
 517.18 **by Telemedicine.** \$4,777,000 in fiscal year
 517.19 2019 is to sustain and expand grants under
 517.20 Minnesota Statutes, section 245.4889,
 517.21 subdivision 1, paragraph (b), clause (8),
 517.22 including the delivery of school-linked mental
 517.23 health services by telemedicine. The base for
 517.24 this appropriation is \$4,752,000 in fiscal year
 517.25 2020 and \$4,752,000 in fiscal year 2021.

517.26 **(b) Base Level Adjustment.** The general fund
 517.27 base is increased by \$4,752,000 in fiscal year
 517.28 2020 and increased by \$4,752,000 in fiscal
 517.29 year 2021.

517.30 **Sec. 3. COMMISSIONER OF HEALTH**

517.31 **Subdivision 1. Total Appropriation**

\$-0- \$7,785,000

517.32 Appropriations by Fund

517.33

20182019

518.1	<u>General</u>	<u>-0-</u>	<u>6,591,000</u>
518.2	<u>State Government</u>		
518.3	<u>Special Revenue</u>	<u>-0-</u>	<u>1,284,000</u>

518.4 The amounts that may be spent for each
 518.5 purpose are specified in the following
 518.6 subdivisions.

518.7 **Subd. 2. Health Improvement**

518.8 Appropriations by Fund

518.9	<u>General Fund</u>	<u>-0-</u>	<u>3,551,000</u>
518.10	<u>State Government</u>		
518.11	<u>Special Revenue</u>	<u>-0-</u>	<u>1,259,000</u>

518.12 **(a) Opioid Overdose Reduction Pilot**

518.13 **Program.** \$1,062,000 in fiscal year 2019 is
 518.14 for the opioid overdose reduction pilot
 518.15 program in article 23, section 16. Of this
 518.16 appropriation, the commissioner may use up
 518.17 to \$112,000 to administer the program. This
 518.18 is a onetime appropriation and is available
 518.19 until June 30, 2021.

518.20 **(b) Low-Value Health Services Study.**

518.21 \$389,000 in fiscal year 2019 is for the
 518.22 low-value health services study in article 23,
 518.23 section 15. The base for this appropriation is
 518.24 \$106,000 in fiscal year 2020.

518.25 **(c) Statewide Tobacco Cessation Services.**

518.26 \$291,000 in fiscal year 2019 is appropriated
 518.27 from the health care access fund for statewide
 518.28 tobacco cessation services under Minnesota
 518.29 Statutes, section 144.397. The base for this
 518.30 appropriation is \$1,550,000 in fiscal year
 518.31 2020, and \$2,955,000 in fiscal year 2021.

518.32 **(d) Reduction of Statewide Health**

518.33 **Improvement Program Appropriation.** The
 518.34 appropriation in Laws 2017, First Special
 518.35 Session chapter 6, article 18, section 3,

519.1 subdivision 2, from the health care access fund
519.2 for the statewide health improvement program
519.3 under Minnesota Statutes, section 145.986, is
519.4 reduced by \$291,000 in fiscal year 2019. The
519.5 base for this reduction is \$1,550,000 in fiscal
519.6 year 2020, and \$2,955,000 in fiscal year 2021.

519.7 **(e) Additional Funding for Opioid**
519.8 **Prevention Pilot Projects.** \$2,000,000 in
519.9 fiscal year 2019 is appropriated for opioid
519.10 abuse prevention pilot projects under Laws
519.11 2017, First Special Session chapter 6, article
519.12 10, section 144. Of this amount, \$1,400,000
519.13 is for the opioid abuse prevention pilot project
519.14 through CHI St. Gabriel's Health Family
519.15 Medical Center, also known as Unity Family
519.16 Health Care. \$600,000 is for Project Echo
519.17 through CHI St. Gabriel's Health Family
519.18 Medical Center for e-learning sessions
519.19 centered around opioid case management and
519.20 best practices for opioid abuse prevention.
519.21 This is a onetime appropriation.

519.22 **(f) Medical Cannabis.** \$1,259,000 in fiscal
519.23 year 2019 is from the state government special
519.24 revenue fund for administration of the medical
519.25 cannabis program. The base for this
519.26 appropriation is \$1,759,000 in fiscal year 2020
519.27 and \$2,259,000 in fiscal year 2021.

519.28 **(g) Voice Response Suicide Prevention and**
519.29 **Mental Health Crisis Response Program.**
519.30 \$100,000 in fiscal year 2019 is from the
519.31 general fund for a grant to a Minnesota
519.32 nonprofit that is experienced in and currently
519.33 providing voice response mental health crisis
519.34 services and is Minnesota's provider of the
519.35 National Suicide Prevention Lifeline. The

520.1 grant is to continue providing free and
 520.2 confidential emotional support to people in
 520.3 suicidal crisis or emotional distress 24 hours
 520.4 a day, seven days a week. This is a onetime
 520.5 appropriation.

520.6 **(h) Base Level Adjustments.** The general
 520.7 fund base is increased by \$106,000 in fiscal
 520.8 year 2020. The state government special
 520.9 revenue fund base is increased by \$1,759,000
 520.10 in fiscal year 2020 and increased by
 520.11 \$2,259,000 in fiscal year 2021.

520.12 **Subd. 3. Health Protection**

520.13	<u>Appropriations by Fund</u>		
520.14	<u>General</u>	<u>-0-</u>	<u>3,040,000</u>
520.15	<u>State Government</u>		
520.16	<u>Special Revenue</u>	<u>-0-</u>	<u>25,000</u>

520.17 **(a) Regulation of Low-Dose X-Ray Security**
 520.18 **Screening Systems.** \$29,000 in fiscal year
 520.19 2019 is from the state government special
 520.20 revenue fund for rulemaking under Minnesota
 520.21 Statutes, section 144.121. The base for this
 520.22 appropriation is \$21,000 in fiscal year 2020
 520.23 and \$21,000 in fiscal year 2021.

520.24 **(b) Assisted Living Report Card Work**
 520.25 **Group.** \$59,000 in fiscal year 2019 is from
 520.26 the general fund for the assisted living report
 520.27 card work group. This is a onetime
 520.28 appropriation.

520.29 **(c) Base Level Adjustment.** The general fund
 520.30 base is increased by \$3,923,000 in fiscal year
 520.31 2020 and increased by \$3,923,000 in fiscal
 520.32 year 2021. The state government special
 520.33 revenue fund base is increased by \$17,000 in
 520.34 fiscal year 2020 and increased by \$17,000 in
 520.35 fiscal year 2021.

521.1 **Sec. 4. HEALTH-RELATED BOARDS**521.2 **Subdivision 1. Total Appropriation** \$ -0- \$ 278,000

521.3 This appropriation is from the state
 521.4 government special revenue fund. The
 521.5 amounts that may be spent for each purpose
 521.6 are specified in the following subdivisions.

521.7 **Subd. 2. Board of Pharmacy** -0- 278,000

521.8 This appropriation is for migration to a new
 521.9 information technology platform for the
 521.10 prescription monitoring program. This is a
 521.11 onetime appropriation

521.12 **Sec. 5. LEGISLATIVE COORDINATING**
521.13 **COMMISSION.** \$ -0- \$ 137,000

521.14 **(a) Health Policy Commission.** \$137,000 in
 521.15 fiscal year 2019 is for administration of the
 521.16 Health Policy Commission under Minnesota
 521.17 Statutes, section 62J.90. The base for this
 521.18 appropriation is \$405,000 in fiscal year 2020
 521.19 and \$410,000 in fiscal year 2021.

521.20 **(b) Base Level Adjustment.** The base is
 521.21 increased by \$405,000 in fiscal year 2020 and
 521.22 is increased by \$410,000 in fiscal year 2021.

521.23 **Sec. 6. TRANSFERS.**

521.24 By June 30, 2019, the commissioner of management and budget shall transfer \$3,174,000
 521.25 from the general fund to the health care access fund. Notwithstanding section 7, by June
 521.26 30, 2020, the commissioner of management and budget shall transfer \$3,174,000 from the
 521.27 health care access fund to the general fund. These are onetime transfers.

521.28 By June 30, 2018, the commissioner of management and budget shall transfer
 521.29 \$14,000,000 from the systems operations account in the special revenue fund to the general
 521.30 fund. This is a onetime transfer.

521.31 **EFFECTIVE DATE.** This section is effective June 1, 2018.

522.1 Sec. 7. **EXPIRATION OF UNCODIFIED LANGUAGE.**

522.2 All uncodified language contained in this article expires on June 30, 2019, unless a
522.3 different expiration date is specified.

522.4 Sec. 8. **EFFECTIVE DATE.**

522.5 This article is effective July 1, 2018, unless a different effective date is specified.

522.6 **ARTICLE 33**

522.7 **SCHOOL SAFETY**

522.8 Section 1. Minnesota Statutes 2016, section 123B.61, is amended to read:

522.9 **123B.61 PURCHASE OF CERTAIN EQUIPMENT.**

522.10 (a) The board of a district may issue general obligation certificates of indebtedness or
522.11 capital notes subject to the district debt limits to:

522.12 ~~(a)~~ (1) purchase vehicles, computers, telephone systems, cable equipment, photocopy
522.13 and office equipment, technological equipment for instruction, public announcement systems,
522.14 emergency communications devices, other equipment related to violence prevention and
522.15 facility security, and other capital equipment having an expected useful life at least as long
522.16 as the terms of the certificates or notes;

522.17 ~~(b)~~ (2) purchase computer hardware and software, without regard to its expected useful
522.18 life, whether bundled with machinery or equipment or unbundled, together with application
522.19 development services and training related to the use of the computer; and

522.20 ~~(c)~~ (3) prepay special assessments.

522.21 (b) The certificates or notes must be payable in not more than ten years and must be
522.22 issued on the terms and in the manner determined by the board, except that certificates or
522.23 notes issued to prepay special assessments must be payable in not more than 20 years. The
522.24 certificates or notes may be issued by resolution and without the requirement for an election.
522.25 The certificates or notes are general obligation bonds for purposes of section 126C.55.

522.26 (c) A tax levy must be made for the payment of the principal and interest on the
522.27 certificates or notes, in accordance with section 475.61, as in the case of bonds. The sum
522.28 of the tax levies under this section and section 123B.62 for each year must not exceed the
522.29 lesser of the sum of the amount of the district's total operating capital revenue and safe
522.30 schools revenue or the sum of the district's levy in the general and community service funds

523.1 excluding the adjustments under this section for the year preceding the year the initial debt
523.2 service levies are certified.

523.3 (d) The district's general fund levy for each year must be reduced by the sum of:

523.4 (1) the amount of the tax levies for debt service certified for each year for payment of
523.5 the principal and interest on the certificates or notes issued under this section as required
523.6 by section 475.61⁵/₂;

523.7 (2) the amount of the tax levies for debt service certified for each year for payment of
523.8 the principal and interest on bonds issued under section 123B.62⁵/₂; and

523.9 (3) any excess amount in the debt redemption fund used to retire bonds, certificates, or
523.10 notes issued under this section or section 123B.62 after April 1, 1997, other than amounts
523.11 used to pay capitalized interest.

523.12 (e) If the district's general fund levy is less than the amount of the reduction, the balance
523.13 shall be deducted first from the district's community service fund levy, and next from the
523.14 district's general fund or community service fund levies for the following year.

523.15 (f) A district using an excess amount in the debt redemption fund to retire the certificates
523.16 or notes shall report the amount used for this purpose to the commissioner by July 15 of the
523.17 following fiscal year. A district having an outstanding capital loan under section 126C.69
523.18 or an outstanding debt service loan under section 126C.68 must not use an excess amount
523.19 in the debt redemption fund to retire the certificates or notes.

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

523.21 Sec. 2. Minnesota Statutes 2016, section 126C.44, is amended to read:

523.22 **126C.44 SAFE SCHOOLS LEVY REVENUE.**

523.23 Subdivision 1. Safe schools revenue. ~~(a) Each district may make a levy on all taxable~~
523.24 ~~property located within the district for the purposes specified in this section. The maximum~~
523.25 ~~amount which may be levied for all costs under this section shall be equal to \$36 multiplied~~
523.26 ~~by the district's adjusted pupil units for the school year. For fiscal year 2019 and later, safe~~
523.27 schools revenue for a school district equals the sum of its safe schools levy and its safe
523.28 schools aid.

523.29 Subd. 2. Safe schools levy. (a) For fiscal year 2019 and later, a district's safe schools
523.30 levy equals the sum of its initial safe schools levy and its cooperative safe schools levy.

523.31 (b) For fiscal year 2019 and later, the initial safe schools levy for a district equals \$36
523.32 times the district's adjusted pupil units for the school year.

524.1 (c) For fiscal year 2019 and later, the cooperative safe schools levy for a school district
524.2 that is a member of an intermediate school district equals \$15 times the district's adjusted
524.3 pupil units for the school year.

524.4 Subd. 3. **Safe schools aid.** (a) For fiscal year 2019 and later, a district's safe schools aid
524.5 equals the sum of its initial safe schools aid and its cooperative safe schools aid.

524.6 (b) For fiscal year 2019 and later, the initial safe schools aid for a district equals the
524.7 greater of (1) \$25,000 minus the permitted levy under subdivision 2, paragraph (b), or (2)
524.8 \$3.65 times the district's adjusted pupil units for the school year.

524.9 (c) For fiscal year 2019 only, the cooperative safe schools aid for a school district that
524.10 is a member of a cooperative unit other than an intermediate district that enrolls students
524.11 equals \$7.50 times the district's adjusted pupil units for the school year.

524.12 Subd. 3a. **Intermediate district and cooperative unit revenue transfer.** Revenue
524.13 raised under subdivision 2, paragraph (c), and subdivision 3, paragraph (c), must be
524.14 transferred to the intermediate school district or other cooperative unit of which the district
524.15 is a member and used only for costs associated with safe schools activities authorized under
524.16 subdivision 5, paragraph (a), clauses (1) to (10). If the district is a member of more than
524.17 one cooperative unit that enrolls students, the revenue must be allocated among the
524.18 cooperative units.

524.19 Subd. 4. **Safe schools revenue for a charter school.** (a) For fiscal year 2019 and later,
524.20 safe schools revenue for a charter school equals \$3.65 times the adjusted pupil units for the
524.21 school year.

524.22 (b) The revenue must be reserved and used only for costs associated with safe schools
524.23 activities authorized under subdivision 5, paragraph (a), clauses (1) to (10), or for building
524.24 lease expenses not funded by charter school building lease aid that are attributable to facility
524.25 security enhancements made by the landlord after March 1, 2018.

524.26 Subd. 4a. **Fiscal year 2019 additional safe schools revenue.** (a) For fiscal year 2019
524.27 only, safe schools aid for a school district under subdivision 3 is increased by an amount
524.28 equal to \$16.23 times the district's adjusted pupil units for the school year.

524.29 (b) For fiscal year 2019 only, safe schools revenue for a charter school under subdivision
524.30 4 is increased by an amount equal to \$16.23 times the charter school's adjusted pupil units
524.31 for the school year.

525.1 Subd. 5. Uses of safe schools revenue. The ~~proceeds of the levy~~ revenue must be reserved
 525.2 and used for directly funding the following purposes or for reimbursing the cities and
 525.3 counties who contract with the district for the following purposes:

525.4 (1) to pay the costs incurred for the salaries, benefits, and transportation costs of peace
 525.5 officers and sheriffs for liaison in services in the district's schools;

525.6 (2) to pay the costs for a drug abuse prevention program as defined in section 609.101,
 525.7 subdivision 3, paragraph (e), in the elementary schools;

525.8 (3) to pay the costs for a gang resistance education training curriculum in the district's
 525.9 schools;

525.10 (4) to pay the costs for security in the district's schools and on school property;

525.11 (5) to pay the costs for other crime prevention, drug abuse, student and staff safety,
 525.12 voluntary opt-in suicide prevention tools, and violence prevention measures taken by the
 525.13 school district;

525.14 (6) to pay costs for licensed school counselors, licensed school nurses, licensed school
 525.15 social workers, licensed school psychologists, and licensed alcohol and chemical dependency
 525.16 counselors to help provide early responses to problems;

525.17 (7) to pay for facility security enhancements including laminated glass, public
 525.18 announcement systems, emergency communications devices, and equipment and facility
 525.19 modifications related to violence prevention and facility security;

525.20 (8) to pay for costs associated with improving the school climate; ~~or~~

525.21 (9) to pay costs for collocating and collaborating with mental health ~~professionals~~
 525.22 providers who are not district employees or contractors or to purchase equipment, connection
 525.23 charges, set-up fees, and site fees in order to deliver mental health services via telemedicine
 525.24 in school;

525.25 (10) to pay the costs of enhancing cybersecurity in the district's information systems; or

525.26 (11) by board resolution, to transfer money into the debt redemption fund to pay the
 525.27 amounts needed to meet, when due, principal and interest payments on obligations issued
 525.28 under sections 123B.61 and 123B.62 for purposes included in clause (7).

525.29 (b) For expenditures under paragraph (a), clause (1), the district must initially attempt
 525.30 to contract for services to be provided by peace officers or sheriffs with the police department
 525.31 of each city or the sheriff's department of the county within the district containing the school
 525.32 receiving the services. If a local police department or a county sheriff's department does

526.1 not wish to provide the necessary services, the district may contract for these services with
 526.2 any other police or sheriff's department located entirely or partially within the school district's
 526.3 boundaries.

526.4 ~~(c) A school district that is a member of an intermediate school district may include in~~
 526.5 ~~its authority under this section the costs associated with safe schools activities authorized~~
 526.6 ~~under paragraph (a) for intermediate school district programs. This authority must not exceed~~
 526.7 ~~\$15 times the adjusted pupil units of the member districts. This authority is in addition to~~
 526.8 ~~any other authority authorized under this section. Revenue raised under this paragraph must~~
 526.9 ~~be transferred to the intermediate school district. Notwithstanding paragraph (a), safe schools~~
 526.10 ~~aid for a school district and safe schools revenue for a charter school must not be used for~~
 526.11 ~~the purpose under paragraph (a), clause (8).~~

526.12 Subd. 6. **Report.** By January 15 of each year, the commissioner of education must deliver
 526.13 to the chairs and ranking minority members of the legislative committees with jurisdiction
 526.14 over kindergarten through grade 12 education a report detailing district-level expenditures
 526.15 of safe schools revenue for the prior fiscal year for each of the authorized purposes under
 526.16 subdivision 5.

526.17 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2019 and later.

526.18 Sec. 3. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 34,
 526.19 is amended to read:

526.20 Subd. 34. **Sanneh Foundation.** (a) For a grant to the Sanneh Foundation to provide
 526.21 all-day, in-school, and before- and after-school academic and behavioral interventions for
 526.22 low-performing and chronically absent students with a focus on low-income students and
 526.23 students of color throughout the school year and during the summer to decrease absenteeism,
 526.24 encourage school engagement, and improve grades and graduation rates.

526.25 \$ 1,000,000 2018

526.26 \$ 250,000 2019

526.27 (b) Funds appropriated ~~in this section~~ for fiscal year 2018 must be used to establish and
 526.28 provide services in schools where the Sanneh Foundation does not currently operate, and
 526.29 must not be used for programs operating in schools as of June 30, 2017. Funds appropriated
 526.30 for fiscal year 2019 may be used to provide services under paragraph (a) in any school.

526.31 (c) This is a onetime appropriation. Any balance in the first year does not cancel but is
 526.32 available in the second year.

527.1 Sec. 4. **TRANSFER OF UNSPENT CONSOLIDATION TRANSITION AID FOR**
 527.2 **INCENTIVE GRANTS FOR CHARACTER DEVELOPMENT EDUCATION.**

527.3 Notwithstanding Minnesota Statutes, section 123A.485, if no school district is eligible
 527.4 for a consolidation transition aid entitlement for fiscal year 2019, the consolidation transition
 527.5 aid appropriation for fiscal year 2019 in article 41, section 2 is transferred to the
 527.6 commissioner of education for additional incentive grants for character development
 527.7 education under article 33, section 5, subdivision 3. This is a onetime transfer for fiscal year
 527.8 2019 only.

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

527.10 Sec. 5. **APPROPRIATION.**

527.11 Subdivision 1. **Department of Education.** The sums indicated in this section are
 527.12 appropriated from the general fund to the Department of Education for the fiscal year
 527.13 designated.

527.14 Subd. 2. **Safe schools revenue.** For safe schools revenue under Minnesota Statutes,
 527.15 section 126C.44, subdivision 1:

527.16 \$ 19,814,000 2019

527.17 The 2019 appropriation includes \$0 for 2018 and \$19,814,000 for 2019.

527.18 Subd. 3. **Incentive grants for character development education.** (a) For incentive
 527.19 grants to public schools and charter schools that offer the Congressional Medal of Honor
 527.20 character development program:

527.21 \$ 455,000 2019

527.22 (b) The commissioner must award grants to public schools and charter schools that
 527.23 demonstrate use of the Congressional Medal of Honor character development program. The
 527.24 commissioner must allocate the appropriation proportionally among the public schools and
 527.25 charter schools that apply, not to exceed \$5,000 per school per fiscal year. If the entire
 527.26 appropriation is not expended in fiscal year 2019, the commissioner must award additional
 527.27 grants in fiscal years 2020 and 2021. The grant award may be used for any school-related
 527.28 purpose consistent with Minnesota Statutes, section 120B.232.

527.29 (c) This is a onetime appropriation. The appropriation is available until June 30, 2021.

527.30 Subd. 4. **Suicide prevention training for teachers.** (a) For a grant to Kognito to offer
 527.31 evidence-based online training for teachers on suicide prevention and engaging students
 527.32 experiencing mental distress:

529.1 state aid to a district in an amount sufficient to reimburse the parent or guardian for the
 529.2 necessary transportation costs when the family's or guardian's income is at or below the
 529.3 poverty level, as determined by the federal government. The reimbursement shall be the
 529.4 pupil's actual cost of transportation or ~~15 cents~~ the United States Internal Revenue Service
 529.5 business standard mileage rate per mile traveled, whichever is less. Reimbursement may
 529.6 not be paid for more than 250 miles per week. However, if the nearest postsecondary
 529.7 institution is more than 25 miles from the pupil's resident secondary school, the weekly
 529.8 reimbursement may not exceed the reimbursement rate per mile times the actual distance
 529.9 between the secondary school or the pupil's home and the nearest postsecondary institution
 529.10 times ten. The state must pay aid to the district according to this subdivision.

529.11 (b) A parent or guardian of an alternative pupil enrolled in a course for secondary credit
 529.12 may apply to the pupil's postsecondary institution for reimbursement for transporting the
 529.13 pupil between the secondary school in which the pupil is enrolled or the pupil's home and
 529.14 the postsecondary institution in an amount sufficient to reimburse the parent or guardian
 529.15 for the necessary transportation costs when the family's or guardian's income is at or below
 529.16 the poverty level, as determined by the federal government. The amount of the reimbursement
 529.17 shall be determined as in paragraph (a). The state must pay aid to the postsecondary institution
 529.18 according to this subdivision.

529.19 (c) "Necessary transportation costs" under this subdivision includes the costs of
 529.20 transportation in a private vehicle, bus, taxi, or other shared vehicle.

529.21 **EFFECTIVE DATE.** This section is effective for fiscal year 2019 and later.

529.22 Sec. 3. Minnesota Statutes 2017 Supplement, section 124D.68, subdivision 2, is amended
 529.23 to read:

529.24 Subd. 2. **Eligible pupils.** (a) A pupil under the age of 21 or who meets the requirements
 529.25 of section 120A.20, subdivision 1, paragraph (c), is eligible to participate in the graduation
 529.26 incentives program, if the pupil:

- 529.27 (1) performs substantially below the performance level for pupils of the same age in a
 529.28 locally determined achievement test;
- 529.29 (2) is behind in satisfactorily completing coursework or obtaining credits for graduation;
- 529.30 (3) is pregnant or is a parent;
- 529.31 (4) has been assessed as chemically dependent;
- 529.32 (5) has been excluded or expelled according to sections 121A.40 to 121A.56;

530.1 (6) has been referred by a school district for enrollment in an eligible program or a
530.2 program pursuant to section 124D.69;

530.3 (7) is a victim of physical or sexual abuse;

530.4 (8) has experienced mental health problems;

530.5 (9) has experienced homelessness sometime within six months before requesting a
530.6 transfer to an eligible program;

530.7 (10) speaks English as a second language or is an English learner; or

530.8 (11) has withdrawn from school or has been chronically truant; or

530.9 (12) is being treated in a hospital in the seven-county metropolitan area for cancer or
530.10 other life threatening illness or is the sibling of an eligible pupil who is being currently
530.11 treated, and resides with the pupil's family at least 60 miles beyond the outside boundary
530.12 of the seven-county metropolitan area.

530.13 (b) For fiscal ~~years 2017 and 2018~~ year 2019 only, a pupil otherwise qualifying under
530.14 paragraph (a) who is at least 21 years of age and not yet 22 years of age, is an English learner
530.15 with an interrupted formal education according to section 124D.59, subdivision 2a, and was
530.16 in an early middle college program during the previous school year is eligible to participate
530.17 in the graduation incentives program under section 124D.68 and in concurrent enrollment
530.18 courses offered under section 124D.09, subdivision 10, and is funded in the same manner
530.19 as other pupils under this section.

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

530.21 Sec. 4. Minnesota Statutes 2016, section 124E.20, subdivision 1, is amended to read:

530.22 Subdivision 1. **Revenue calculation.** (a) General education revenue must be paid to a
530.23 charter school as though it were a district. The general education revenue for each adjusted
530.24 pupil unit is the state average general education revenue per pupil unit, plus the referendum
530.25 equalization aid allowance and first tier local optional aid allowance in the pupil's district
530.26 of residence, minus an amount equal to the product of the formula allowance according to
530.27 section 126C.10, subdivision 2, times .0466, calculated without declining enrollment revenue,
530.28 local optional revenue, basic skills revenue, extended time revenue, pension adjustment
530.29 revenue, transition revenue, and transportation sparsity revenue, plus declining enrollment
530.30 revenue, basic skills revenue, pension adjustment revenue, and transition revenue as though
530.31 the school were a school district.

531.1 (b) For a charter school operating an extended day, extended week, or summer program,
 531.2 the general education revenue in paragraph (a) is increased by an amount equal to 25 percent
 531.3 of the statewide average extended time revenue per adjusted pupil unit.

531.4 (c) Notwithstanding paragraph (a), the general education revenue for an eligible special
 531.5 education charter school as defined in section 124E.21, subdivision 2, equals the sum of
 531.6 the amount determined under paragraph (a) and the school's unreimbursed cost as defined
 531.7 in section 124E.21, subdivision 2, for educating students not eligible for special education
 531.8 services.

531.9 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2020 and later.

531.10 Sec. 5. Minnesota Statutes 2016, section 126C.10, subdivision 2e, is amended to read:

531.11 Subd. 2e. **Local optional revenue.** (a) For fiscal year 2019, local optional revenue for
 531.12 a school district equals \$424 times the adjusted pupil units of the district for that school
 531.13 year. For fiscal year 2020 and later, local optional revenue for a school district equals the
 531.14 sum of the district's first tier local optional revenue and second tier local optional revenue.
 531.15 A district's first tier local optional revenue equals \$300 times the adjusted pupil units of the
 531.16 district for that school year. A district's second tier local optional revenue equals \$424 times
 531.17 the adjusted pupil units of the district for that school year.

531.18 (b) For fiscal year 2019, a district's local optional levy equals its local optional revenue
 531.19 times the lesser of one or the ratio of its referendum market value per resident pupil unit to
 531.20 \$510,000. For fiscal year 2020 and later, a district's local optional levy equals the sum of
 531.21 the first tier local optional levy and the second tier local optional levy. A district's first tier
 531.22 local optional levy equals the district's first tier local optional revenue times the lesser of
 531.23 one or the ratio of the district's referendum market value per resident pupil unit to \$880,000.
 531.24 A district's second tier local optional levy equals the district's second tier local optional
 531.25 revenue times the lesser of one or the ratio of the district's referendum market value per
 531.26 resident pupil unit to \$510,000. The local optional revenue levy must be spread on referendum
 531.27 market value. A district may levy less than the permitted amount.

531.28 (c) A district's local optional aid equals its local optional revenue less its local optional
 531.29 ~~levy, times the ratio of the actual amount levied to the permitted levy.~~ If a district's actual
 531.30 levy for first or second tier local optional revenue is less than its maximum levy limit for
 531.31 that tier, aid shall be proportionately reduced.

531.32 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2020 and later.

532.1 Sec. 6. Minnesota Statutes 2016, section 126C.10, subdivision 24, is amended to read:

532.2 Subd. 24. **Equity revenue.** (a) A school district qualifies for equity revenue if:

532.3 (1) the school district's adjusted pupil unit amount of basic revenue, transition revenue,
532.4 first tier local optional revenue, and referendum revenue is less than the value of the school
532.5 district at or immediately above the 95th percentile of school districts in its equity region
532.6 for those revenue categories; and

532.7 (2) the school district's administrative offices are not located in a city of the first class
532.8 on July 1, 1999.

532.9 (b) Equity revenue ~~for a qualifying district that receives referendum revenue under~~
532.10 ~~section 126C.17, subdivision 4,~~ equals the product of (1) the district's adjusted pupil units
532.11 for that year; times (2) the sum of (i) \$14, plus (ii) \$80, times the school district's equity
532.12 index computed under subdivision 27.

532.13 ~~(e) Equity revenue for a qualifying district that does not receive referendum revenue~~
532.14 ~~under section 126C.17, subdivision 4, equals the product of the district's adjusted pupil units~~
532.15 ~~for that year times \$14.~~

532.16 ~~(d)~~ (c) A school district's equity revenue is increased by the greater of zero or an amount
532.17 equal to the district's adjusted pupil units times the difference between ten percent of the
532.18 statewide average amount of referendum revenue and first tier local optional revenue per
532.19 adjusted pupil unit for that year and the sum of the district's referendum revenue and first
532.20 tier local optional revenue per adjusted pupil unit. A school district's revenue under this
532.21 paragraph must not exceed \$100,000 for that year.

532.22 ~~(e)~~ (d) A school district's equity revenue for a school district located in the metro equity
532.23 region equals the amount computed in paragraphs (b); and (c); ~~and (d)~~ multiplied by 1.25.

532.24 ~~(f)~~ (e) For fiscal years 2017, 2018, and 2019 for a school district not included in paragraph
532.25 ~~(e)~~ (d), a district's equity revenue equals the amount computed in paragraphs (b); and (c);
532.26 ~~and (d)~~ multiplied by 1.16. For fiscal year 2020 and later for a school district not included
532.27 in paragraph ~~(e)~~ (d), a district's equity revenue equals the amount computed in paragraphs
532.28 (b); and (c); ~~and (d)~~ multiplied by 1.25.

532.29 ~~(g)~~ (f) A school district's additional equity revenue equals \$50 times its adjusted pupil
532.30 units.

532.31 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2020 and later.

533.1 Sec. 7. Minnesota Statutes 2016, section 126C.17, subdivision 1, is amended to read:

533.2 Subdivision 1. **Referendum allowance.** (a) A district's initial referendum allowance for
533.3 fiscal year 2020 and later equals the result of the following calculations:

533.4 ~~(1) multiply the referendum allowance the district would have received for fiscal year~~
533.5 ~~2015 under Minnesota Statutes 2012, section 126C.17, subdivision 1, based on elections~~
533.6 ~~held before July 1, 2013, by the resident marginal cost pupil units the district would have~~
533.7 ~~counted for fiscal year 2015 under Minnesota Statutes 2012, section 126C.05;~~

533.8 ~~(2) add to the result of clause (1) the adjustment the district would have received under~~
533.9 ~~Minnesota Statutes 2012, section 127A.47, subdivision 7, paragraphs (a), (b), and (c), based~~
533.10 ~~on elections held before July 1, 2013;~~

533.11 ~~(3) divide the result of clause (2) by the district's adjusted pupil units for fiscal year~~
533.12 ~~2015;~~

533.13 ~~(4) add to the result of clause (3) any additional referendum allowance per adjusted pupil~~
533.14 ~~unit authorized by elections held between July 1, 2013, and December 31, 2013;~~

533.15 ~~(5) add to the result in clause (4) any additional referendum allowance resulting from~~
533.16 ~~inflation adjustments approved by the voters prior to January 1, 2014;~~

533.17 ~~(6) subtract from the result of clause (5), the sum of a district's actual local optional levy~~
533.18 ~~and local optional aid under section 126C.10, subdivision 2e, divided by the adjusted pupil~~
533.19 ~~units of the district for that school year; and~~

533.20 (1) subtract \$424 from the district's allowance under Minnesota Statutes 2016, section
533.21 126C.17, subdivision 1, paragraph (a), clause (5);

533.22 (2) if the result of clause (1) is less than zero, set the allowance to zero;

533.23 (3) add to the result in clause (2) any new referendum allowance authorized between
533.24 July 1, 2013, and December 31, 2013, under Minnesota Statutes 2013, section 126C.17,
533.25 subdivision 9a;

533.26 (4) add to the result in clause (3) any additional referendum allowance per adjusted pupil
533.27 unit authorized between January 1, 2014, and June 30, 2018;

533.28 (5) subtract from the result in clause (4) any allowances expiring in fiscal year 2016,
533.29 2017, 2018, or 2019;

533.30 (6) subtract \$300 from the result in clause (5); and

533.31 (7) if the result of clause (6) is less than zero, set the allowance to zero.

534.1 (b) A district's referendum allowance equals the sum of the district's initial referendum
 534.2 allowance, plus any new referendum allowance authorized ~~between July 1, 2013, and~~
 534.3 ~~December 31, 2013, under subdivision 9a, plus any additional referendum allowance per~~
 534.4 ~~adjusted pupil unit authorized after December 31, 2013, after July 1, 2018,~~ minus any
 534.5 allowances expiring in fiscal year ~~2016~~ 2020 or later, plus any inflation adjustments for
 534.6 fiscal year 2020 and later approved by the voters prior to July 1, 2018, provided that the
 534.7 allowance may not be less than zero. ~~For a district with more than one referendum allowance~~
 534.8 ~~for fiscal year 2015 under Minnesota Statutes 2012, section 126C.17, the allowance calculated~~
 534.9 ~~under paragraph (a), clause (3), must be divided into components such that the same~~
 534.10 ~~percentage of the district's allowance expires at the same time as the old allowances would~~
 534.11 ~~have expired under Minnesota Statutes 2012, section 126C.17.~~ For a district with more than
 534.12 one allowance for fiscal year 2015 that expires in the same year, the reduction under
 534.13 paragraph (a), ~~clause~~ clauses (1) and (6), to offset local optional revenue shall be made first
 534.14 from any allowances that do not have an inflation adjustment approved by the voters.

534.15 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2020 and later.

534.16 Sec. 8. Minnesota Statutes 2016, section 126C.17, subdivision 2, is amended to read:

534.17 Subd. 2. **Referendum allowance limit.** (a) Notwithstanding subdivision 1, for fiscal
 534.18 year ~~2015~~ 2020 and later, a district's referendum allowance must not exceed ~~the annual~~
 534.19 ~~inflationary increase as calculated under paragraph (b) times the greatest of:~~

534.20 (1) \$1,845 the product of the annual inflationary increase as calculated under paragraph
 534.21 (b), and \$2,012.53, minus \$300;

534.22 (2) the product of the annual inflationary increase as calculated under paragraph (b),
 534.23 and the sum of the referendum revenue the district would have received for fiscal year 2015
 534.24 under Minnesota Statutes 2012, section 126C.17, subdivision 4, based on elections held
 534.25 before July 1, 2013, and the adjustment the district would have received under Minnesota
 534.26 Statutes 2012, section 127A.47, subdivision 7, paragraphs (a), (b), and (c), based on elections
 534.27 held before July 1, 2013, divided by the district's adjusted pupil units for fiscal year 2015,
 534.28 minus \$300;

534.29 (3) ~~the product of the referendum allowance limit the district would have received for~~
 534.30 ~~fiscal year 2015 under Minnesota Statutes 2012, section 126C.17, subdivision 2, and the~~
 534.31 ~~resident marginal cost pupil units the district would have received for fiscal year 2015 under~~
 534.32 ~~Minnesota Statutes 2012, section 126C.05, subdivision 6, plus the adjustment the district~~
 534.33 ~~would have received under Minnesota Statutes 2012, section 127A.47, subdivision 7,~~
 534.34 ~~paragraphs (a), (b), and (c), based on elections held before July 1, 2013, divided by the~~

535.1 ~~district's adjusted pupil units for fiscal year 2015; minus \$424 for a newly reorganized~~
 535.2 ~~district created on July 1, 2019, the referendum revenue authority for each reorganizing~~
 535.3 ~~district in the year preceding reorganization divided by its adjusted pupil units for the year~~
 535.4 ~~preceding reorganization, minus \$300; or~~

535.5 (4) for a newly reorganized district created after July 1, ~~2013~~ 2020, the referendum
 535.6 revenue authority for each reorganizing district in the year preceding reorganization divided
 535.7 by its adjusted pupil units for the year preceding reorganization.

535.8 (b) For purposes of this subdivision, for fiscal year ~~2016~~ 2021 and later, "inflationary
 535.9 increase" means one plus the percentage change in the Consumer Price Index for urban
 535.10 consumers, as prepared by the United States Bureau of Labor Standards, for the current
 535.11 fiscal year to fiscal year ~~2015~~ 2020. ~~For fiscal year 2016 and later, for purposes of paragraph~~
 535.12 ~~(a), clause (3), the inflationary increase equals one-fourth of the percentage increase in the~~
 535.13 ~~formula allowance for that year compared with the formula allowance for fiscal year 2015.~~

535.14 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2020 and later.

535.15 Sec. 9. Minnesota Statutes 2016, section 126C.17, subdivision 5, is amended to read:

535.16 Subd. 5. **Referendum equalization revenue.** (a) A district's referendum equalization
 535.17 revenue equals the sum of the first tier referendum equalization revenue and the second tier
 535.18 referendum equalization revenue, ~~and the third tier referendum equalization revenue.~~

535.19 (b) A district's first tier referendum equalization revenue equals the district's first tier
 535.20 referendum equalization allowance times the district's adjusted pupil units for that year.

535.21 (c) A district's first tier referendum equalization allowance equals the lesser of the
 535.22 district's referendum allowance under subdivision 1 or ~~\$300~~ \$460.

535.23 (d) A district's second tier referendum equalization revenue equals the district's second
 535.24 tier referendum equalization allowance times the district's adjusted pupil units for that year.

535.25 (e) A district's second tier referendum equalization allowance equals the lesser of the
 535.26 district's referendum allowance under subdivision 1 or ~~\$760, minus the district's first tier~~
 535.27 ~~referendum equalization allowance.~~

535.28 ~~(f) A district's third tier referendum equalization revenue equals the district's third tier~~
 535.29 ~~referendum equalization allowance times the district's adjusted pupil units for that year.~~

535.30 ~~(g) A district's third tier referendum equalization allowance equals the lesser of the~~
 535.31 ~~district's referendum allowance under subdivision 1 or 25 percent of the formula allowance,~~

536.1 minus the sum of \$300 and the district's first tier referendum equalization allowance ~~and~~
 536.2 ~~second tier referendum equalization allowance.~~

536.3 ~~(h)~~ (f) Notwithstanding paragraph ~~(g)~~ (e), the ~~third~~ second tier referendum allowance
 536.4 for a district qualifying for secondary sparsity revenue under section 126C.10, subdivision
 536.5 7, or elementary sparsity revenue under section 126C.10, subdivision 8, equals the district's
 536.6 referendum allowance under subdivision 1 minus the ~~sum of the~~ district's first tier referendum
 536.7 equalization allowance ~~and second tier referendum equalization allowance.~~

536.8 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2020 and later.

536.9 Sec. 10. Minnesota Statutes 2016, section 126C.17, subdivision 6, is amended to read:

536.10 Subd. 6. **Referendum equalization levy.** (a) A district's referendum equalization levy
 536.11 equals the sum of the first tier referendum equalization levy; and the second tier referendum
 536.12 equalization levy; ~~and the third tier referendum equalization levy.~~

536.13 (b) A district's first tier referendum equalization levy equals the district's first tier
 536.14 referendum equalization revenue times the lesser of one or the ratio of the district's
 536.15 referendum market value per resident pupil unit to ~~\$880,000~~ \$510,000.

536.16 (c) A district's second tier referendum equalization levy equals the district's second tier
 536.17 referendum equalization revenue times the lesser of one or the ratio of the district's
 536.18 referendum market value per resident pupil unit to ~~\$510,000~~ \$290,000.

536.19 ~~(d) A district's third tier referendum equalization levy equals the district's third tier~~
 536.20 ~~referendum equalization revenue times the lesser of one or the ratio of the district's~~
 536.21 ~~referendum market value per resident pupil unit to \$290,000.~~

536.22 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2020 and later.

536.23 Sec. 11. Minnesota Statutes 2016, section 126C.17, subdivision 7, is amended to read:

536.24 Subd. 7. **Referendum equalization aid.** (a) A district's referendum equalization aid
 536.25 equals the difference between its referendum equalization revenue and levy.

536.26 (b) If a district's actual levy for first; or second; ~~or third~~ tier referendum equalization
 536.27 revenue is less than its maximum levy limit for that tier, aid shall be proportionately reduced.

536.28 (c) Notwithstanding paragraph (a), the referendum equalization aid for a district; ~~where~~
 536.29 ~~the referendum equalization aid under paragraph (a) exceeds 90 percent of the referendum~~
 536.30 ~~revenue;~~ must not exceed (1) the difference between 25 percent of the formula allowance

537.1 and \$300 times (2) the district's adjusted pupil units. A district's referendum levy is increased
 537.2 by the amount of any reduction in referendum aid under this paragraph.

537.3 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2020 and later.

537.4 Sec. 12. Minnesota Statutes 2016, section 126C.17, subdivision 7a, is amended to read:

537.5 Subd. 7a. **Referendum tax base replacement aid.** For each school district that had a
 537.6 referendum allowance for fiscal year 2002 exceeding \$415, for each separately authorized
 537.7 referendum levy, the commissioner of revenue, in consultation with the commissioner of
 537.8 education, shall certify the amount of the referendum levy in taxes payable year 2001
 537.9 attributable to the portion of the referendum allowance exceeding \$415 levied against
 537.10 property classified as class 2, noncommercial 4c(1), or 4c(4), under section 273.13, excluding
 537.11 the portion of the tax paid by the portion of class 2a property consisting of the house, garage,
 537.12 and surrounding one acre of land. The resulting amount must be used to reduce the district's
 537.13 referendum levy or first tier local optional levy amount otherwise determined, and must be
 537.14 paid to the district each year that the referendum or first tier local optional authority remains
 537.15 in effect, is renewed, or new referendum authority is approved. The aid payable under this
 537.16 subdivision must be subtracted from the district's referendum equalization aid under
 537.17 subdivision 7. The referendum equalization aid and the first tier local optional aid after the
 537.18 subtraction must not be less than zero.

537.19 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2020 and later.

537.20 Sec. 13. Laws 2017, First Special Session chapter 5, article 1, section 19, subdivision 2,
 537.21 is amended to read:

537.22 Subd. 2. **General education aid.** For general education aid under Minnesota Statutes,
 537.23 section 126C.13, subdivision 4:

537.24		7,032,051,000		
537.25	\$	<u>7,078,769,000</u>	.....	2018
537.26		7,227,809,000		
537.27	\$	<u>7,239,247,000</u>	.....	2019

537.28 The 2018 appropriation includes \$686,828,000 for 2017 and ~~\$6,345,223,000~~
 537.29 \$6,391,941,000 for 2018.

537.30 The 2019 appropriation includes ~~\$705,024,000~~ \$683,110,000 for 2018 and
 537.31 ~~\$6,522,785,000~~ \$6,556,137,000 for 2019.

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

538.1 Sec. 14. Laws 2017, First Special Session chapter 5, article 1, section 19, subdivision 3,
538.2 is amended to read:

538.3 Subd. 3. **Enrollment options transportation.** For transportation of pupils attending
538.4 postsecondary institutions under Minnesota Statutes, section 124D.09, or for transportation
538.5 of pupils attending nonresident districts under Minnesota Statutes, section 124D.03:

538.6		29,000		
538.7	\$	<u>25,000</u>	.....	2018
538.8		31,000		
538.9	\$	<u>29,000</u>	.....	2019

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

538.11 Sec. 15. **REPEALER.**

538.12 (a) Minnesota Statutes 2016, section 126C.17, subdivision 9a, is repealed.

538.13 (b) Minnesota Statutes 2016, section 126C.16, subdivisions 1 and 3, are repealed.

538.14 **EFFECTIVE DATE.** Paragraph (a) is effective for revenue for fiscal year 2020 and
538.15 later. Paragraph (b) is effective July 1, 2018.

538.16 **ARTICLE 35**

538.17 **EDUCATION EXCELLENCE**

538.18 Section 1. **[120B.25] ACADEMIC BALANCE POLICY.**

538.19 A school board must adopt a written academic balance policy. At a minimum, the policy
538.20 must prohibit discrimination against students on the basis of political, ideological, or religious
538.21 beliefs. A student must not be required to publicly identify their personal beliefs, views,
538.22 and values for the purpose of academic credit, classroom, or extracurricular participation.
538.23 The policy must include reporting procedures and appropriate disciplinary actions for policy
538.24 violations. The disciplinary actions must conform with collective bargaining agreements
538.25 and sections 121A.41 to 121A.56. A district must post the policy on the district's Web site
538.26 during the 2018-2019 school year, provide a copy to each district employee, and include
538.27 the policy in subsequent editions of the student handbook.

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

539.1 Sec. 2. Minnesota Statutes 2016, section 122A.63, subdivision 1, is amended to read:

539.2 Subdivision 1. **Establishment.** (a) A grant program is established to assist American
539.3 Indian people to become teachers and to provide additional education for American Indian
539.4 teachers. The commissioner may award a joint grant to each of the following:

539.5 (1) the Duluth campus of the University of Minnesota and Independent School District
539.6 No. 709, Duluth;

539.7 (2) Bemidji State University and Independent School District No. 38, Red Lake;

539.8 (3) Moorhead State University and one of the school districts located within the White
539.9 Earth Reservation; and

539.10 (4) Augsburg College, Independent School District No. 625, St. Paul, and Special School
539.11 District No. 1, Minneapolis.

539.12 (b) If additional funds are available, the commissioner may award additional joint grants
539.13 to other postsecondary institutions and school districts.

539.14 (c) Grantees may enter into contracts with tribal, technical, and community colleges and
539.15 four-year postsecondary institutions to identify and provide grants to students at those
539.16 institutions interested in the field of education. Each grantee is eligible to and may contract
539.17 with partner institutions to provide professional development and supplemental services to
539.18 a tribal, technical, or community college or four-year postsecondary institution, including
539.19 identification of prospective students, provision of instructional supplies and materials, and
539.20 provision of grant money to students. A contract with a tribal, technical, or community
539.21 college or four-year postsecondary institution includes coordination of student identification,
539.22 professional development, and mentorship services.

539.23 Sec. 3. Minnesota Statutes 2016, section 122A.63, subdivision 4, is amended to read:

539.24 Subd. 4. **Grant amount.** The commissioner may award a joint grant in the amount it
539.25 determines to be appropriate. The grant shall include money for the postsecondary institution,
539.26 school district, and student scholarships, and student loans grants.

539.27 Sec. 4. Minnesota Statutes 2016, section 122A.63, subdivision 5, is amended to read:

539.28 Subd. 5. **Information to student applicants.** At the time a student applies for a
539.29 ~~scholarship and loan grant~~, the student shall be provided information about the fields of
539.30 licensure needed by school districts in the part of the state within which the district receiving
539.31 the joint grant is located. The information shall be acquired and periodically updated by the

540.1 recipients of the joint grant and their contracted partner institutions. Information provided
 540.2 to students shall clearly state that scholarship and loan decisions are not based upon the
 540.3 field of licensure selected by the student.

540.4 Sec. 5. Minnesota Statutes 2016, section 122A.63, subdivision 6, is amended to read:

540.5 Subd. 6. **Eligibility for ~~scholarships and loans~~ student grants**. The following Indian
 540.6 people are eligible for ~~scholarships~~ student grants:

540.7 (1) a student having origins in any of the original peoples of North America and
 540.8 maintaining cultural identification through tribal affiliation or community recognition;

540.9 ~~(1)~~ (2) a student, including a teacher aide employed by a district receiving a joint grant
 540.10 or their contracted partner school, who intends to become a teacher or who is interested in
 540.11 the field of education and who is enrolled in a postsecondary institution or their contracted
 540.12 partner institutions receiving a joint grant;

540.13 ~~(2)~~ (3) a licensed employee of a district receiving a joint grant or a contracted partner
 540.14 school, who is enrolled in a master of education program; and

540.15 ~~(3)~~ (4) a student who, after applying for federal and state financial aid and an Indian
 540.16 scholarship according to section 136A.126, has financial needs that remain unmet. Financial
 540.17 need shall be determined according to the congressional methodology for needs determination
 540.18 or as otherwise set in federal law.

540.19 ~~A person who has actual living expenses in addition to those addressed by the~~
 540.20 ~~congressional methodology for needs determination, or as otherwise set in federal law, may~~
 540.21 ~~receive a loan according to criteria established by the commissioner. A contract shall be~~
 540.22 ~~executed between the state and the student for the amount and terms of the loan. Priority~~
 540.23 shall be given to a student who is tribally enrolled and then to first- and second-generation
 540.24 descendants.

540.25 Sec. 6. Minnesota Statutes 2016, section 122A.63, is amended by adding a subdivision to
 540.26 read:

540.27 Subd. 9. **Eligible programming.** (a) The grantee institutions and the contracted partner
 540.28 institutions may provide grants to students progressing toward educational goals in any area
 540.29 of teacher licensure, including an associate of arts, bachelor's, master's, or doctoral degree
 540.30 in the following:

540.31 (1) any educational certification necessary for employment;

541.1 (2) early childhood family education or prekindergarten licensure;

541.2 (3) elementary and secondary education;

541.3 (4) school administration; or

541.4 (5) any educational program that provides services to American Indian students in
541.5 prekindergarten through grade 12.

541.6 The grantee institutions and the contracted partner institutions must give priority to grants
541.7 for students progressing towards an associate of arts or a bachelor's degree. Students
541.8 progressing towards a master's or doctoral degree may be awarded a grant if they were
541.9 enrolled in the degree granting program before May 1, 2018.

541.10 (b) For purposes of recruitment, the grantees or their partner contracted institutions shall
541.11 agree to work with their respective organizations to hire an American Indian work-study
541.12 student or other American Indian staff to conduct initial information queries and to contact
541.13 persons working in schools to provide programming regarding education professions to a
541.14 high school student who may be interested in education as a profession.

541.15 (c) At least 80 percent of the grants awarded under this section must be used for student
541.16 grants. No more than 20 percent of the grants awarded under this section may be used for
541.17 recruitment or administration of the student grants.

541.18 **Sec. 7. [123B.022] PROHIBITING SCHOOL EMPLOYEES FROM USING PUBLIC**
541.19 **RESOURCES FOR ADVOCACY; ENDORSING TIMELY AND CURRENT**
541.20 **FACTUAL INFORMATION.**

541.21 (a) A school board must adopt and implement a districtwide policy that prohibits district
541.22 employees from using district funds or other publicly funded district resources, including
541.23 time, materials, equipment, facilities, social media, and communication technologies, among
541.24 other resources, to advocate for electing or defeating a candidate, or passing or defeating a
541.25 ballot question. The policy must apply when the employee performs the duties assigned to
541.26 the employee under the employee's employment contract with the district, and includes the
541.27 periods when the employee represents the district in an official capacity, among other duties.
541.28 The policy must not apply when an employee disseminates factual information consistent
541.29 with the employee's contractual duties.

541.30 (b) The school board must provide the district's electorate with timely factual information
541.31 about a pending ballot question.

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

542.1 Sec. 8. **[124D.5222] ADULT BASIC EDUCATION AID FOR COMMUNITY-BASED**
542.2 **PROVIDERS.**

542.3 (a) The International Education Center, the American Indian Opportunities
542.4 Industrialization Center, and the Minnesota Office of Communication Service for the Deaf
542.5 are eligible for additional adult basic education aid for fiscal year 2019 only.

542.6 (b) The additional aid for each eligible organization equals \$400,000 times the ratio of
542.7 (1) the number of students served for the previous fiscal year by the organization to (2) the
542.8 sum of the number of students served for the previous fiscal year by all eligible organizations.

542.9 (c) The additional aid under this section must be paid in the same form and manner as
542.10 the aid under section 124D.531.

542.11 **EFFECTIVE DATE.** This section is effective for fiscal year 2019 only.

542.12 Sec. 9. Minnesota Statutes 2017 Supplement, section 124E.03, subdivision 2, is amended
542.13 to read:

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

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

542.18 (c) A charter school must comply with the Minnesota Public School Fee Law, sections
542.19 123B.34 to 123B.39.

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

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

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

542.25 (g) A charter school must comply with continuing truant notification under section
542.26 260A.03.

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

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

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

543.6 (k) A charter school must adopt an academic balance policy under section 120B.25.

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

543.8 Sec. 10. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 12,
 543.9 is amended to read:

543.10 Subd. 12. **Museums and education centers.** For grants to museums and education
 543.11 centers:

543.12 \$ 460,000 2018

543.13 ~~460,000~~

543.14 \$ 507,000 2019

543.15 (a) \$319,000 each year is for the Minnesota Children's Museum. Of the amount in this
 543.16 paragraph, \$50,000 in each year is for the Minnesota Children's Museum, Rochester.

543.17 (b) \$50,000 each year is for the Duluth Children's Museum.

543.18 (c) \$41,000 each year is for the Minnesota Academy of Science.

543.19 (d) \$50,000 each year is for the Headwaters Science Center.

543.20 (e) \$47,000 in fiscal year 2019 only is for the Judy Garland Museum for the Children's
 543.21 Discovery Museum of Grand Rapids.

543.22 Any balance in the first year does not cancel but is available in the second year.

543.23 The base in fiscal year 2020 is \$460,000.

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

543.25 Sec. 11. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 22,
 543.26 is amended to read:

543.27 Subd. 22. **Race 2 Reduce.** (a) For grants to support expanded Race 2 Reduce water
 543.28 conservation programming in Minnesota schools:

543.29 \$ 307,000 2018

543.30 θ

543.31 \$ 100,000 2019

544.1 (b) For fiscal year 2018, \$143,000 is for H2O for Life; \$98,000 is for Independent School
 544.2 District No. 624, White Bear Lake; and \$66,000 is for Independent School District No. 832,
 544.3 Mahtomedi.

544.4 (c) For fiscal year 2019, \$57,000 is for H2O for Life, and \$43,000 is for Independent
 544.5 School District No. 624, White Bear Lake.

544.6 ~~The appropriation is available until June 30, 2019.~~ (d) Any balance in the first year does
 544.7 not cancel but is available in the second year. The base for fiscal year 2020 is \$0.

544.8 Sec. 12. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 23,
 544.9 is amended to read:

544.10 Subd. 23. **Paraprofessional pathway Grow Your Own Pathways to teacher licensure.**

544.11 (a) For grants to school districts for Grow Your Own new teacher programs:

544.12 \$ 1,500,000 2018

544.13 \$ 1,500,000 2019

544.14 (b) The grants in paragraph (a) are for school districts ~~with more than 30 percent minority~~
 544.15 and charter schools where at least 30 percent of the school district's or charter school's
 544.16 students served are students of color or American Indian students.

544.17 (c) \$900,000 of the fiscal year 2019 appropriation is for a Board of Teaching-approved
 544.18 established and effective Professional Educator Licensing and Standards Board-approved
 544.19 nonconventional teacher residency pilot program programs. The program must provide
 544.20 tuition scholarships or stipends to enable school district and charter school employees or
 544.21 community members affiliated with a school district or charter school who seek an education
 544.22 license to participate in a nonconventional teacher preparation program. School districts
 544.23 and charter schools that receive funds under this subdivision are strongly encouraged to
 544.24 recruit candidates of color and American Indian candidates to participate in the Grow Your
 544.25 Own new teacher programs. Districts or schools providing financial support may require a
 544.26 commitment as determined by the district to teach in the district or school for a reasonable
 544.27 amount of time that does not exceed five years.

544.28 ~~(e) School districts and charter schools may also apply for grants to develop~~ (d) \$600,000
 544.29 of the fiscal year 2019 appropriation is for grants to provide financial assistance, mentoring,
 544.30 and experiences to enable persons who are of color or who are American Indian, and who
 544.31 work or live in the local community, to become teachers. Districts or schools providing
 544.32 financial support may require a commitment as determined by the district or school to teach

545.1 in the district or school for a reasonable amount of time that does not exceed five years.

545.2 Grants may be used for:

545.3 (1) tuition scholarships or stipends to eligible teaching assistants, cultural liaisons, or
 545.4 other nonlicensed employees who are of color or who are American Indian and who are
 545.5 enrolled in any teacher preparation program approved by the Professional Educator Licensing
 545.6 and Standards Board;

545.7 (2) supporting the development of innovative residency programs for persons of color
 545.8 and American Indians seeking an education license through a school-based, board-approved
 545.9 program; and

545.10 (3) developing innovative expanded Grow Your Own programs that:

545.11 (i) encourage secondary school students to pursue teaching, including developing and
 545.12 offering dual-credit postsecondary course options in schools for "Introduction to Teaching"
 545.13 or "Introduction to Education" courses consistent with Minnesota Statutes, section 124D.09,
 545.14 subdivision 10; and

545.15 (ii) support future teacher clubs involving middle and high school students who are of
 545.16 color or who are American Indian to provide experiential learning, support the success of
 545.17 younger students, and pursue teaching careers.

545.18 (e) A school district must apply for grants under this subdivision in the form and manner
 545.19 specified by the commissioner. Each year, the commissioner must review all grant
 545.20 applications by September 15 and notify grant recipients of the amount of their grant by
 545.21 September 30.

545.22 ~~(d)~~ (f) Programs must annually report to the commissioner by the date determined by
 545.23 the commissioner on their activities under this section, including the number of participants,
 545.24 the percentage of participants who are of color or who are American Indian, and an
 545.25 assessment of program effectiveness, including participant feedback, areas for improvement,
 545.26 the percentage of participants continuing to pursue teacher licensure, and the number of
 545.27 participants hired in the school or district as teachers after completing preparation programs.

545.28 ~~(e)~~ (g) The department may retain up to three percent of the appropriation amount to
 545.29 monitor and administer the grant program.

545.30 ~~(f)~~ (h) Any balance in the first fiscal year 2018 does not cancel but is available in the
 545.31 second fiscal year 2019.

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

546.1 Sec. 13. APPROPRIATIONS.

546.2 Subdivision 1. Department of Education. The sum indicated in this section is
 546.3 appropriated from the general fund to the Department of Education for the fiscal year
 546.4 designated.

546.5 Subd. 2. Online access to music education. (a) For a grant to the MacPhail Center for
 546.6 Music to broaden access to music education in rural Minnesota:

546.7 \$ 125,000 2019

546.8 (b) The MacPhail Center must use the grant under paragraph (a) to broaden access to
 546.9 music education in rural Minnesota. The program must supplement and enhance an existing
 546.10 program and may provide individual instruction, sectional ensembles, and other group
 546.11 activities, workshops, and early childhood music activities. The MacPhail Center must
 546.12 design its program in consultation with music educators who teach in rural Minnesota. The
 546.13 grants may be used by the MacPhail Center for employee costs and for any related travel
 546.14 costs.

546.15 (c) Upon request from a school's music educator, the MacPhail Center may enter into
 546.16 an agreement with the school to provide a program according to paragraph (b). In an early
 546.17 childhood setting, the MacPhail Center may provide a program upon a request initiated by
 546.18 an early childhood educator.

546.19 (d) By January 15, 2020, the MacPhail Center shall prepare and submit a report to the
 546.20 legislature describing the online programs offered, program outcomes, the students served,
 546.21 an estimate of the unmet need for music education, and a detailed list of expenditures for
 546.22 the previous fiscal year.

546.23 (e) This is a onetime appropriation.

546.24 Subd. 3. Academic balance policy review. (a) For the commissioner of education to
 546.25 conduct a review of academic balance policies under Minnesota Statutes, section 120B.25.

546.26 \$ 25,000 2019

546.27 (b) The commissioner must review a sample of policies adopted by school districts and
 546.28 charter schools for compliance with the requirements of Minnesota Statutes, section 120B.25,
 546.29 and may make recommendations to the legislative committees having jurisdiction over early
 546.30 childhood through grade 12 education by January 18, 2019, regarding any necessary statutory
 546.31 changes.

546.32 (c) This is a onetime appropriation.

547.1 Sec. 14. **REVISOR'S INSTRUCTION.**

547.2 The revisor of statutes shall codify Laws 2017, First Special Session chapter 5, article
 547.3 2, section 57, subdivision 23, as amended, in the next publication of Minnesota Statutes.

547.4 Sec. 15. **REPEALER.**

547.5 (a) Minnesota Statutes 2016, section 122A.63, subdivisions 7 and 8, are repealed.

547.6 (b) Laws 2016, chapter 189, article 25, section 62, subdivision 16, is repealed.

547.7 **EFFECTIVE DATE.** Paragraph (a) is effective July 1, 2018. Paragraph (b) is effective
 547.8 June 30, 2018.

547.9 **ARTICLE 36**547.10 **TEACHERS**

547.11 Section 1. Minnesota Statutes 2017 Supplement, section 122A.187, is amended by adding
 547.12 a subdivision to read:

547.13 Subd. 7. **Background check.** The Professional Educator Licensing and Standards Board
 547.14 must request a criminal history background check from the superintendent of the Bureau
 547.15 of Criminal Apprehension on a licensed teacher applying for a renewal license who has not
 547.16 had a background check within the preceding five years. The board may request payment
 547.17 from the teacher renewing their license in an amount equal to the actual cost of the
 547.18 background check.

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

547.20 Sec. 2. Minnesota Statutes 2017 Supplement, section 123B.03, subdivision 1, is amended
 547.21 to read:

547.22 Subdivision 1. **Background check required.** (a) A school hiring authority ~~shall~~ must
 547.23 request a criminal history background check from the superintendent of the Bureau of
 547.24 Criminal Apprehension on all individuals who are offered employment in a school and on
 547.25 all individuals, except enrolled student volunteers, who are offered the opportunity to provide
 547.26 athletic coaching services or other extracurricular academic coaching services to a school,
 547.27 regardless of whether any compensation is paid. In order for an individual to be eligible for
 547.28 employment or to provide the services, the individual must provide an executed criminal
 547.29 history consent form and a money order or check payable to either the Bureau of Criminal
 547.30 Apprehension or the school hiring authority, at the discretion of the school hiring authority,
 547.31 in an amount equal to the actual cost to the Bureau of Criminal Apprehension and the school

548.1 district of conducting the criminal history background check. A school hiring authority
548.2 deciding to receive payment may, at its discretion, accept payment in the form of a negotiable
548.3 instrument other than a money order or check and shall pay the superintendent of the Bureau
548.4 of Criminal Apprehension directly to conduct the background check. The superintendent
548.5 of the Bureau of Criminal Apprehension shall conduct the background check by retrieving
548.6 criminal history data as defined in section 13.87. A school hiring authority, at its discretion,
548.7 may decide not to request a criminal history background check on an individual who holds
548.8 an initial entrance license issued by the Professional Educator Licensing and Standards
548.9 Board or the commissioner of education within the 12 months preceding an offer of
548.10 employment.

548.11 (b) A school hiring authority may use the results of a criminal background check
548.12 conducted at the request of another school hiring authority if:

548.13 (1) the results of the criminal background check are on file with the other school hiring
548.14 authority or otherwise accessible;

548.15 (2) the other school hiring authority conducted a criminal background check within the
548.16 previous 12 months;

548.17 (3) the individual who is the subject of the criminal background check executes a written
548.18 consent form giving a school hiring authority access to the results of the check; and

548.19 (4) there is no reason to believe that the individual has committed an act subsequent to
548.20 the check that would disqualify the individual for employment.

548.21 (c) A school hiring authority may, at its discretion, request a criminal history background
548.22 check from the superintendent of the Bureau of Criminal Apprehension on any individual
548.23 who seeks to enter a school or its grounds for the purpose of serving as a school volunteer
548.24 or working as an independent contractor or student employee. In order for an individual to
548.25 enter a school or its grounds under this paragraph when the school hiring authority decides
548.26 to request a criminal history background check on the individual, the individual first must
548.27 provide an executed criminal history consent form and a money order, check, or other
548.28 negotiable instrument payable to the school district in an amount equal to the actual cost to
548.29 the Bureau of Criminal Apprehension and the school district of conducting the criminal
548.30 history background check. Notwithstanding section 299C.62, subdivision 1, the cost of the
548.31 criminal history background check under this paragraph is the responsibility of the individual
548.32 unless a school hiring authority decides to pay the costs of conducting a background check
548.33 under this paragraph. If the school hiring authority pays the costs, the individual who is the
548.34 subject of the background check need not pay for it.

549.1 (d) In addition to the initial background check required for all individuals offered
549.2 employment in accordance with paragraph (a), a school hiring authority must request a new
549.3 criminal history background check from the superintendent of the Bureau of Criminal
549.4 Apprehension on all employees every three years. Notwithstanding any law to the contrary,
549.5 in order for an individual to be eligible for continued employment, an individual must
549.6 provide an executed criminal history consent form and a money order or check payable to
549.7 either the Bureau of Criminal Apprehension or the school hiring authority, at the discretion
549.8 of the school hiring authority, in an amount equal to the actual cost to the Bureau of Criminal
549.9 Apprehension and the school district of conducting the criminal history background check.
549.10 A school hiring authority deciding to receive payment may, at its discretion, accept payment
549.11 in the form of a negotiable instrument other than a money order or check and shall pay the
549.12 superintendent of the Bureau of Criminal Apprehension directly to conduct the background
549.13 check. A school bus driver who has had a criminal history background check under section
549.14 171.3215 and has had their existing bus driver's endorsement renewed, is exempt from this
549.15 requirement. A school hiring authority, at its discretion, may decide not to request a criminal
549.16 history background check on an employee who provides the hiring authority with a copy
549.17 of the results of a criminal history background check conducted within the previous 36
549.18 months. A school hiring authority may, at its discretion, decide to pay the costs of conducting
549.19 a background check under this paragraph.

549.20 ~~(d)~~ (e) For all nonstate residents who are offered employment in a school, a school hiring
549.21 authority shall request a criminal history background check on such individuals from the
549.22 superintendent of the Bureau of Criminal Apprehension and from the government agency
549.23 performing the same function in the resident state or, if no government entity performs the
549.24 same function in the resident state, from the Federal Bureau of Investigation. Such individuals
549.25 must provide an executed criminal history consent form and a money order, check, or other
549.26 negotiable instrument payable to the school hiring authority in an amount equal to the actual
549.27 cost to the government agencies and the school district of conducting the criminal history
549.28 background check. Notwithstanding section 299C.62, subdivision 1, the cost of the criminal
549.29 history background check under this paragraph is the responsibility of the individual.

549.30 ~~(e)~~ (f) At the beginning of each school year or when a student enrolls, a school hiring
549.31 authority must notify parents and guardians about the school hiring authority's policy
549.32 requiring a criminal history background check on employees and other individuals who
549.33 provide services to the school, and identify those positions subject to a background check
549.34 and the extent of the hiring authority's discretion in requiring a background check. The
549.35 school hiring authority may include the notice in the student handbook, a school policy

550.1 guide, or other similar communication. Nothing in this paragraph affects a school hiring
550.2 authority's ability to request a criminal history background check on an individual under
550.3 paragraph (c).

550.4 **ARTICLE 37**

550.5 **SPECIAL EDUCATION**

550.6 Section 1. Minnesota Statutes 2016, section 120A.20, subdivision 2, is amended to read:

550.7 Subd. 2. **Education, residence, and transportation of homeless.** (a) Notwithstanding
550.8 subdivision 1, a district must not deny free admission to a homeless pupil solely because
550.9 the district cannot determine that the pupil is a resident of the district.

550.10 (b) The school district of residence for a homeless pupil shall be the school district in
550.11 which the parent or legal guardian resides, unless: (1) parental rights have been terminated
550.12 by court order; (2) the parent or guardian is not living within the state; or (3) the parent or
550.13 guardian having legal custody of the child is an inmate of a Minnesota correctional facility
550.14 or is a resident of a halfway house under the supervision of the commissioner of corrections.
550.15 If any of clauses (1) to (3) apply, the school district of residence shall be the school district
550.16 in which the pupil resided when the qualifying event occurred. If no other district of residence
550.17 can be established, the school district of residence shall be the school district in which the
550.18 pupil currently resides. If there is a dispute between school districts regarding residency,
550.19 the district of residence is the district designated by the commissioner of education.

550.20 (c) Except as provided in paragraph (d), the serving district is responsible for transporting
550.21 a homeless pupil to and from the pupil's district of residence. The district may transport
550.22 from a permanent home in another district but only through the end of the academic school
550.23 year. When a pupil is enrolled in a charter school, the district or school that provides
550.24 transportation for other pupils enrolled in the charter school is responsible for providing
550.25 transportation. When a homeless student with or without an individualized education program
550.26 attends a public school other than an independent or special school district or charter school,
550.27 the district of residence is responsible for transportation.

550.28 (d) For a homeless pupil with an individualized education plan enrolled in a program
550.29 authorized by an intermediate school district, special education cooperative, service
550.30 cooperative, or education district, the serving district at the time of the pupil's enrollment
550.31 in the program remains responsible for transporting that pupil for the remainder of the school
550.32 year, unless the initial serving district and the current serving district mutually agree that
550.33 the current serving district is responsible for transporting the homeless pupil.

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

551.2 Sec. 2. Laws 2017, First Special Session chapter 5, article 2, section 56, is amended to
551.3 read:

551.4 Sec. 56. **INTERMEDIATE SCHOOL DISTRICT MENTAL HEALTH**
551.5 **INNOVATION GRANT PROGRAM; APPROPRIATION.**

551.6 (a) \$2,450,000 in fiscal year 2018 and \$2,450,000 in fiscal year 2019 are appropriated
551.7 from the general fund to the commissioner of human services for a grant program to fund
551.8 innovative projects to improve mental health outcomes for youth attending a qualifying
551.9 school unit.

551.10 (b) A "qualifying school unit" means an intermediate district organized under Minnesota
551.11 Statutes, section 136D.01, or a service cooperative organized under Minnesota Statutes,
551.12 section 123A.21, subdivision 1, paragraph (a), clause (2), that provides instruction to students
551.13 in a setting of federal instructional level 4 or higher. Grants under paragraph (a) must be
551.14 awarded to eligible applicants such that the services are proportionately provided among
551.15 qualifying school units. The commissioner shall calculate the share of the appropriation to
551.16 be used in each qualifying school unit by dividing the qualifying school unit's average daily
551.17 membership in a setting of federal instructional level 4 or higher for fiscal year 2016 by the
551.18 total average daily membership in a setting of federal instructional level 4 or higher for the
551.19 same year for all qualifying school units.

551.20 (c) An eligible applicant is an entity that has demonstrated capacity to serve the youth
551.21 identified in paragraph (a) and that is:

551.22 (1) certified under Minnesota Rules, parts 9520.0750 to 9520.0870;

551.23 (2) a community mental health center under Minnesota Statutes, section 256B.0625,
551.24 subdivision 5;

551.25 (3) an Indian health service facility or facility owned and operated by a tribe or tribal
551.26 organization operating under United States Code, title 25, section 5321; ~~or~~

551.27 (4) a provider of children's therapeutic services and supports as defined in Minnesota
551.28 Statutes, section 256B.0943; or

551.29 (5) enrolled in medical assistance as a mental health or substance use disorder provider
551.30 agency and must employ at least two full-time equivalent mental health professionals as
551.31 defined in section 245.4871, subdivision 27, clauses (1) to (6), or alcohol and drug counselors

552.1 licensed or exempt from licensure under chapter 148F who are qualified to provide clinical
 552.2 services to children and families.

552.3 (d) An eligible applicant must employ or contract with at least two licensed mental health
 552.4 professionals as defined in Minnesota Statutes, section 245.4871, subdivision 27, clauses
 552.5 (1) to (6), who have formal training in evidence-based practices.

552.6 (e) A qualifying school unit must submit an application to the commissioner in the form
 552.7 and manner specified by the commissioner. The commissioner may approve an application
 552.8 that describes models for innovative projects to serve the needs of the schools and students.
 552.9 The commissioner may provide technical assistance to the qualifying school unit. The
 552.10 commissioner shall then solicit grant project proposals and award grant funding to the
 552.11 eligible applicants whose project proposals best meet the requirements of this section and
 552.12 most closely adhere to the models created by the intermediate districts and service
 552.13 cooperatives.

552.14 (f) To receive grant funding, an eligible applicant must obtain a letter of support for the
 552.15 applicant's grant project proposal from each qualifying school unit the eligible applicant is
 552.16 proposing to serve. An eligible applicant must also demonstrate the following:

552.17 (1) the ability to seek third-party reimbursement for services;

552.18 (2) the ability to report data and outcomes as required by the commissioner; and

552.19 (3) the existence of partnerships with counties, tribes, substance use disorder providers,
 552.20 and mental health service providers, including providers of mobile crisis services.

552.21 (g) Grantees shall obtain all available third-party reimbursement sources as a condition
 552.22 of receiving grant funds. For purposes of this grant program, a third-party reimbursement
 552.23 source does not include a public school as defined in Minnesota Statutes, section 120A.20,
 552.24 subdivision 1.

552.25 (h) The base budget for this program is \$0. This appropriation is available until June 30,
 552.26 2020.

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

552.28 Sec. 3. **TRANSFER OF UNSPENT DEPARTMENT OF EDUCATION LITIGATION**
 552.29 **FUNDS FOR MONTICELLO SPECIAL EDUCATION AID.**

552.30 The commissioner of education must transfer any funds remaining unspent as of June
 552.31 30, 2018, estimated at \$800,000, from the amount appropriated for fiscal year 2018 to the
 552.32 Department of Education for legal fees and costs associated with litigation under Laws

553.1 2017, First Special Session chapter 5, article 11, section 9, subdivision 2, paragraph (a),
 553.2 clause (8), to increase special education aid payments to Independent School District No.
 553.3 882, Monticello, in an equal amount for fiscal year 2019. This is a onetime transfer.

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

553.5 **ARTICLE 38**

553.6 **FACILITIES, TECHNOLOGY, AND LIBRARIES**

553.7 Section 1. Minnesota Statutes 2016, section 123B.595, is amended by adding a subdivision
 553.8 to read:

553.9 Subd. 13. **Allocation from districts participating in agreements for secondary**
 553.10 **education or interdistrict cooperation.** For purposes of this section, a district with revenue
 553.11 authority under subdivision 1 for indoor air quality, fire alarm and suppression, and asbestos
 553.12 abatement projects under section 123B.57, subdivision 6, with an estimated cost of \$100,000
 553.13 or more per site and that participates in an agreement under section 123A.30 or 123A.32
 553.14 may allocate the revenue authority among participating districts.

553.15 Sec. 2. Minnesota Statutes 2016, section 125B.26, subdivision 4, is amended to read:

553.16 Subd. 4. **District aid.** ~~For fiscal year 2006 and later,~~ A district, charter school, or
 553.17 intermediate school district's Internet access equity aid equals the district, charter school,
 553.18 or intermediate school district's approved cost for the previous fiscal year according to
 553.19 subdivision 1 ~~exceeding \$16 times the district's adjusted pupil units for the previous fiscal~~
 553.20 ~~year or no reduction if the district is part of an organized telecommunications access cluster.~~
 553.21 Equity aid must be distributed to the telecommunications access cluster for districts, charter
 553.22 schools, or intermediate school districts that are members of the cluster or to individual
 553.23 districts, charter schools, or intermediate school districts not part of a telecommunications
 553.24 access cluster.

553.25 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2019 and later.

553.26 Sec. 3. Minnesota Statutes 2016, section 125B.26, is amended by adding a subdivision to
 553.27 read:

553.28 Subd. 4a. **Additional telecommunications equity access aid.** A school district or charter
 553.29 school is eligible for additional telecommunications equity access aid equal to the greater
 553.30 of zero or:

554.1 (1) the district's approved costs under subdivision 1 minus the district's aid under
554.2 subdivision 4; minus

554.3 (2) \$7 times the adjusted pupil units.

554.4 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2019 and later.

554.5 Sec. 4. Minnesota Statutes 2016, section 126C.40, subdivision 1, is amended to read:

554.6 Subdivision 1. **To lease building or land.** (a) When an independent or a special school
554.7 district or a group of independent or special school districts finds it economically
554.8 advantageous to rent or lease a building or land for any instructional purposes or for school
554.9 storage or furniture repair, and it determines that the operating capital revenue authorized
554.10 under section 126C.10, subdivision 13, is insufficient for this purpose, it may apply to the
554.11 commissioner for permission to make an additional capital expenditure levy for this purpose.
554.12 An application for permission to levy under this subdivision must contain financial
554.13 justification for the proposed levy, the terms and conditions of the proposed lease, and a
554.14 description of the space to be leased and its proposed use.

554.15 (b) The criteria for approval of applications to levy under this subdivision must include:
554.16 the reasonableness of the price, the appropriateness of the space to the proposed activity,
554.17 the feasibility of transporting pupils to the leased building or land, conformity of the lease
554.18 to the laws and rules of the state of Minnesota, and the appropriateness of the proposed
554.19 lease to the space needs and the financial condition of the district. The commissioner must
554.20 not authorize a levy under this subdivision in an amount greater than the cost to the district
554.21 of renting or leasing a building or land for approved purposes. The proceeds of this levy
554.22 must not be used for custodial or other maintenance services. A district may not levy under
554.23 this subdivision for the purpose of leasing or renting a district-owned building or site to
554.24 itself.

554.25 (c) For agreements finalized after July 1, 1997, a district may not levy under this
554.26 subdivision for the purpose of leasing: (1) a newly constructed building used primarily for
554.27 regular kindergarten, elementary, or secondary instruction; or (2) a newly constructed
554.28 building addition or additions used primarily for regular kindergarten, elementary, or
554.29 secondary instruction that contains more than 20 percent of the square footage of the
554.30 previously existing building.

554.31 (d) Notwithstanding paragraph (b), a district may levy under this subdivision for the
554.32 purpose of leasing or renting a district-owned building or site to itself only if the amount is
554.33 needed by the district to make payments required by a lease purchase agreement, installment

555.1 purchase agreement, or other deferred payments agreement authorized by law, and the levy
555.2 meets the requirements of paragraph (c). A levy authorized for a district by the commissioner
555.3 under this paragraph may be in the amount needed by the district to make payments required
555.4 by a lease purchase agreement, installment purchase agreement, or other deferred payments
555.5 agreement authorized by law, provided that any agreement include a provision giving the
555.6 school districts the right to terminate the agreement annually without penalty.

555.7 (e) The total levy under this subdivision for a district for any year must not exceed \$212
555.8 times the adjusted pupil units for the fiscal year to which the levy is attributable.

555.9 (f) For agreements for which a review and comment have been submitted to the
555.10 Department of Education after April 1, 1998, the term "instructional purpose" as used in
555.11 this subdivision excludes expenditures on stadiums.

555.12 (g) The commissioner of education may authorize a school district to exceed the limit
555.13 in paragraph (e) if the school district petitions the commissioner for approval. The
555.14 commissioner shall grant approval to a school district to exceed the limit in paragraph (e)
555.15 for not more than five years if the district meets the following criteria:

555.16 (1) the school district has been experiencing pupil enrollment growth in the preceding
555.17 five years;

555.18 (2) the purpose of the increased levy is in the long-term public interest;

555.19 (3) the purpose of the increased levy promotes colocation of government services; and

555.20 (4) the purpose of the increased levy is in the long-term interest of the district by avoiding
555.21 over construction of school facilities.

555.22 (h) A school district that is a member of an intermediate school district may include in
555.23 its authority under this section the costs associated with leases of administrative and
555.24 classroom space for intermediate school district programs. This authority must not exceed
555.25 \$65 times the adjusted pupil units of the member districts. This authority is in addition to
555.26 any other authority authorized under this section.

555.27 (i) In addition to the allowable capital levies in paragraph (a), for taxes payable in 2012
555.28 2019 to 2023, a school district that is was a member of the "Technology and Information
555.29 Education Systems Educational Services" data processing joint board, that finds it
555.30 economically advantageous to enter into a lease agreement to finance improvements to a
555.31 building and land for a group of school districts or special school districts for staff
555.32 development purposes, during any period of time from when the building lease purchase
555.33 agreement was entered into in calendar year 2012 through the dissolution of the Technology

556.1 and Information Educational Services joint powers board may levy for its portion of lease
556.2 costs attributed to the district within the total levy limit in paragraph (e). The total annual
556.3 levy authority under this paragraph shall not exceed the lesser of \$632,000 or the remaining
556.4 lease purchase amounts owed on the facility.

556.5 (j) Notwithstanding paragraph (a), a district may levy under this subdivision for the
556.6 purpose of leasing administrative space if the district can demonstrate to the satisfaction of
556.7 the commissioner that the lease cost for the administrative space is no greater than the lease
556.8 cost for instructional space that the district would otherwise lease. The commissioner must
556.9 deny this levy authority unless the district passes a resolution stating its intent to lease
556.10 instructional space under this section if the commissioner does not grant authority under
556.11 this paragraph. The resolution must also certify that the lease cost for administrative space
556.12 under this paragraph is no greater than the lease cost for the district's proposed instructional
556.13 lease.

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

556.15 Sec. 5. Minnesota Statutes 2016, section 205A.07, subdivision 2, is amended to read:

556.16 Subd. 2. **Sample ballot, posting.** (a) For every school district primary, general, or special
556.17 election, the school district clerk shall at least four days before the primary, general, or
556.18 special election, post a sample ballot in the administrative offices of the school district for
556.19 public inspection, and shall post a sample ballot in each polling place on election day.

556.20 (b) For a school district general or special election to issue bonds to finance a capital
556.21 project requiring review and comment under section 123B.71, the summary of the
556.22 commissioner's review and comment and supplemental information required under section
556.23 123B.71, subdivision 12, paragraph (a), shall be posted in the same manner as the sample
556.24 ballot under paragraph (a).

556.25 **EFFECTIVE DATE.** This section is effective for elections held on or after August 1,
556.26 2018.

556.27 Sec. 6. Minnesota Statutes 2016, section 475.58, subdivision 4, is amended to read:

556.28 Subd. 4. **Proper use of bond proceeds.** The proceeds of obligations issued after approval
556.29 of the electors under this section ~~may~~ must only be spent: (1) for the purposes stated in the
556.30 ballot language; or (2) to pay, redeem, or defease obligations and interest, penalties,
556.31 premiums, and costs of issuance of the obligations. The proceeds ~~may~~ must not be spent
556.32 for a different purpose or for an expansion of the original purpose without the approval by

557.1 a majority of the electors voting on the question of changing or expanding the purpose of
557.2 the obligations.

557.3 Sec. 7. Minnesota Statutes 2017 Supplement, section 475.59, subdivision 1, is amended
557.4 to read:

557.5 Subdivision 1. **Generally; notice.** (a) When the governing body of a municipality resolves
557.6 to issue bonds for any purpose requiring the approval of the electors, it shall provide for
557.7 submission of the proposition of their issuance at a general or special election or town or
557.8 school district meeting. Notice of such election or meeting shall be given in the manner
557.9 required by law and shall state the maximum amount and the purpose of the proposed issue.

557.10 (b) In any school district, the school board or board of education may, according to its
557.11 judgment and discretion, submit as a single ballot question or as two or more separate
557.12 questions in the notice of election and ballots the proposition of their issuance for any one
557.13 or more of the following, stated conjunctively or in the alternative: acquisition or enlargement
557.14 of sites, acquisition, betterment, erection, furnishing, equipping of one or more new
557.15 schoolhouses, remodeling, repairing, improving, adding to, betterment, furnishing, equipping
557.16 of one or more existing schoolhouses. The ballot question or questions submitted by a school
557.17 board must state the name of the plan or plans being proposed by the district as submitted
557.18 to the commissioner of education for review and comment under section 123B.71.

557.19 (c) In any city, town, or county, the governing body may, according to its judgment and
557.20 discretion, submit as a single ballot question or as two or more separate questions in the
557.21 notice of election and ballots the proposition of their issuance, stated conjunctively or in
557.22 the alternative, for the acquisition, construction, or improvement of any facilities at one or
557.23 more locations.

557.24 **EFFECTIVE DATE.** This section is effective for elections held on or after August 1,
557.25 2018.

557.26 Sec. 8. Laws 2017, First Special Session chapter 5, article 5, section 14, subdivision 4, is
557.27 amended to read:

557.28 Subd. 4. **Equity in telecommunications access aid.** For equity in telecommunications
557.29 access aid under Minnesota Statutes, section 125B.26, subdivision 4:

557.30	\$	3,750,000	.....	2018
557.31		3,750,000		
557.32	\$	<u>3,950,000</u>	.....	2019

558.1 If the appropriation amount is insufficient, the commissioner shall reduce the
 558.2 reimbursement rate in Minnesota Statutes, section 125B.26, subdivisions 4 and 5, and the
 558.3 revenue for fiscal years 2018 and 2019 shall be prorated.

558.4 Any balance in the first year does not cancel but is available in the second year.

558.5 **Sec. 9. CANCELLATION OF UNSPENT REGIONAL LIBRARIES**
 558.6 **TELECOMMUNICATIONS AID.**

558.7 The commissioner of education must cancel any unspent regional libraries
 558.8 telecommunications aid for fiscal years 2018 and 2019, estimated at \$350,000, to the general
 558.9 fund on June 30, 2019. Any amount reduced under this section must be reduced from the
 558.10 fiscal year 2019 current year aid payment under Minnesota Statutes, section 127A.45,
 558.11 subdivision 2.

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

558.13 **Sec. 10. APPROPRIATIONS.**

558.14 Subdivision 1. **Department of Education.** The sum indicated in this section is
 558.15 appropriated from the general fund to the Department of Education for the fiscal year
 558.16 designated.

558.17 Subd. 2. **Additional telecommunications equity access aid.** For additional
 558.18 telecommunications equity access aid under Minnesota Statutes, section 125B.26, subdivision
 558.19 4a:

558.20 \$ 240,000 2019

558.21 If the appropriation amount is insufficient, the commissioner shall reduce the reimbursement
 558.22 rate in Minnesota Statutes, section 125B.26, subdivision 4a, and the revenue for fiscal year
 558.23 2019 shall be prorated.

558.24 **ARTICLE 39**

558.25 **EARLY EDUCATION**

558.26 Section 1. Minnesota Statutes 2016, section 124D.151, subdivision 2, is amended to read:

558.27 **Subd. 2. Program requirements.** (a) A voluntary prekindergarten program provider
 558.28 must:

558.29 (1) provide instruction through play-based learning to foster children's social and
 558.30 emotional development, cognitive development, physical and motor development, and

559.1 language and literacy skills, including the native language and literacy skills of English
559.2 learners, to the extent practicable;

559.3 (2) measure each child's cognitive and social skills using a formative measure aligned
559.4 to the state's early learning standards when the child enters and again before the child leaves
559.5 the program, screening and progress monitoring measures, and ~~others~~ other age-appropriate
559.6 versions from the state-approved menu of kindergarten entry profile measures;

559.7 (3) provide comprehensive program content including the implementation of curriculum,
559.8 assessment, and instructional strategies aligned with the state early learning standards, and
559.9 kindergarten through grade 3 academic standards;

559.10 (4) provide instructional content and activities that are of sufficient length and intensity
559.11 to address learning needs including offering a program with at least 350 hours of instruction
559.12 per school year for a prekindergarten student;

559.13 (5) provide voluntary prekindergarten instructional staff salaries comparable to the
559.14 salaries of local kindergarten through grade 12 instructional staff;

559.15 (6) coordinate appropriate kindergarten transition with families, community-based
559.16 prekindergarten programs, and school district kindergarten programs;

559.17 (7) involve parents in program planning and transition planning by implementing parent
559.18 engagement strategies that include culturally and linguistically responsive activities in
559.19 prekindergarten through third grade that are aligned with early childhood family education
559.20 under section 124D.13;

559.21 (8) coordinate with relevant community-based services, including health and social
559.22 service agencies, to ensure children have access to comprehensive services;

559.23 (9) coordinate with all relevant school district programs and services including early
559.24 childhood special education, homeless students, and English learners;

559.25 (10) ensure staff-to-child ratios of one-to-ten and a maximum group size of 20 children;

559.26 (11) provide high-quality coordinated professional development, training, and coaching
559.27 for both school district and community-based early learning providers that is informed by
559.28 a measure of adult-child interactions and enables teachers to be highly knowledgeable in
559.29 early childhood curriculum content, assessment, native and English language development
559.30 programs, and instruction; and

559.31 (12) implement strategies that support the alignment of professional development,
559.32 instruction, assessments, and prekindergarten through grade 3 curricula.

560.1 (b) A voluntary prekindergarten program must have teachers knowledgeable in early
560.2 childhood curriculum content, assessment, native and English language programs, and
560.3 instruction.

560.4 (c) Districts and charter schools must include their strategy for implementing and
560.5 measuring the impact of their voluntary prekindergarten program under section 120B.11
560.6 and provide results in their world's best workforce annual summary to the commissioner of
560.7 education.

560.8 Sec. 2. Minnesota Statutes 2016, section 124D.151, subdivision 3, is amended to read:

560.9 Subd. 3. **Mixed delivery of services.** (a) A district or charter school may contract with
560.10 a charter school, Head Start or child care centers, family child care programs licensed under
560.11 section 245A.03, or a community-based organization to provide eligible children with
560.12 developmentally appropriate services that meet the program requirements in subdivision 2.
560.13 Components of a mixed-delivery plan include strategies for recruitment, contracting, and
560.14 monitoring of fiscal compliance and program quality.

560.15 (b) For fiscal year 2020 and later, for any district or charter school serving more children
560.16 under this section than in fiscal year 2019, the district or charter school must contract with
560.17 a three- or four-star Parent Aware rated program operated by a charter school, Head Start,
560.18 child care center, licensed family child care, or community-based organization for at least
560.19 40 percent of the spaces for the additional eligible children.

560.20 Sec. 3. Minnesota Statutes 2017 Supplement, section 124D.151, subdivision 5, is amended
560.21 to read:

560.22 Subd. 5. **Application process; priority for high poverty schools.** ~~(a) To qualify for~~
560.23 ~~program approval for fiscal year 2017, a district or charter school must submit an application~~
560.24 ~~to the commissioner by July 1, 2016. To qualify for program approval for fiscal year 2018~~
560.25 ~~and later, a district or charter school must submit an application to the commissioner by~~
560.26 January 30 of the fiscal year prior to the fiscal year in which the program will be
560.27 implemented. The application must include:

560.28 (1) a description of the proposed program, including the number of hours per week the
560.29 program will be offered at each school site or mixed-delivery location;

560.30 (2) an estimate of the number of eligible children to be served in the program at each
560.31 school site or mixed-delivery location; and

561.1 (3) a statement of assurances signed by the superintendent or charter school director that
561.2 the proposed program meets the requirements of subdivision 2.

561.3 (b) The commissioner must review all applications submitted for fiscal year 2017 by
561.4 ~~August 1, 2016, and must review all applications submitted for fiscal year 2018 and later~~
561.5 by March 1 of the fiscal year in which the applications are received and determine whether
561.6 each application meets the requirements of paragraph (a).

561.7 (c) The commissioner must divide all applications for new or expanded voluntary
561.8 prekindergarten programs under this section meeting the requirements of paragraph (a) and
561.9 school readiness plus programs into four groups as follows: the Minneapolis and St. Paul
561.10 school districts; other school districts located in the metropolitan equity region as defined
561.11 in section 126C.10, subdivision 28; school districts located in the rural equity region as
561.12 defined in section 126C.10, subdivision 28; and charter schools. Within each group, the
561.13 applications must be ordered by rank using a sliding scale based on the following criteria:

561.14 (1) concentration of kindergarten students eligible for free or reduced-price lunches by
561.15 school site on October 1 of the previous school year. A school site may contract to partner
561.16 with a community-based provider or Head Start under subdivision 3 or establish an early
561.17 childhood center and use the concentration of kindergarten students eligible for free or
561.18 reduced-price meals from a specific school site as long as those eligible children are
561.19 prioritized and guaranteed services at the mixed-delivery site or early education center. For
561.20 school district programs to be operated at locations that do not have free and reduced-price
561.21 lunch concentration data for kindergarten programs for October 1 of the previous school
561.22 year, including mixed-delivery programs, the school district average concentration of
561.23 kindergarten students eligible for free or reduced-price lunches must be used for the rank
561.24 ordering;

561.25 (2) presence or absence of a three- or four-star Parent Aware rated program within the
561.26 school district or close proximity of the district. School sites with the highest concentration
561.27 of kindergarten students eligible for free or reduced-price lunches that do not have a three-
561.28 or four-star Parent Aware program within the district or close proximity of the district shall
561.29 receive the highest priority, and school sites with the lowest concentration of kindergarten
561.30 students eligible for free or reduced-price lunches that have a three- or four-star Parent
561.31 Aware rated program within the district or close proximity of the district shall receive the
561.32 lowest priority; and

561.33 (3) whether the district has implemented a mixed delivery system.

562.1 (d) The limit on participation for the programs as specified in subdivision 6 must initially
562.2 be allocated among the four groups based on each group's percentage share of the statewide
562.3 kindergarten enrollment on October 1 of the previous school year. Within each group, the
562.4 participation limit for fiscal years 2018 and 2019 must first be allocated to school sites
562.5 approved for aid in the previous year to ensure that those sites are funded for the same
562.6 number of participants as approved for the previous year. The remainder of the participation
562.7 limit for each group must be allocated among school sites in priority order until that region's
562.8 share of the participation limit is reached. If the participation limit is not reached for all
562.9 groups, the remaining amount must be allocated to the highest priority school sites, as
562.10 designated under this section, not funded in the initial allocation on a statewide basis. For
562.11 fiscal year 2020 and later, the participation limit must first be allocated to school sites
562.12 approved for aid in fiscal year 2017, and then to school sites approved for aid in fiscal year
562.13 2018 based on the statewide rankings under paragraph (c).

562.14 (e) Once a school site or a mixed delivery site under subdivision 3 is approved for aid
562.15 under this subdivision, it shall remain eligible for aid if it continues to meet program
562.16 requirements, regardless of changes in the concentration of students eligible for free or
562.17 reduced-price lunches.

562.18 (f) If the total number of participants approved based on applications submitted under
562.19 paragraph (a) is less than the participation limit under subdivision 6, the commissioner must
562.20 notify all school districts and charter schools of the amount that remains available within
562.21 30 days of the initial application deadline under paragraph (a), and complete a second round
562.22 of allocations based on applications received within 60 days of the initial application deadline.

562.23 (g) Procedures for approving applications submitted under paragraph (f) shall be the
562.24 same as specified in paragraphs (a) to (d), except that the allocations shall be made to the
562.25 highest priority school sites not funded in the initial allocation on a statewide basis.

562.26 (h) For fiscal year 2020 and later, the commissioner may waive the mixed-delivery
562.27 requirements under subdivisions 3 and 6 for an otherwise qualified applicant that provides
562.28 documented evidence that the school district or charter school was unable to provide a
562.29 mixed-delivery program because of the unavailability of providers willing to contract with
562.30 the school district or charter school or other factors beyond their control.

562.31 Sec. 4. Minnesota Statutes 2017 Supplement, section 124D.151, subdivision 6, is amended
562.32 to read:

562.33 Subd. 6. **Participation limits.** (a) Notwithstanding section 126C.05, subdivision 1,
562.34 paragraph (d), the pupil units for a voluntary prekindergarten program for an eligible school

563.1 district or charter school must not exceed 60 percent of the kindergarten pupil units for that
 563.2 school district or charter school under section 126C.05, subdivision 1, paragraph (e).

563.3 ~~(b) In reviewing applications under subdivision 5, the commissioner must limit the~~
 563.4 ~~estimated state aid entitlement approved under this section to \$27,092,000 for fiscal year~~
 563.5 ~~2017. If the actual state aid entitlement based on final data exceeds the limit in any year,~~
 563.6 ~~the aid of the participating districts must be prorated so as not to exceed the limit.~~

563.7 ~~(e)~~ (b) The commissioner must limit the total number of funded participants in the
 563.8 voluntary prekindergarten program under this section to not more than 3,160.

563.9 ~~(d)~~ (c) Notwithstanding paragraph ~~(e)~~ (b), the commissioner must limit the total number
 563.10 of participants in the voluntary prekindergarten and school readiness plus programs to not
 563.11 more than 6,160 participants for fiscal year 2018 and 7,160 participants for fiscal year 2019.

563.12 (d) For fiscal year 2020 and later, at least 40 percent of the number of program
 563.13 participants served under this section in excess of 3,160 participants must be served through
 563.14 a mixed delivery of services according to subdivision 3.

563.15 Sec. 5. Laws 2017, First Special Session chapter 5, article 8, section 9, subdivision 6, is
 563.16 amended to read:

563.17 Subd. 6. **No supplanting.** For a site first qualifying in fiscal year 2018 or ~~2019~~ later,
 563.18 ~~mixed delivery revenue, including~~ voluntary prekindergarten and school readiness plus
 563.19 program revenue, must be used to supplement not supplant existing state, federal, and local
 563.20 revenue for prekindergarten activities.

563.21 ARTICLE 40

563.22 STATE AGENCIES

563.23 Section 1. Laws 2017, First Special Session chapter 5, article 11, section 9, subdivision
 563.24 2, is amended to read:

563.25 Subd. 2. **Department.** (a) For the Department of Education:

563.26 \$ 27,158,000 2018

563.27 ~~24,874,000~~

563.28 \$ 24,673,000 2019

563.29 Of these amounts:

563.30 (1) \$231,000 each year is for the Board of School Administrators, and beginning in fiscal
 563.31 year 2020, the amount indicated is from the educator licensure account in the special revenue
 563.32 fund;

564.1 (2) \$1,000,000 each year is for regional centers of excellence under Minnesota Statutes,
564.2 section 120B.115;

564.3 (3) \$500,000 each year is for the school safety technical assistance center under Minnesota
564.4 Statutes, section 127A.052;

564.5 (4) \$250,000 each year is for the School Finance Division to enhance financial data
564.6 analysis;

564.7 (5) \$720,000 each year is for implementing Minnesota's Learning for English Academic
564.8 Proficiency and Success Act under Laws 2014, chapter 272, article 1, as amended;

564.9 (6) \$2,750,000 in fiscal year 2018 and \$500,000 in fiscal year 2019 are for the Department
564.10 of Education's mainframe update;

564.11 (7) \$123,000 each year is for a dyslexia specialist; ~~and~~

564.12 (8) \$2,000,000 each year is for legal fees and costs associated with litigation; and

564.13 (9) \$185,000 in fiscal year 2019 is for the Turnaround Arts program.

564.14 (b) Any balance in the first year does not cancel but is available in the second year.

564.15 (c) None of the amounts appropriated under this subdivision may be used for Minnesota's
564.16 Washington, D.C. office.

564.17 (d) The expenditures of federal grants and aids as shown in the biennial budget document
564.18 and its supplements are approved and appropriated and shall be spent as indicated.

564.19 (e) This appropriation includes funds for information technology project services and
564.20 support subject to the provisions of Minnesota Statutes, section 16E.0466. Any ongoing
564.21 information technology costs will be incorporated into the service level agreement and will
564.22 be paid to the Office of MN.IT Services by the Department of Education under the rates
564.23 and mechanism specified in that agreement.

564.24 (f) The agency's base is ~~\$22,054,000~~ \$22,014,000 for fiscal year 2020 and \$21,965,000
564.25 for 2021.

564.26 Sec. 2. Laws 2017, First Special Session chapter 5, article 11, section 12, is amended to
564.27 read:

564.28 **Sec. 12. APPROPRIATIONS; PERPICH CENTER FOR ARTS EDUCATION.**

564.29 (a) The sums in this section are appropriated from the general fund to the Perpich Center
564.30 for Arts Education for the fiscal years designated:

565.1 ~~8,173,000~~
 565.2 \$ 7,388,000 2018
 565.3 ~~6,973,000~~
 565.4 \$ 6,396,000 2019

565.5 (b) Of the amounts appropriated in paragraph (a), \$370,000 is for fiscal ~~years~~ year 2018
 565.6 or 2019 only for arts integration and Turnaround Arts programs.

565.7 (c) ~~\$1,200,000~~ \$415,000 in fiscal year 2018 is for severance payments related to the
 565.8 closure of Crosswinds school and is available until June 30, 2019.

565.9 (d) The base in fiscal year 2020 is \$6,521,000.

565.10

ARTICLE 41

565.11

FORECAST ADJUSTMENTS

565.12

A. GENERAL EDUCATION

565.13 Section 1. Laws 2017, First Special Session chapter 5, article 1, section 19, subdivision
 565.14 4, is amended to read:

565.15 Subd. 4. **Abatement aid.** For abatement aid under Minnesota Statutes, section 127A.49:

565.16 ~~2,374,000~~
 565.17 \$ 2,584,000 2018
 565.18 ~~2,163,000~~
 565.19 \$ 3,218,000 2019

565.20 The 2018 appropriation includes \$262,000 for 2017 and ~~\$2,112,000~~ \$2,322,000 for
 565.21 2018.

565.22 The 2019 appropriation includes ~~\$234,000~~ \$258,000 for 2018 and ~~\$1,929,000~~ \$2,960,000
 565.23 for 2019.

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

565.25 Sec. 2. Laws 2017, First Special Session chapter 5, article 1, section 19, subdivision 5, is
 565.26 amended to read:

565.27 Subd. 5. **Consolidation transition aid.** For districts consolidating under Minnesota
 565.28 Statutes, section 123A.485:

565.29 ~~185,000~~
 565.30 \$ 0 2018
 565.31 ~~382,000~~
 565.32 \$ 270,000 2019

565.33 The 2018 appropriation includes \$0 for 2017 and ~~\$185,000~~ \$0 for 2018.

566.1 The 2019 appropriation includes ~~\$20,000~~ \$0 for 2018 and ~~\$362,000~~ \$270,000 for 2019.

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

566.3 Sec. 3. Laws 2017, First Special Session chapter 5, article 1, section 19, subdivision 6, is
566.4 amended to read:

566.5 Subd. 6. **Nonpublic pupil education aid.** For nonpublic pupil education aid under
566.6 Minnesota Statutes, sections 123B.40 to 123B.43 and 123B.87:

566.7 ~~18,197,000~~
566.8 \$ 17,779,000 2018

566.9 ~~19,225,000~~
566.10 \$ 17,910,000 2019

566.11 The 2018 appropriation includes \$1,687,000 for 2017 and ~~\$16,510,000~~ \$16,092,000 for
566.12 2018.

566.13 The 2019 appropriation includes ~~\$1,834,000~~ \$1,787,000 for 2018 and ~~\$17,391,000~~
566.14 \$16,123,000 for 2019.

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

566.16 Sec. 4. Laws 2017, First Special Session chapter 5, article 1, section 19, subdivision 7, is
566.17 amended to read:

566.18 Subd. 7. **Nonpublic pupil transportation.** For nonpublic pupil transportation aid under
566.19 Minnesota Statutes, section 123B.92, subdivision 9:

566.20 ~~18,372,000~~
566.21 \$ 17,549,000 2018

566.22 ~~18,541,000~~
566.23 \$ 18,309,000 2019

566.24 The 2018 appropriation includes \$1,835,000 for 2017 and ~~\$16,537,000~~ \$15,714,000 for
566.25 2018.

566.26 The 2019 appropriation includes ~~\$1,837,000~~ \$1,745,000 for 2018 and ~~\$16,704,000~~
566.27 \$16,564,000 for 2019.

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

566.29 Sec. 5. Laws 2017, First Special Session chapter 5, article 1, section 19, subdivision 9, is
566.30 amended to read:

566.31 Subd. 9. **Career and technical aid.** For career and technical aid under Minnesota
566.32 Statutes, section 124D.4531, subdivision 1b:

567.1 ~~4,561,000~~
 567.2 \$ 4,757,000 2018
 567.3 ~~4,125,000~~
 567.4 \$ 4,384,000 2019

567.5 The 2018 appropriation includes \$476,000 for 2017 and ~~\$4,085,000~~ \$4,281,000 for
 567.6 2018.

567.7 The 2019 appropriation includes ~~\$453,000~~ \$475,000 for 2018 and ~~\$3,672,000~~ \$3,909,000
 567.8 for 2019.

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

567.10 **B. EDUCATION EXCELLENCE**

567.11 Sec. 6. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 2, is
 567.12 amended to read:

567.13 Subd. 2. **Achievement and integration aid.** For achievement and integration aid under
 567.14 Minnesota Statutes, section 124D.862:

567.15 ~~71,249,000~~
 567.16 \$ 71,693,000 2018
 567.17 ~~73,267,000~~
 567.18 \$ 73,926,000 2019

567.19 The 2018 appropriation includes \$6,725,000 for 2017 and ~~\$64,524,000~~ \$64,968,000 for
 567.20 2018.

567.21 The 2019 appropriation includes ~~\$7,169,000~~ \$7,218,000 for 2018 and ~~\$66,098,000~~
 567.22 \$66,708,000 for 2019.

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

567.24 Sec. 7. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 3, is
 567.25 amended to read:

567.26 Subd. 3. **Literacy incentive aid.** For literacy incentive aid under Minnesota Statutes,
 567.27 section 124D.98:

567.28 ~~47,264,000~~
 567.29 \$ 46,517,000 2018
 567.30 ~~47,763,000~~
 567.31 \$ 46,188,000 2019

567.32 The 2018 appropriation includes \$4,597,000 for 2017 and ~~\$42,667,000~~ \$41,920,000 for
 567.33 2018.

568.1 The 2019 appropriation includes ~~\$4,740,000~~ \$4,657,000 for 2018 and ~~\$43,023,000~~
 568.2 \$41,531,000 for 2019.

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

568.4 Sec. 8. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 4, is
 568.5 amended to read:

568.6 Subd. 4. **Interdistrict desegregation or integration transportation grants.** For
 568.7 interdistrict desegregation or integration transportation grants under Minnesota Statutes,
 568.8 section 124D.87:

568.9		13,337,000		
568.10	\$	<u>14,328,000</u>	.....	2018
568.11		14,075,000		
568.12	\$	<u>15,065,000</u>	.....	2019

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

568.14 Sec. 9. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 5, is
 568.15 amended to read:

568.16 Subd. 5. **Tribal contract schools.** For tribal contract school aid under Minnesota Statutes,
 568.17 section 124D.83:

568.18		3,623,000		
568.19	\$	<u>2,954,000</u>	.....	2018
568.20		4,018,000		
568.21	\$	<u>3,381,000</u>	.....	2019

568.22 The 2018 appropriation includes \$323,000 for 2017 and ~~\$3,300,000~~ \$2,631,000 for
 568.23 2018.

568.24 The 2019 appropriation includes ~~\$366,000~~ \$292,000 for 2018 and ~~\$3,652,000~~ \$3,089,000
 568.25 for 2019.

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

568.27 Sec. 10. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 6,
 568.28 is amended to read:

568.29 Subd. 6. **American Indian education aid.** For American Indian education aid under
 568.30 Minnesota Statutes, section 124D.81, subdivision 2a:

568.31	\$	9,244,000	.....	2018
568.32		9,464,000		
568.33	\$	<u>9,409,000</u>	.....	2019

569.1 The 2018 appropriation includes \$886,000 for 2017 and \$8,358,000 for 2018.

569.2 The 2019 appropriation includes \$928,000 for 2018 and ~~\$8,536,000~~ \$8,481,000 for
569.3 2019.

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

569.5 Sec. 11. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 21,
569.6 is amended to read:

569.7 Subd. 21. **Charter school building lease aid.** For building lease aid under Minnesota
569.8 Statutes, section 124E.22:

569.9		73,341,000		
569.10	\$	<u>73,334,000</u>	.....	2018
569.11		78,802,000		
569.12	\$	<u>79,098,000</u>	.....	2019

569.13 The 2018 appropriation includes \$6,850,000 for 2017 and ~~\$66,491,000~~ \$66,484,000 for
569.14 2018.

569.15 The 2019 appropriation includes \$7,387,000 for 2018 and ~~\$71,415,000~~ \$71,711,000 for
569.16 2019.

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

569.18 Sec. 12. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 26,
569.19 is amended to read:

569.20 Subd. 26. **Alternative teacher compensation aid.** For alternative teacher compensation
569.21 aid under Minnesota Statutes, section 122A.415, subdivision 4:

569.22		89,863,000		
569.23	\$	<u>90,131,000</u>	.....	2018
569.24		89,623,000		
569.25	\$	<u>89,789,000</u>	.....	2019

569.26 The 2018 appropriation includes \$8,917,000 for 2017 and ~~\$80,946,000~~ \$81,214,000 for
569.27 2018.

569.28 The 2019 appropriation includes ~~\$8,994,000~~ \$9,023,000 for 2018 and ~~\$80,629,000~~
569.29 \$80,766,000 for 2019.

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

570.1

C. SPECIAL EDUCATION

570.2 Sec. 13. Laws 2017, First Special Session chapter 5, article 4, section 12, subdivision 2,
570.3 as amended by Laws 2017, First Special Session chapter 7, section 12, is amended to read:

570.4 Subd. 2. **Special education; regular.** For special education aid under Minnesota Statutes,
570.5 section 125A.75:

570.6 ~~1,341,161,000~~
570.7 \$ 1,366,903,000 2018

570.8 ~~1,426,827,000~~
570.9 \$ 1,467,921,000 2019

570.10 The 2018 appropriation includes \$156,403,000 for 2017 and ~~\$1,184,758,000~~
570.11 \$1,210,500,000 for 2018.

570.12 The 2019 appropriation includes ~~\$166,667,000~~ \$170,291,000 for 2018 and
570.13 ~~\$1,260,160,000~~ \$1,297,630,000 for 2019.

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

570.15 Sec. 14. Laws 2017, First Special Session chapter 5, article 4, section 12, subdivision 3,
570.16 is amended to read:

570.17 Subd. 3. **Aid for children with disabilities.** For aid under Minnesota Statutes, section
570.18 125A.75, subdivision 3, for children with disabilities placed in residential facilities within
570.19 the district boundaries for whom no district of residence can be determined:

570.20 ~~1,597,000~~
570.21 \$ 1,022,000 2018

570.22 ~~1,830,000~~
570.23 \$ 1,204,000 2019

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

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

570.27 Sec. 15. Laws 2017, First Special Session chapter 5, article 4, section 12, subdivision 4,
570.28 is amended to read:

570.29 Subd. 4. **Travel for home-based services.** For aid for teacher travel for home-based
570.30 services under Minnesota Statutes, section 125A.75, subdivision 1:

571.1 ~~508,000~~
 571.2 \$ 412,000 2018
 571.3 ~~532,000~~
 571.4 \$ 421,000 2019

571.5 The 2018 appropriation includes \$48,000 for 2017 and ~~\$460,000~~ \$364,000 for 2018.

571.6 The 2019 appropriation includes ~~\$51,000~~ \$40,000 for 2018 and ~~\$481,000~~ \$381,000 for
 571.7 2019.

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

571.9 Sec. 16. Laws 2017, First Special Session chapter 5, article 4, section 12, subdivision 5,
 571.10 is amended to read:

571.11 Subd. 5. **Court-placed special education revenue.** For reimbursing serving school
 571.12 districts for unreimbursed eligible expenditures attributable to children placed in the serving
 571.13 school district by court action under Minnesota Statutes, section 125A.79, subdivision 4:

571.14 ~~46,000~~
 571.15 \$ 40,000 2018
 571.16 ~~47,000~~
 571.17 \$ 41,000 2019

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

571.19 **D. FACILITIES AND TECHNOLOGY**

571.20 Sec. 17. Laws 2017, First Special Session chapter 5, article 5, section 14, subdivision 2,
 571.21 is amended to read:

571.22 Subd. 2. **Debt service equalization aid.** For debt service equalization aid under
 571.23 Minnesota Statutes, section 123B.53, subdivision 6:

571.24 \$ 24,908,000 2018
 571.25 ~~22,360,000~~
 571.26 \$ 23,137,000 2019

571.27 The 2018 appropriation includes \$2,324,000 for 2017 and \$22,584,000 for 2018.

571.28 The 2019 appropriation includes \$2,509,000 for 2018 and ~~\$19,851,000~~ \$20,628,000 for
 571.29 2019.

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

572.1 Sec. 18. Laws 2017, First Special Session chapter 5, article 5, section 14, subdivision 3,
572.2 is amended to read:

572.3 Subd. 3. **Long-term facilities maintenance equalized aid.** For long-term facilities
572.4 maintenance equalized aid under Minnesota Statutes, section 123B.595, subdivision 9:

572.5		80,179,000		
572.6	\$	<u>81,053,000</u>	.....	2018
572.7		103,460,000		
572.8	\$	<u>102,374,000</u>	.....	2019

572.9 The 2018 appropriation includes \$5,815,000 for 2017 and ~~\$74,364,000~~ \$75,238,000 for
572.10 2018.

572.11 The 2019 appropriation includes ~~\$8,262,000~~ \$8,359,000 for 2018 and ~~\$95,198,000~~
572.12 \$94,015,000 for 2019.

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

572.14 E. NUTRITION

572.15 Sec. 19. Laws 2017, First Special Session chapter 5, article 6, section 3, subdivision 2, is
572.16 amended to read:

572.17 Subd. 2. **School lunch.** For school lunch aid under Minnesota Statutes, section 124D.111,
572.18 and Code of Federal Regulations, title 7, section 210.17:

572.19		16,721,000		
572.20	\$	<u>16,143,000</u>	.....	2018
572.21		17,223,000		
572.22	\$	<u>16,477,000</u>	.....	2019

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

572.24 Sec. 20. Laws 2017, First Special Session chapter 5, article 6, section 3, subdivision 3, is
572.25 amended to read:

572.26 Subd. 3. **School breakfast.** For traditional school breakfast aid under Minnesota Statutes,
572.27 section 124D.1158:

572.28		10,601,000		
572.29	\$	<u>10,474,000</u>	.....	2018
572.30		11,359,000		
572.31	\$	<u>11,282,000</u>	.....	2019

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

573.1 Sec. 21. Laws 2017, First Special Session chapter 5, article 6, section 3, subdivision 4, is
573.2 amended to read:

573.3 Subd. 4. **Kindergarten milk.** For kindergarten milk aid under Minnesota Statutes,
573.4 section 124D.118:

573.5		758,000		
573.6	\$	<u>734,000</u>	.....	2018
573.7		758,000		
573.8	\$	<u>734,000</u>	.....	2019

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

573.10 **F. EARLY CHILDHOOD AND FAMILY SUPPORT**

573.11 Sec. 22. Laws 2017, First Special Session chapter 5, article 8, section 10, subdivision 5a,
573.12 is amended to read:

573.13 Subd. 5a. **Early childhood family education aid.** For early childhood family education
573.14 aid under Minnesota Statutes, section 124D.135:

573.15		30,405,000		
573.16	\$	<u>29,760,000</u>	.....	2018
573.17		31,977,000		
573.18	\$	<u>30,870,000</u>	.....	2019

573.19 The 2018 appropriation includes \$2,904,000 for 2017 and ~~\$27,501,000~~ \$26,856,000 for
573.20 2018.

573.21 The 2019 appropriation includes ~~\$3,055,000~~ \$2,983,000 for 2018 and ~~\$28,922,000~~
573.22 \$27,887,000 for 2019.

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

573.24 Sec. 23. Laws 2017, First Special Session chapter 5, article 8, section 10, subdivision 6,
573.25 is amended to read:

573.26 Subd. 6. **Developmental screening aid.** For developmental screening aid under
573.27 Minnesota Statutes, sections 121A.17 and 121A.19:

573.28		3,606,000		
573.29	\$	<u>3,663,000</u>	.....	2018
573.30		3,629,000		
573.31	\$	<u>3,688,000</u>	.....	2019

573.32 The 2018 appropriation includes \$358,000 for 2017 and ~~\$3,248,000~~ \$3,305,000 for
573.33 2018.

574.1 The 2019 appropriation includes ~~\$360,000~~ \$367,000 for 2018 and ~~\$3,269,000~~ \$3,321,000
 574.2 for 2019.

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

574.4 Sec. 24. Laws 2017, First Special Session chapter 5, article 8, section 10, subdivision 12,
 574.5 is amended to read:

574.6 Subd. 12. **Home visiting aid.** For home visiting aid under Minnesota Statutes, section
 574.7 124D.135:

574.8 ~~527,000~~
 574.9 \$ 503,000 2018

574.10 ~~571,000~~
 574.11 \$ 525,000 2019

574.12 The 2018 appropriation includes \$0 for 2017 and ~~\$527,000~~ \$503,000 for 2018.

574.13 The 2019 appropriation includes ~~\$58,000~~ \$55,000 for 2018 and ~~\$513,000~~ \$470,000 for
 574.14 2019.

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

574.16 **G. COMMUNITY EDUCATION AND PREVENTION**

574.17 Sec. 25. Laws 2017, First Special Session chapter 5, article 9, section 2, subdivision 2, is
 574.18 amended to read:

574.19 Subd. 2. **Community education aid.** For community education aid under Minnesota
 574.20 Statutes, section 124D.20:

574.21 ~~483,000~~
 574.22 \$ 477,000 2018

574.23 ~~393,000~~
 574.24 \$ 410,000 2019

574.25 The 2018 appropriation includes \$53,000 for 2017 and ~~\$430,000~~ \$424,000 for 2018.

574.26 The 2019 appropriation includes \$47,000 for 2018 and ~~\$346,000~~ \$363,000 for 2019.

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

575.1 **H. SELF-SUFFICIENCY AND LIFELONG LEARNING**

575.2 Sec. 26. Laws 2017, First Special Session chapter 5, article 10, section 6, subdivision 2,
575.3 is amended to read:

575.4 Subd. 2. **Adult basic education aid.** For adult basic education aid under Minnesota
575.5 Statutes, section 124D.531:

575.6		50,010,000		
575.7	\$	<u>48,708,000</u>	.....	2018
575.8		51,497,000		
575.9	\$	<u>50,109,000</u>	.....	2019

575.10 The 2018 appropriation includes \$4,881,000 for 2017 and ~~\$45,129,000~~ \$43,827,000 for
575.11 2018.

575.12 The 2019 appropriation includes ~~\$5,014,000~~ \$4,869,000 for 2018 and ~~\$46,483,000~~
575.13 \$45,240,000 for 2019.

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

575.15 **ARTICLE 42**575.16 **MISCELLANEOUS FINANCE**

575.17 Section 1. Minnesota Statutes 2016, section 16A.103, subdivision 1, is amended to read:

575.18 Subdivision 1. **State revenue and expenditures.** In February and November each year,
575.19 the commissioner shall prepare a forecast of state revenue and expenditures. The November
575.20 forecast must be delivered to the legislature and governor no later than ~~the end of the first~~
575.21 ~~week of December 6.~~ The February forecast must be delivered to the legislature and governor
575.22 by the end of February. Forecasts must be delivered to the legislature and governor on the
575.23 same day. If requested by the Legislative Commission on Planning and Fiscal Policy,
575.24 delivery to the legislature must include a presentation to the commission.

575.25 Sec. 2. Minnesota Statutes 2016, section 16A.103, subdivision 1b, is amended to read:

575.26 Subd. 1b. **Forecast variable.** In determining the amount of state bonding as it affects
575.27 debt service, the calculation of investment income, and the other variables to be included
575.28 in the expenditure part of the forecast, the commissioner must consult with the chairs and
575.29 lead minority members of the senate ~~State Government~~ Finance Committee and the house
575.30 of representatives Ways and Means Committee, and legislative fiscal staff. This consultation
575.31 must occur at least three weeks before the forecast is to be released. No later than two weeks
575.32 prior to the release of the forecast, the commissioner must inform the chairs and lead minority

576.1 members of the senate ~~State Government~~ Finance Committee and the house of representatives
576.2 Ways and Means Committee, and legislative fiscal staff of any changes in these variables
576.3 from the previous forecast.

576.4 Sec. 3. Minnesota Statutes 2016, section 16A.103, is amended by adding a subdivision to
576.5 read:

576.6 Subd. 1i. **Budget close report.** By September 30 of each odd-numbered year, the
576.7 commissioner shall prepare a detailed fund balance analysis of the general fund for the
576.8 previous biennium. The analysis shall include a comparison to the most recent publicly
576.9 available fund balance analysis of the general fund. The commissioner shall provide this
576.10 analysis to the chairs and ranking minority members of the house of representatives Ways
576.11 and Means Committee and the senate Finance Committee, and shall post the analysis on
576.12 the agency's Web site.

576.13 Sec. 4. Minnesota Statutes 2017 Supplement, section 16A.152, subdivision 2, is amended
576.14 to read:

576.15 Subd. 2. **Additional revenues; priority.** (a) If on the basis of a forecast of general fund
576.16 revenues and expenditures, the commissioner of management and budget determines that
576.17 there will be a positive unrestricted budgetary general fund balance at the close of the
576.18 biennium, the commissioner of management and budget must allocate money to the following
576.19 accounts and purposes in priority order:

576.20 (1) the cash flow account established in subdivision 1 until that account reaches
576.21 \$350,000,000;

576.22 (2) the budget reserve account established in subdivision 1a until that account reaches
576.23 \$1,596,522,000;

576.24 (3) the amount necessary to increase the aid payment schedule for school district aids
576.25 and credits payments in section 127A.45 to not more than 90 percent rounded to the nearest
576.26 tenth of a percent without exceeding the amount available and with any remaining funds
576.27 deposited in the budget reserve; and

576.28 (4) the amount necessary to restore all or a portion of the net aid reductions under section
576.29 127A.441 and to reduce the property tax revenue recognition shift under section 123B.75,
576.30 subdivision 5, by the same amount; ~~and~~

576.31 ~~(5) the clean water fund established in section 114D.50 until \$22,000,000 has been~~
576.32 ~~transferred into the fund.~~

577.1 (b) The amounts necessary to meet the requirements of this section are appropriated
 577.2 from the general fund within two weeks after the forecast is released or, in the case of
 577.3 transfers under paragraph (a), clauses (3) and (4), as necessary to meet the appropriations
 577.4 schedules otherwise established in statute.

577.5 (c) The commissioner of management and budget shall certify the total dollar amount
 577.6 of the reductions under paragraph (a), clauses (3) and (4), to the commissioner of education.
 577.7 The commissioner of education shall increase the aid payment percentage and reduce the
 577.8 property tax shift percentage by these amounts and apply those reductions to the current
 577.9 fiscal year and thereafter.

577.10 ~~(d) Paragraph (a), clause (5), expires after the entire amount of the transfer has been~~
 577.11 ~~made.~~

577.12 Sec. 5. Minnesota Statutes 2016, section 16A.97, is amended to read:

577.13 **16A.97 TOBACCO BONDS.**

577.14 The commissioner may sell and issue debt under ~~either or both of sections 16A.98 and~~
 577.15 section 16A.99, but the net proceeds of bonds issued and sold under ~~those sections together~~
 577.16 that section must not exceed \$640,000,000 during fiscal years 2012 and 2013.

577.17 Sec. 6. Minnesota Statutes 2016, section 16E.21, subdivision 3, is amended to read:

577.18 Subd. 3. **Legislative Advisory Commission review.** (a) No funds may be transferred
 577.19 to the information and telecommunications technology systems and services account under
 577.20 subdivision 2 or section 16E.0466 until the commissioner of management and budget has
 577.21 submitted the proposed transfer to the members of the Legislative Advisory Commission
 577.22 for review and recommendation.

577.23 (b) If the proposed transfer is less than \$500,000 and the commission makes a positive
 577.24 recommendation or no recommendation, or if the commission has not reviewed the request
 577.25 within 20 days after the date the request to transfer funds was submitted, the commissioner
 577.26 of management and budget may approve the request to transfer the funds. If the proposed
 577.27 transfer is less than \$500,000 and the commission recommends further review of a request
 577.28 to transfer funds, the commissioner shall provide additional information to the commission
 577.29 within 20 days. If the commission makes a negative recommendation on the request under
 577.30 this paragraph within ten 15 days of receiving further information, the commissioner shall
 577.31 not approve the fund transfer. If the commission makes a positive recommendation or no

578.1 recommendation within ~~ten~~ 15 days of receiving further information, the commissioner may
 578.2 approve the fund transfer.

578.3 (c) If the proposed transfer is \$500,000 or more and the commission makes a positive
 578.4 recommendation within 20 days after the date the request to transfer funds was submitted,
 578.5 the commissioner of management and budget may approve the request to transfer the funds.
 578.6 If the proposed transfer is \$500,000 or more and the commission recommends further review
 578.7 of a request to transfer funds or makes no recommendation, the commissioner shall provide
 578.8 additional information to the commission within 20 days. If the commission makes a negative
 578.9 recommendation or no recommendation on the request under this paragraph within 15 days
 578.10 of receiving further information, the commissioner shall not approve the fund transfer. If
 578.11 the commission makes a positive recommendation under this paragraph within 15 days of
 578.12 receiving further information, the commissioner may approve the fund transfer.

578.13 ~~(b)~~ (d) A recommendation of the commission under this section must be made at a
 578.14 meeting of the commission unless a written recommendation is signed by ~~all~~ a majority of
 578.15 members entitled to vote on the item as specified in section 3.30, subdivision 2. A
 578.16 recommendation of the commission must be made by a majority of the commission.

578.17 Sec. 7. Minnesota Statutes 2016, section 299A.707, is amended by adding a subdivision
 578.18 to read:

578.19 Subd. 6. **Annual transfer.** In fiscal year 2018 and each year thereafter, the commissioner
 578.20 of management and budget shall transfer \$461,000 from the general fund to the community
 578.21 justice reinvestment account.

578.22 Sec. 8. Laws 2017, First Special Session chapter 1, article 4, section 31, is amended to
 578.23 read:

578.24 Sec. 31. **APPROPRIATION; FIRE REMEDIATION GRANTS.**

578.25 \$1,392,258 is appropriated in fiscal year 2018 from the general fund to the commissioner
 578.26 of public safety for grants to remediate the effects of fires in the city of Melrose on September
 578.27 8, 2016. The commissioner must allocate the grants as follows:

578.28 (1) \$1,296,458 to the city of Melrose; and

578.29 (2) \$95,800 to Stearns County.

578.30 A grant recipient must use the money appropriated under this section for remediation
 578.31 costs, including disaster recovery, infrastructure, reimbursement for emergency personnel
 578.32 costs, reimbursement for equipment costs, and reimbursements for property tax abatements,

579.1 incurred by public or private entities as a result of the fires. This is a onetime appropriation
579.2 and is available until June 30, ~~2018~~ 2019.

579.3 **EFFECTIVE DATE.** This section is effective June 1, 2018.

579.4 Sec. 9. **TRANSFER; FEDERAL DISASTER, DR-4069.**

579.5 The commissioner of management and budget must transfer any unexpended balance
579.6 appropriated to the Department of Public Safety for Federal Disaster DR-4069 under Laws
579.7 2012, First Special Session chapter 1, article 1, section 3, subdivision 2, as amended by
579.8 Laws 2013, First Special Session chapter 1, section 2, paragraph (a), to the disaster
579.9 contingency account in Minnesota Statutes, section 12.221, subdivision 6. This is a onetime
579.10 transfer.

579.11 Sec. 10. **REPEALER.**

579.12 Minnesota Statutes 2016, section 16A.98, is repealed.

APPENDIX
Article locations in SF3656-1

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ARTICLE 3	ENERGY POLICY.....	Page.Ln 32.28
ARTICLE 4	JOBS AND ECONOMIC GROWTH.....	Page.Ln 47.16
ARTICLE 5	ECONOMIC DEVELOPMENT POLICY.....	Page.Ln 49.1
ARTICLE 6	LABOR AND INDUSTRY.....	Page.Ln 77.25
ARTICLE 7	WORKERS' COMPENSATION.....	Page.Ln 82.1
ARTICLE 8	UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; POLICY.....	Page.Ln 85.25
ARTICLE 9	UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; INTEREST.....	Page.Ln 91.28
ARTICLE 10	UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; BASE PERIODS.....	Page.Ln 92.16
ARTICLE 11	UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; HOUSEKEEPING.....	Page.Ln 95.17
ARTICLE 12	UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; TECHNICAL.....	Page.Ln 104.26
ARTICLE 13	ENVIRONMENT AND NATURAL RESOURCES.....	Page.Ln 110.25
ARTICLE 14	ENVIRONMENT AND NATURAL RESOURCES POLICY.....	Page.Ln 121.16
ARTICLE 15	ACCELERATED BUFFER STRIP IMPLEMENTATION.....	Page.Ln 185.23
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ARTICLE 17	TRANSPORTATION.....	Page.Ln 211.4
ARTICLE 18	AGRICULTURE AND RURAL DEVELOPMENT APPROPRIATIONS.....	Page.Ln 285.18
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ARTICLE 21	PUBLIC SAFETY.....	Page.Ln 334.26
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ARTICLE 28	CHILDREN AND FAMILIES; LICENSING.....	Page.Ln 430.1
ARTICLE 29	STATE-OPERATED SERVICES; CHEMICAL AND MENTAL HEALTH.....	Page.Ln 450.24
ARTICLE 30	COMMUNITY SUPPORTS AND CONTINUING CARE.....	Page.Ln 456.1
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16A.98 TOBACCO SECURITIZATION BONDS.

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

(a) "Authority" means the Tobacco Securitization Authority created and established under subdivision 3.

(b) "Authorized officer" means any of the members of the authority identified and described in subdivision 3.

(c) "Bond" means any instrument evidencing the obligation to pay money authorized or issued by the authority as provided by this section, including without limitation, bonds, notes, or certificates.

(d) "Bondholder" means, in the case of a bond issued in registered form, the registered owner of the bond and otherwise, the owner of the bond.

(e) "Commissioner" means the commissioner of management and budget.

(f) "Consent judgment" means the consent judgment, as the same has been and may be corrected, amended, or modified, in the action styled as The State of Minnesota, By Hubert Humphrey, III, Its attorney general, and Blue Cross and Blue Shield of Minnesota v. Philip Morris Incorporated, et al., No. C1-94-8565 (Minnesota District Court, Second Judicial District, May 8, 1998).

(g) "General tobacco subaccount" means the account established by the authority within the tobacco settlement recovery account established under subdivision 12 for the net proceeds of bonds.

(h) "Settlement agreement" means the settlement agreement and stipulation for entry of consent judgment, dated May 8, 1998, between the State of Minnesota, By Hubert Humphrey, III, Its attorney general, and Blue Cross and Blue Shield of Minnesota, on the one hand, and Philip Morris Incorporated, et al., on the other hand, and the subject of the consent judgment.

(i) "Net proceeds of bonds" means the gross proceeds of the sale of bonds issued under subdivision 5, less any amounts applied or to be applied to pay transaction and administrative expenses, including underwriting discount, to pay capitalized interest and to fund any reserves deemed necessary or appropriate by the authority, but does not include any investment earnings realized thereon.

(j) "Participating manufacturer" means a tobacco product manufacturer that is or becomes a signatory to the settlement agreement.

(k) "Pledged tobacco revenues" means the state's tobacco settlement revenues sold to the authority under the sale agreement and pledged by the authority for the payment of bonds and any related bond facility.

(l) "Related bond facility" means any interest rate exchange or similar agreement or any bond insurance policy, letter of credit or other credit enhancement facility, liquidity facility, guaranteed investment or reinvestment agreement, or other similar agreement, arrangement, or contract.

(m) "Residual amount in tobacco settlement revenues" means any tobacco settlement revenues determined as moneys received but not required for the identified period in which revenues are received, to pay principal or interest on bonds or administrative or transaction expenses of the authority, or to fund reserves or other requirements relating to bonds issued or related bond facilities made under this section.

(n) "Sale agreement" means any agreement authorized as provided in this section in which the state provides for the sale of all or a portion of the tobacco settlement revenues to the authority.

(o) "State" means the state of Minnesota.

(p) "Tobacco settlement bond proceeds fund" is established within the state treasury and consists of the net proceeds from any sale, conveyance, or transfer of the state's tobacco settlement revenues from the authority.

(q) "Tobacco settlement recovery account" is the account established by the authority outside of the state's treasury.

(r) "Tobacco settlement revenues subaccount" means the account established by the authority within the tobacco settlement recovery account established under subdivision 12 for receipt of tobacco settlement revenues and for payment of debt service of bonds authorized under this section.

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(s) "Tobacco settlement residual subaccount" means the account established by the authority within the tobacco settlement recovery account established under subdivision 12 for receipt of the residual amount in the tobacco settlement revenues subaccount.

(t) "Tobacco settlement revenues" means all tobacco settlement payments received by the state on and after July 21, 2011, and required to be made under the terms of the settlement agreement by participating manufacturers, and the state's rights to receive the tobacco settlement payments on and after July 21, 2011, exclusive of any payments made with respect to liability to make those payments for calendar years completed before July 21, 2011.

Subd. 2. Ownership, transfer, and sale of state's right to tobacco settlement revenues. All tobacco settlement revenues received and to be received by the state are the property of the state, to be used as provided by law, including a sale, assignment, or transfer of the right to receive the tobacco settlement revenues under this subdivision. During fiscal years 2012 and 2013, the commissioner may sell, convey, or otherwise transfer to the authority, and may take any action necessary to facilitate and complete the sale, conveyance, or transfer to the authority, the tobacco settlement revenues in exchange for the net proceeds of bonds and a right to the residual amount in the tobacco settlement revenues subaccount. Unless otherwise directed by statute, the net proceeds of any such sale, conveyance, or transfer shall be deposited in the general tobacco subaccount. The authority's purchased interest in tobacco settlement revenues received by the state from time to time shall be deposited in the tobacco settlement revenues subaccount, and the residual amount in tobacco settlement revenues received by the state from time to time shall be deposited in the tobacco settlement residual subaccount, in each case to be applied for the purposes and in the manner described in this section.

Any sale, conveyance, or other transfer authorized by this subdivision shall be evidenced by an instrument or agreement in writing signed on behalf of the state by the commissioner. A certified copy of the instrument or agreement shall be filed with the commissioner and the chairs of the senate Finance Committee and the house of representatives Ways and Means Committee promptly upon execution and delivery thereof. The instrument or agreement shall require, as a condition of the sale, conveyance, or other transfer, that the authority notify the commissioner promptly upon the issuance, sale, and delivery thereof if any bonds are issued that are secured by any of the tobacco settlement revenues and provide the commissioner with all information on the distribution of the bond proceeds. The commissioner shall submit a report to the chairs of the senate Finance Committee and the house of representatives Ways and Means Committee that includes all of the information provided to the commissioner by the authority under this subdivision. The instrument or agreement may include an irrevocable direction to pay all or a specified portion of the tobacco settlement revenues directly to or upon the order of the authority, or to any escrow agent or any trustee under an indenture or other agreement securing any bonds issued or related bond facilities made under this section. Upon execution and delivery of the sale agreement as provided in this section, the sale, conveyance, or other transfer of the right to receive the tobacco settlement revenues, shall, for all purposes, be a true sale and absolute conveyance of all right, title, and interest therein and not as a pledge or other security interest for any borrowing, valid, binding, and enforceable in accordance with the terms thereof and such instrument or agreements and any related instrument, agreement, or other arrangement, including any pledge, grant of security interest, or other encumbrance made by authority to secure any bonds issued by the authority, and shall not be subject to disavowal, disaffirmance, cancellation, or avoidance by reason of insolvency of any party, lack of consideration, or any other fact, occurrence, or rule of law. On and after the effective date of the sale of any portion, including all of the tobacco settlement revenues, the state shall have no right, title, or interest in or to the portion of the tobacco settlement revenues sold, and the portion of the tobacco settlement revenues sold shall be the property of the authority, and shall be received, held, and disbursed by the authority in a trust fund outside the state treasury. Any portions of the tobacco settlement revenues sold to the authority and held in trust may be invested in investments and deposit accounts or certificates, and with security, agreed upon with the bondholders or a trustee for the bondholders.

The procedures and requirements set forth in this subdivision shall be the sole procedures and requirements applicable to the sale of the tobacco settlement revenues.

Subd. 3. Establishment and powers of authority. (a) The authority is hereby established as a body corporate and politic and a public instrumentality of, but having a legal existence independent and separate from the state and, accordingly, the assets, liabilities, and funds of the authority shall be neither consolidated nor commingled with those of the state treasury, provided that the assets, liabilities, and funds of the authority shall be held by a duly designated agent or fiduciary of the authority. If the authority does not designate a fiduciary or an agent for the purposes of this subdivision, the assets and funds of the authority shall be held in the state treasury. The authority

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and its corporate existence shall continue until 12 months after all its liabilities have been met or otherwise discharged. Upon the termination of the existence of the authority, all of its rights and property shall pass to and be vested in the state. The authority shall be established for the express limited public purposes set forth in this section, and no part of the net earnings of the authority shall inure to any private individual.

(b) The authority shall be governed by a three-member board consisting of the commissioner, the commissioner of revenue, and the commissioner of health. The commissioner shall serve as the chair and chief executive officer of the authority, who shall sign instruments or agreements authorized by this section on behalf of the authority; provided that the authority may by resolution authorize a member other than the commissioner to sign authorized instruments or agreements. The authority may elect other officers as necessary from its members. The authority may also appoint a nonremunerated chief financial officer who may or may not be a member of the authority in order to provide financial analysis and advice regarding any transaction of the authority. The powers of the authority shall be subject to the terms, conditions, and limitations contained within this section, and any applicable covenants or agreements of the authority in any indenture or other agreement relating to any then outstanding bonds or related bond facilities. The authority may enter into contracts regarding any matter connected with any corporate purpose within the objects and purposes of this section. The members of the authority shall receive no salary or other compensation, either direct or indirect, for serving as members of the authority, other than reimbursement for actual and necessary expenses incurred in the performance of such person's duties. Notwithstanding the foregoing, the authority shall not be authorized to make any covenant, pledge, promise, or agreement purporting to bind the state with respect to tobacco settlement revenues, except as otherwise specifically authorized by this section.

(c) A majority of the authority, excluding vacancies, constitutes a quorum to conduct its business, to exercise its powers, and for all other purposes.

(d) The authority may conduct its business as provided under section 13D.015, including teleconference calls or interactive video, that allows for an interaction between members. If a meeting is conducted under this paragraph, a specific location must be available for the public to attend the meeting and at least one member must be present at that location.

(e) The authority may not file a voluntary petition under or be or become a debtor or bankrupt under the federal bankruptcy code or any other federal or state bankruptcy, insolvency, or moratorium law or statute as may, from time to time, be in effect, and neither any public officer nor any organization, entity, or other person shall authorize the authority to be or become a debtor or bankrupt under the federal bankruptcy code or any other federal or state bankruptcy, insolvency, or moratorium law or statute, as may, from time to time be in effect.

(f) The authority may not guarantee the debts of another.

(g) The commissioner shall provide administrative services to the authority.

(h) The authority may accept appropriations, gifts, grants, bequests, and devises, and use or dispose of them for its purposes. All gifts, grants, bequests, and revenues from those sources are appropriated to the authority.

(i) Proceeds of the authority's bonds, notes, and other obligations; amounts granted or appropriated to the authority for bond debt service reserves; income from investment; money in the funds; and all revenues from fees and charges of the authority including rentals, royalties, dividends, or other proceeds are annually appropriated to the authority for the accomplishment of its corporate purposes and must be spent, administered, and accounted for in accordance with the applicable provisions of all bond and note resolutions, indentures, and other instruments, contracts, and agreements of the authority. Notwithstanding section 16A.28, these appropriations are available until expended.

Subd. 4. **Certain powers of the authority.** The authority shall have the power to:

(1) sue and be sued;

(2) have a seal and alter the same at pleasure;

(3) make and alter bylaws for its organization and internal management;

(4) make and execute contracts and all other instruments necessary or convenient for the exercise of its powers and functions under this subdivision, including without limitation the purchase from the state of all or a portion of the right to receive tobacco settlement revenues, and request the

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attorney general to commence any action to protect or enforce any right conferred upon it by any law, contract, or other agreement;

(5) retain or contract for the services of underwriters, financial advisors, accountants or other consultants or agents;

(6) pay its operating expenses and its financing costs, including its reasonable costs of issuance and sale of bonds and those of the attorney general, if any;

(7) borrow money in its name, issue negotiable bonds as named by the authority, and provide for the rights of the holders thereof as otherwise provided in this section;

(8) procure insurance against any loss in connection with its activities, properties, and assets in such amount and from such insurers as it deems desirable;

(9) invest any funds or other moneys under its custody and control in investment securities or under any related bond facility;

(10) as security for the payment of the principal of and interest on any bonds issued by it under this section and any agreement made in connection therewith and for its obligations under any related bond facility, pledge all or any part of the tobacco settlement revenues;

(11) establish and create debt service reserve funds and capitalized interest accounts and deposit therein proceeds of bonds in such amount or amounts as shall be provided by the resolutions or trust indentures for the bonds; and

(12) do any and all things necessary and proper to carry out its purposes and exercise the powers expressly given and granted in this section.

Subd. 5. **Bonds of the authority.** (a) The authority shall have power and is hereby authorized to issue bonds from time to time in one or more series, in an aggregate principal amount no greater than \$900,000,000, excluding refunding bonds sold and issued under this section, to provide funds not to exceed \$640,000,000 and subject to the limitation in section 16A.97, for the purchase of all or a portion of the tobacco settlement revenues pursuant to subdivision 2, and also to provide sufficient funds for the establishment of a debt service reserve fund, and the payment or provision for capitalized interest and financing costs, including, without limitation, the cost of any related credit facility.

The issuance of bonds shall be authorized by a resolution of the authority, adopted by a majority of the members of the authority without further authorization or approval. The issue of the bonds of the authority shall be special limited revenue obligations payable from and secured by a pledge of the pledged tobacco revenues, those proceeds of bonds deposited in a debt service reserve fund for the benefit of bondholders, and earnings on funds of the authority, upon terms and conditions as specified by the authority in the resolution under which the bonds are issued or in a related trust indenture.

The authority shall have the power and is hereby authorized from time to time to issue bonds, whenever it deems refunding expedient, to refund any outstanding bonds by the issuance of new bonds, provided that the refunding bonds mature not more than 30 years after the date of issuance as may be determined by the authority. The refunding bonds may be exchanged for the bonds to be refunded or sold and the proceeds applied to the purchase, redemption, or payment of the bonds to be refunded.

(b) The bonds of each issue shall be dated, shall bear interest, which may be includable in or excludable from the gross income of the owners for federal income tax purposes, at fixed or variable rates, payable at or prior to maturity, and shall mature at such time or times, not more than 30 years after the date of issuance, as may be determined by the authority, and may be made redeemable before maturity, at the option of the authority, at such price or prices and under such terms and conditions as may be fixed by the authority. The principal and interest of the bonds may be made payable in any lawful medium. The resolution of the authority approving the issuance of the bonds shall determine the form of the bonds and the manner of execution of the bonds and shall fix the denomination or denominations of the bonds and the place or places of payment of principal and interest thereof, which may be at any bank or trust company within or outside the state. If any officer whose signature or a facsimile thereof appears on any bonds shall cease to be an officer before the delivery of the bonds, the signature or facsimile shall nevertheless be valid and sufficient for all purposes the same as if the officer had remained in office until such delivery.

(c) The authority may sell such bonds at either public or private sale upon terms as the commissioner shall determine are not inconsistent with this section and the bonds may be sold at

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any price or percentage of par value. Any bid received may be rejected by the authority. The proceeds of the bonds shall be disbursed for the purposes for which the bonds were issued under the restrictions as the sale agreement and the resolution authorizing the issuance of the bonds or the related trust indenture may provide. The bonds shall be issued upon approval of the authority and without any other approvals, filings, proceedings, or the happening of any other conditions or things other than the approvals, findings, proceedings, conditions, and things that are specified and required by this section.

(d) Any pledge made by the authority shall be valid and binding at the time the pledge is made. The assets, property, revenues, reserves, or earnings so pledged shall immediately be subject to the lien of the pledge without any physical delivery thereof or further act, and the lien of any pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the authority, irrespective of whether such parties have notice thereof. Notwithstanding any other provision of law to the contrary, neither the resolution nor any indenture or other instrument by which a pledge is created or by which the authority's interest in pledged assets, property, revenues, reserves, or earnings is assigned need be filed, perfected, or recorded in any public records in order to protect the pledge or perfect the lien as against third parties, except that a copy shall be filed in the records of the authority.

(e) Whether or not the bonds of the authority are of such form and character as to be negotiable instruments under the terms of the Uniform Commercial Code, the bonds are hereby made negotiable instruments for all purposes, subject only to the provisions of the bonds for registration.

(f) At the sole discretion of the authority, any bonds issued by the authority and any related bond facility made under the provisions of this section shall be secured by a resolution or trust indenture by and between the authority and the indenture trustee, which may be any trust company or bank having the powers of a trust company, whether located within or outside the state. The trust indenture or resolution providing for the issuance of the bonds shall, without limitation: (1) provide for the creation and maintenance of reserves as the authority shall determine to be proper; (2) include covenants setting forth the duties of the authority in relation to the bonds, the income of the authority, the related sale agreement, and the related tobacco settlement revenues; (3) contain provisions relating to the transfer of the residual interest upon receipt of the tobacco settlement revenues; (4) contain provisions respecting the custody, safeguarding, and application of all moneys and securities; (5) contain provisions for protecting and enforcing against the authority or the state the rights and remedies pursuant thereto and to the sale agreement of the owners of the bonds and any provider of a related bond facility as may be reasonable and proper and not in violation of law; and (6) contain other provisions as the authority may deem reasonable and proper for priorities and subordination among the owners of the bonds and providers of related bond facilities. Any reference in this section to a resolution of the authority shall include any trust indenture authorized thereby.

(g) The net proceeds of any sale, conveyance, or transfer by the state of tobacco settlement revenues shall be deposited into the authority's general tobacco subaccount. The authority shall transfer all moneys in the general tobacco subaccount to the commissioner for deposit in the tobacco settlement bond proceeds fund. Any residual amount in tobacco settlement revenues shall be deposited in the tobacco settlement residual subaccount. The balance in the tobacco residual subaccount shall be transferred to the commissioner for deposit in the general fund, as provided in subdivision 12, paragraph (b).

(h) The authority may enter into, amend, or terminate, as it determines to be necessary or appropriate, any related bond facility (1) to facilitate the issuance, sale, resale, purchase, repurchase, or payment of bonds, interest rate savings or market diversification, or the making or performance of swap contracts, including without limitation bond insurance, letters of credit and liquidity facilities, or (2) to attempt to manage or hedge risk or achieve a desirable effective interest rate or cash flow. Such facility shall be made upon the terms and conditions established by the authority, including without limitation provisions as to security, default, termination, payment, remedy, jurisdiction, and consent to service of process.

(i) The authority may enter into, amend, or terminate, as it deems to be necessary or appropriate, any related bond facility to place the obligations or investments of the authority, as represented by the bonds or the investment of reserves securing the bonds or related bond facilities or other tobacco settlement revenues or its other assets, in whole or in part, on the interest rate, cash flow, or other basis approved by the authority, which facility may include without limitation contracts commonly known as interest rate swap agreements, forward purchase contracts, or guaranteed investment contracts and futures or contracts providing for payments based on levels of, or changes in, interest rates. These contracts or arrangements may be entered into by the authority in connection with, or incidental to, entering into, or maintaining any (1) agreement that secures bonds of the authority

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or (2) investment or contract providing for investment of reserves or similar facility guaranteeing an investment rate for a period of years not to exceed the underlying term of the bonds. The determination by the authority that a related bond facility or the amendment or termination thereof is necessary or appropriate as aforesaid shall be conclusive. Any related bond facility may contain such provisions as to security, default, termination, payment, remedy, jurisdiction, and consent to service of process, and other terms and conditions as determined by the authority, after giving due consideration to the creditworthiness of the counterparty or other obligated party, including any rating by any nationally recognized rating agency, and any other criteria as may be appropriate.

(j) Bonds or any related bond facility may contain a recital that they are issued or executed, respectively, pursuant to this section, which recital shall be conclusive evidence of their validity, respectively, and the regularity of the proceedings relating thereto.

(k) No member or officer of the authority or any person executing the bonds is liable personally on the bonds or is subject to any personal liability or accountability by reason of their issuance, or is liable for any other debt or obligation of the authority.

(l) Information in any register of ownership of bonds or certificates is nonpublic data under section 13.02, subdivision 9, or private data on individuals under section 13.02, subdivision 12. The information is open only to the subject of it, except as disclosure:

(1) is necessary for the registrar, the commissioner, or the legislative auditor to perform a duty;

(2) is requested by an authorized representative of the commissioner of revenue, the attorney general, or the United States commissioner of internal revenue to determine the application of a tax; or

(3) is required under section 13.03, subdivision 4.

(m) The bonds of the authority are not subject to chapter 16C.

(n) The commissioner and any other member of the authority charged with the responsibility of issuing bonds for or on behalf of the authority, may enter into written agreements or contracts relating to the continuing disclosure of information necessary to comply with, or facilitate the issuance of bonds in accordance with, federal securities laws, rules, and regulations, including Securities and Exchange Commission rules and regulations, in Code of Federal Regulations, title 17, section 240.15c 2-12. An agreement may be in the form of covenants with purchasers and holders of bonds set forth in the order or resolution authorizing the issuance of the bonds, or a separate document authorized by the order or resolution.

Subd. 6. State not liable on bonds or related bond facilities. The state is not liable on bonds of the authority, and no bond or related bond facility shall constitute an indebtedness or an obligation of the state or any subdivision thereof, within the meaning of any constitutional or statutory limitation or provision or a charge against the general credit or taxing powers, if any, of any of them but shall be payable solely from pledged tobacco revenues. No owner of any bond or provider of any related bond facility shall have the right to compel the exercise of the taxing power of the state to pay any principal installment of, redemption premium, if any, or interest on the bonds or to make any payment due under any related bond facility. The bonds must contain on their face a statement to the effect of this subdivision.

Subd. 7. Agreement with the state. (a) The state pledges and agrees with the authority, and the owners of the bonds of the authority in which the authority has included such pledge and agreement, that the state shall: (1) irrevocably direct the transfer of all pledged tobacco revenues received by the state under and in accordance with the settlement agreement directly to the authority or its assignee; (2) diligently enforce its right to collect all moneys due from the participating manufacturers under the settlement agreement, in each case in the manner and to the extent deemed necessary in the judgment of and consistent with the discretion of the attorney general of the state, provided, however, that the sale agreement shall provide (i) that the remedies available to the authority and the bondholders for any breach of the pledges and agreements of the state set forth in this clause shall be limited to injunctive relief, and (ii) that the state shall be deemed to have diligently enforced this subdivision so long as there has been no judicial determination by a court of competent jurisdiction in this state, in an action commenced by a participating tobacco manufacturer, that the state has failed to diligently enforce this subdivision; (3) in any materially adverse way, neither amend the settlement agreement or take any other action that would (i) impair the authority's right to receive pledged tobacco revenues, or (ii) limit or alter the rights hereby vested in the authority to fulfill the terms of its agreements with the bondholders, or (iii) impair the rights and remedies of the bondholders or the security for such bonds until such bonds, together with the

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interest thereon and all costs and expenses in connection with any action or proceedings by or on behalf of the bondholders, are fully paid and discharged, provided, that nothing herein shall be construed to preclude the state's regulation of smoking, smoking cessation activities and laws, and taxation and regulation of the sale of cigarettes or the like or to restrict the right of the state to amend, modify, repeal, or otherwise alter statutes imposing or relating to the taxes; and (4) not amend, supersede, or repeal the settlement agreement or this section in any way that would materially adversely affect the amount of any payment to, or the rights to such payments of, the authority or the bondholders. This pledge and agreement may be included in the sale agreement and the authority may include this pledge and agreement in any contract with the bondholders of the authority.

(b) The provisions of this section, the bonds issued pursuant to this section, and the pledges and agreements by the state and the authority to the bondholders shall not be interpreted or construed to limit or impair the authority or discretion of the attorney general to administer and enforce provisions of the settlement agreement or to direct, control, and settle any litigation or arbitration proceeding arising from or relating to the settlement agreement.

Subd. 8. Enforcement of contract. The provisions of this section and of any resolution or proceeding authorizing the issuance of bonds or a related bond facility shall constitute a contract with the holders of the bonds or the related bond facility, and the provisions thereof shall be enforceable either by mandamus or other proceeding in any Minnesota court of competent jurisdiction in Ramsey County to enforce and compel the performance of all duties required by this section and by any resolution authorizing the issuance of bonds a related bond facility adopted in response hereto.

Subd. 9. Bonds as legal investments. Any of the following entities may legally invest any sinking funds, money, or other funds belonging to them or under their control in any bonds issued under this section: (1) the state, the investment board, public officers, municipal corporations, political subdivisions, and public bodies; (2) banks and bankers, savings and loan associations, credit unions, trust companies, savings banks and institutions, investment companies, insurance companies, insurance associations, and other persons carrying on a banking or insurance business; and (3) personal representatives, guardians, trustees, and other fiduciaries.

Subd. 10. Exemption from taxation. It is hereby determined that the creation of the authority and the carrying out of its corporate purposes are in all respects for the benefit of the people of the state and are public purposes. Accordingly, the property of the authority, its income, and its operations shall be exempt from taxation. The authority shall not be required to pay any fees, taxes, or assessments of any kind, whether state or local, including, but not limited to, fees, taxes, ad valorem taxes on real property, sales taxes or other taxes, upon or with respect to any property owned by it or under its jurisdiction, control, or supervision, or upon the uses thereof, or upon or with respect to its activities or operations in furtherance of the powers conferred upon it by this section.

Subd. 11. Report; audit. The authority shall report to the legislature and the governor by the January 15 following the end of each fiscal year. The report must include a complete operating and financial statement covering the authority's operations during the fiscal year, including amounts of income from all sources. Books and records of the authority are subject to audit by the legislative auditor in the manner prescribed for state agencies.

Subd. 12. Tobacco settlement recovery account. (a) The authority shall establish the tobacco settlement recovery account, which shall consist of three subaccounts: (1) the general tobacco subaccount, (2) the tobacco settlement revenues subaccount, and (3) the tobacco settlement residual subaccount. The authority shall deposit all moneys paid pursuant to the settlement agreement, and any other moneys as provided by law into the several subaccounts of the tobacco settlement recovery account. Money shall be deposited into the tobacco settlement revenues subaccount and the tobacco settlement residual subaccount as provided by the terms of this section, including any agreement between the state and the authority implementing the same. All other moneys available to be deposited into the tobacco settlement recovery account shall be deposited into the general tobacco subaccount. An investment made from moneys credited to a specific subaccount constitutes part of that subaccount and such subaccount shall be credited with all income from the investment of such moneys. The commissioner may invest the moneys in the several subaccounts of the tobacco settlement recovery account in the same manner, in the same types of investments, and subject to the same limitations provided in section 11A.24. Notwithstanding the foregoing, to the extent necessary to preserve the tax-exempt status of any bonds issued pursuant to this section, the interest on which is intended to be excludable from the gross income of the owners for federal income tax purposes, moneys on deposit in the tobacco settlement revenues subaccount and the tobacco settlement residual subaccount, may be invested in obligations the interest upon which is tax exempt

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under the provisions of Section 103 of the Internal Revenue Code of 1986, as now or hereafter amended, or any successor code or provision.

(b) Moneys on deposit in the tobacco settlement residual subaccount shall be transferred to the commissioner for deposit in the general fund.

(c) The amounts deposited into the tobacco settlement bond proceeds fund from the general tobacco subaccount and interest thereon are appropriated to the commissioner for payment of working capital, debt service on outstanding obligations of the general fund, the funding of debt service reserves for the bonds, each as permitted by state and federal law, nonsalary expenses incurred in conjunction with the sale of the bonds and to supplement the tobacco settlement residual subaccount to pay for appropriated obligations of the tobacco settlement recovery account for state fiscal years 2012 and 2013. The commissioner may transfer the amounts available to reduce debt service on outstanding obligations of the general fund to the state bond fund under section 16A.641.

Subd. 13. **Supplemental nature of section; construction and purpose.** The powers conferred by this section shall be in addition to and supplemental to the powers conferred by any other law, general or special, and may be exercised notwithstanding the provisions of any other such law. Insofar as the provisions of this section are inconsistent with the provisions of any other law, general or special, the provisions of this section shall be controlling.

Subd. 14. **Severability.** If any provision of this section is held invalid, such provision shall be deemed to be excised and the invalidity thereof shall not affect any of the other provisions of this section. If the application of any provision of this section to any person or circumstance is held invalid, it shall not affect the application of such provision to such persons or circumstances other than those as to which it is held invalid.

16E.145 INFORMATION TECHNOLOGY APPROPRIATION.

An appropriation for a state agency information and telecommunications technology project must be made to the chief information officer. The chief information officer must manage and disburse the appropriation on behalf of the sponsoring state agency. Any appropriation for an information and telecommunications technology project made to a state agency other than the Office of MN.IT Services is transferred to the chief information officer.

122A.63 GRANTS TO PREPARE INDIAN TEACHERS.

Subd. 7. **Loan forgiveness.** The loan may be forgiven if the recipient is employed as a teacher, as defined in section 122A.40 or 122A.41, in an eligible school or program in Minnesota. One-fourth of the principal of the outstanding loan amount shall be forgiven for each year of eligible employment, or a pro rata amount for eligible employment during part of a school year, part-time employment as a substitute teacher, or other eligible part-time teaching. Loans for \$2,500 or less may be forgiven at the rate of up to \$1,250 per year. The following schools and programs are eligible for the purposes of loan forgiveness:

- (1) a school or program operated by a school district;
 - (2) a tribal contract school eligible to receive aid according to section 124D.83;
 - (3) a Head Start program;
 - (4) an early childhood family education program;
 - (5) a program providing educational services to children who have not entered kindergarten;
- or
- (6) a program providing educational enrichment services to American Indian students in grades kindergarten through 12.

If a person has an outstanding loan obtained through this program, the duty to make payments of principal and interest may be deferred during any time period the person is enrolled at least one-half time in an advanced degree program in a field that leads to employment by a school district. To defer loan obligations, the person shall provide written notification to the commissioner of education and the recipients of the joint grant that originally authorized the loan. Upon approval by the commissioner and the joint grant recipients, payments shall be deferred.

The Minnesota Office of Higher Education shall approve the loan forgiveness program, loan deferral, and procedures to administer the program.

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Subd. 8. **Revolving fund.** The Indian teacher preparation loan repayment revolving account is established in the state treasury. Any amounts repaid or contributed by a teacher who received a scholarship or loan under this program shall be deposited in the account. All money in the account is annually appropriated to the commissioner of education and shall be used to enable Indian students to participate in the program.

126C.16 REFERENDUM AND DESEGREGATION REVENUE CONVERSION.

Subdivision 1. **Revenue conversion.** Except as provided under subdivision 3, the referendum authority under section 126C.17 of a district must be converted by the department according to this section.

Subd. 3. **Per pupil revenue conversion.** (a) The department must convert each district's referendum revenue authority for fiscal year 2002 and later years to an allowance per pupil unit as follows: the revenue allowance equals the amount determined by dividing the district's maximum revenue under section 126C.17, for fiscal year 2001 by the district's 2000-2001 resident marginal cost pupil units. A district's maximum revenue for all later years for which the revenue is authorized equals the revenue allowance times the district's resident marginal cost pupil units for that year.

(b) The referendum allowance reduction must be applied first to the authority with the earliest expiration date.

126C.17 REFERENDUM REVENUE.

Subd. 9a. **Board-approved referendum allowance.** Notwithstanding subdivision 9, a school district may convert up to \$300 per adjusted pupil unit of referendum authority from voter approved to board approved by a board vote. A district with less than \$300 per adjusted pupil unit of referendum authority after the local optional revenue subtraction under subdivision 1 may authorize new referendum authority up to the difference between \$300 per adjusted pupil unit and the district's referendum authority. The board may authorize this levy for up to five years and may subsequently reauthorize that authority in increments of up to five years.

136A.15 DEFINITIONS.

Subd. 2. **Academic year or its equivalent.** "Academic year or its equivalent" shall be as defined in the federal regulations which govern the administration of the National Vocational Student Loan Insurance Act of 1965 and title IV of the Higher Education Act of 1965.

Subd. 7. **Eligible lender.** "Eligible lender" means an eligible institution, an agency or instrumentality of a state, or a financial or credit institution (including an insurance company) which is subject to examination and supervision by an agency of the state of Minnesota or of the United States.

136A.1701 SUPPLEMENTAL AND ADDITIONAL LOANS.

Subd. 12. **Eligible student.** "Eligible student" means a student who is a Minnesota resident who is enrolled or accepted for enrollment at an eligible institution in Minnesota or in another state or province. Non-Minnesota residents are eligible students if they are enrolled or accepted for enrollment in a minimum of one course of at least 30 days in length during the academic year that requires physical attendance at an eligible institution located in Minnesota. Non-Minnesota resident students enrolled exclusively during the academic year in correspondence courses or courses offered over the Internet are not eligible students. Non-Minnesota resident students not physically attending classes in Minnesota due to enrollment in a study abroad program for 12 months or less are eligible students. Non-Minnesota residents enrolled in study abroad programs exceeding 12 months are not eligible students. For purposes of this section, an "eligible student" must also meet the eligibility requirements of section 136A.15, subdivision 8.

155A.28 HAIR BRAIDING.

Subdivision 1. **Registration.** Any person engaged in hair braiding solely for compensation as a profession, except persons licensed as cosmetologists, shall register with the Minnesota Board of Cosmetologist Examiners in a form determined by the board.

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Subd. 3. **Requirements.** In order to qualify for initial registration, any person engaged in hair braiding solely for compensation as a profession, except persons licensed as cosmetologists, shall satisfactorily complete instruction at either an accredited school, professional association, or by an individual approved by the board. Instruction includes coursework covering the topics of health, safety, infection control, and state laws related to cosmetology not to exceed 30 hours. The coursework is encouraged to be provided in a foreign language format and such availability shall be reported to and posted by the Minnesota Board of Cosmetologist Examiners.

Subd. 4. **Curriculum.** An accredited school, professional association, or an individual approved by the board desiring to provide the coursework required under subdivision 3 shall have curriculum in place by January 1, 2008.

168.013 VEHICLE REGISTRATION TAXES.

Subd. 21. **Technology surcharge.** For every vehicle registration renewal required under this chapter, the commissioner shall collect a surcharge of: (1) \$1.75 until June 30, 2012; and (2) \$1 from July 1, 2012, to June 30, 2016. Surcharges collected under this subdivision must be credited to the driver and vehicle services technology account in the special revenue fund under section 299A.705.

214.075 HEALTH-RELATED LICENSING BOARDS; CRIMINAL BACKGROUND CHECKS.

Subd. 8. **Instructions to the board; plans.** The health-related licensing boards, in collaboration with the commissioner of human services and the BCA, shall establish a plan for completing criminal background checks of all licensees who were licensed before the effective date requirement under subdivision 1. The plan must seek to minimize duplication of requirements for background checks of licensed health professionals. The plan for background checks of current licensees shall be developed no later than January 1, 2017, and may be contingent upon the implementation of a system by the BCA or FBI in which any new crimes that an applicant or licensee commits after an initial background check are flagged in the BCA's or FBI's database and reported back to the board. The plan shall include recommendations for any necessary statutory changes.

221.161 SCHEDULE OF RATES AND CHARGES.

Subd. 2. **Hearing upon complaint.** Tariffs, supplements, and reissues must be prepared and filed in accordance with rules of the commissioner. Rates or charges, including pickup charges named therein, are subject to complaint to the commissioner by an interested party. The commissioner, after investigation by the department, by order on not less than ten days' notice, may assign the complaint for hearing, and if at the hearing, the complainant submits facts and evidence sufficient to establish proof that the rates or charges complained of are excessive or noncompensatory, the commissioner may order the rates or charges canceled, and require the filing of alternative and reasonable rates and charges, the reasonable level of which at that time must be indicated by the commissioner in the order.

Subd. 3. **Hearing upon petition by another carrier.** Upon the filing of a tariff or subsequent supplement or reissue, any other carrier has the right to petition the commissioner to suspend it from taking effect until opportunity is had for a hearing on the reasonableness of the rates or charges, and the commissioner may suspend the rates or charges if in its judgment the rates or charges complained of are so unreasonably low as to create destructive competitive practices among or jeopardize the economic position of competing carriers. In determining whether the rates or charges are excessive or noncompensatory, the commissioner shall include in consideration, among other things, the reasonable cost of the services rendered for the transportation, including a reasonable return on the money invested in the business and an adequate sum for maintenance and depreciation of the property used.

Subd. 4. **Hearing on merits of rates and charges.** The commissioner, (1) after a suspension and hearing upon a schedule of rates and charges, or upon complaint, or upon the commissioner's own initiative, either in extension of an existing complaint or without a complaint whatever, (2) after department investigation and petition, (3) upon notice to the permit carrier or tariff agent proposing, maintaining, or charging a schedule of rates and charges on a single group of related commodities, and (4) upon notice to the users of the service and competitive carriers by motor vehicle and rail, may assign for hearing the schedule of rates and charges proposed, maintained, or charged by any or all permit carriers. Upon a finding, after a hearing, that the schedule of rates and

charges are unjust or unreasonable or unjustly discriminatory or unduly preferential or prejudicial or otherwise in violation of this section, the commissioner may prescribe minimum rates and charges and the rates, rules, and practices thereafter to be maintained and applied by the permit carrier or tariff agent. In the hearing the burden of proof is upon the permit carrier or tariff agent whose schedules of rates and charges are under investigation to show that the schedules are not below a minimum reasonable level or are not noncompensatory.

256B.0625 COVERED SERVICES.

Subd. 18b. **Broker dispatching prohibition.** Except for establishing level of service process, the commissioner shall not use a broker or coordinator for any purpose related to nonemergency medical transportation services under subdivision 18.

Subd. 31c. **Preferred incontinence product program.** The commissioner shall implement a preferred incontinence product program by July 1, 2018. The program shall require the commissioner to volume purchase incontinence products and related supplies in accordance with section 256B.04, subdivision 14. Medical assistance coverage for incontinence products and related supplies shall conform to the limitations established under the program.

256B.0705 PERSONAL CARE ASSISTANCE SERVICES; MANDATED SERVICE VERIFICATION.

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

(b) "Personal care assistance services" or "PCA services" means services provided according to section 256B.0659.

(c) "Personal care assistant" or "PCA" has the meaning given in section 256B.0659, subdivision 1.

(d) "Service verification" means a random, unscheduled telephone call made for the purpose of verifying that the individual personal care assistant is present at the location where personal care assistance services are being provided and is providing services as scheduled.

Subd. 2. **Verification schedule.** An agency that submits claims for reimbursement for PCA services under this chapter must develop and implement administrative policies and procedures by which the agency verifies the services provided by a PCA. For each service recipient, the agency must conduct at least one service verification every 90 days. If more than one PCA provides services to a single service recipient, the agency must conduct a service verification for each PCA providing services before conducting a service verification for a PCA whose services were previously verified by the agency. Service verification must occur on an ongoing basis while the agency provides PCA services to the recipient. During service verification, the agency must speak with both the PCA and the service recipient or recipient's authorized representative. Only qualified professional service verifications are eligible for reimbursement. An agency may substitute a visit by a qualified professional that is eligible for reimbursement under section 256B.0659, subdivision 14 or 19.

Subd. 3. **Documentation of verification.** An agency must fully document service verifications in a legible manner and must maintain the documentation on site for at least five years from the date of documentation. For each service verification, documentation must include:

(1) the names and signatures of the service recipient or recipient's authorized representative, the PCA and any other agency staff present with the PCA during the service verification, and the staff person conducting the service verification; and

(2) the start and end time, day, month, and year of the service verification, and the corresponding PCA time sheet.

Subd. 4. **Variance.** The Office of Inspector General at the Department of Human Services may grant a variance to the service verification requirements in this section if an agency uses an electronic monitoring system or other methods that verify a PCA is present at the location where services are provided and is providing services according to the prescribed schedule. A decision to grant or deny a variance request is final and not subject to appeal under chapter 14.

268.053 PAYMENT TO TRUST FUND BY NONPROFIT ORGANIZATIONS.

Subd. 4. **Application.** For purposes of this section, a nonprofit organization is an organization, or group of organizations, described in United States Code, title 26, section 501(c)(3) of the Internal Revenue Code that is exempt from income tax under section 501(a).

Subd. 5. **Compromise.** The compromise authority set out in section 268.067 applies to this section.

349A.16 LOTTERY RETAILER COMMISSIONS.

The director of the State Lottery shall: (1) increase commissions paid to lottery retailers in effect on January 1, 1998, by one-half percent on the price of each ticket sold by each retailer; and (2) provide that each lottery retailer receive a commission of at least one percent on the amount of each winning ticket cashed by that retailer. The director of the State Lottery shall periodically review lottery ticket sales and make such adjustments to lottery retailer commission rates as are deemed necessary to maintain appropriate return to the state.

360.063 AIRPORT ZONING; AUTHORITY, PROCEDURE.

Subd. 4. **Airport approach.** The commissioner may recommend an airport approach plan for each publicly owned airport in the state and for each privately owned airport of the publicly owned class and from time to time recommend revisions of the plan. A plan shall indicate the circumstances in which structures or trees are or would be airport hazards, the airport hazard area, and what measures should be taken to eliminate airport hazards. The commissioner shall prescribe airport approach and turning standards for airports of various classes, and airport zoning regulations adopted by a municipality, county, or joint airport zoning board shall conform to the standards, except as provided in sections 360.065 and 360.066.

360.065 AIRPORT ZONING; ADOPTION AND APPROVAL OF PROPOSED REGULATIONS.

Subd. 2. **Regulations submitted to commissioner.** Prior to adopting zoning regulations for an airport hazard area under sections 360.011 to 360.076, the municipality, county, or joint airport zoning board which is to adopt the regulations shall submit its proposed regulations to the commissioner in order that the commissioner may determine whether it conforms to the standards prescribed by the commissioner. The commissioner shall immediately examine the proposed regulations and report to the municipality, county, or joint airport zoning board the commissioner's approval, or objections, if any. If objections are made by the commissioner on the ground that the regulations do not conform to the standards prescribed by the commissioner for the class of airport involved, the municipality, county, or joint zoning board shall make amendments as are necessary to meet the objections unless it demonstrates that the social and economic costs of restricting land uses in accordance with the standards outweigh the benefits of a strict application of the standards. The governing body of the municipality or county or the joint airport zoning board shall not adopt the regulations or take other action until the proposed regulations are approved by the commissioner. The commissioner may approve local zoning ordinances that are more stringent than the standards. A copy of the regulations as adopted shall be filed with the county recorder in each county in which the zoned area is located.

Substantive rights existing prior to the passage of this subdivision and previously exercised are not affected by the filing of the regulations.

360.066 AIRPORT ZONING; MINIMUM STANDARDS, LAND USES.

Subd. 1a. **Protection of existing neighborhood.** (a) In order to ensure the minimum disruption of existing land uses, particularly established residential neighborhoods in built-up urban areas, the airport zoning standards of the commissioner and the local airport zoning ordinances or regulations adopted under sections 360.061 to 360.074 shall distinguish between the creation or establishment of a use and the elimination of an existing use, and shall avoid the elimination, removal, or reclassification of existing uses to the extent consistent with reasonable standards of safety. The standards of the commissioner shall include criteria for determining when an existing land use may constitute an airport hazard so severe that considerations of public safety outweigh the public interest in preventing disruption to that land use.

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(b) No airport zoning standards or local airport zoning ordinances or regulations shall be adopted pursuant to sections 360.061 to 360.074 that classify as a nonconforming use or require such classification with respect to any low-density residential structure or isolated low-density residential building lots existing on January 1, 1978 in an established residential neighborhood.

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

(d) The provisions of this subdivision shall not be construed to affect the classification of any land use under any zoning ordinances or regulations not adopted pursuant to sections 360.061 to 360.074.

Subd. 1b. **Amendment of standards.** Within nine months after March 29, 1978, the commissioner shall amend the standards defining airport hazard areas and categories of uses permitted therein to conform with the requirements of Laws 1978, chapter 654. Until the commissioner adopts amended standards as required by this subdivision the unamended standards, insofar as they require classification of any residential property as a nonconforming use contrary to the provisions of subdivision 1a, paragraph (b), shall be without force or effect.

Laws 2008, chapter 368, article 1, section 21, subdivision 2

Sec. 21. **DELETIONS FROM STATE PARKS.**

Subd. 2. [85.012][Subd. 30.] Jay Cooke State Park, Carlton County. Effective upon the commissioner of natural resources entering into an agreement with the commissioner of veterans affairs to transfer the property for use as a veterans cemetery, the following areas are deleted from Jay Cooke State Park:

(a) the Northeast Quarter of the Southeast Quarter lying southerly of the railroad right-of-way, Section 21, Township 48 North, Range 16 West;

(b) the Northwest Quarter of the Southwest Quarter lying southerly of the railroad right-of-way, Section 22, Township 48 North, Range 16 West; and

(c) the East 2 rods of the Southwest Quarter of the Southwest Quarter, Section 22, Township 48 North, Range 16 West.

Laws 2016, chapter 189, article 25, section 62, subdivision 16

Sec. 62. **APPROPRIATIONS.**

Subd. 16. Grants for vision therapy pilot project. (a) For a grant to Independent School District No. 12, Centennial, to implement a neuro-optometric vision therapy pilot project:

§ 200,000 2017

This is a onetime appropriation and is available until June 30, 2019.

(b) In each year of the pilot project, second and third grade students identified by a set of criteria created by the district shall be admitted into the pilot study. Identified students shall have a comprehensive eye examination with written standard requirements of testing. Students identified with a diagnosis of convergence insufficiency must undergo a vision efficiency evaluation by a licensed optometrist or ophthalmologist trained in the evaluation of learning-related vision problems. The results of this examination shall determine whether a student will qualify for neuro-optometric vision therapy funded by the grant. The parent or guardian of a student who qualifies for the pilot program under this paragraph may submit a written notification to the school opting the student out of the program. The district must establish guidelines to provide quality standards and measures to ensure an appropriate diagnosis and treatment plan that is consistent with the convergence insufficiency treatment trial study.

(c) The commissioner of education must provide for an evaluation of the pilot project and make a report to the legislative committees with jurisdiction over kindergarten through grade 12 education policy and finance by January 15, 2020.

Laws 2017, First Special Session chapter 4, article 2, section 59

Sec. 59. **LEGISLATIVE BUDGET OFFICE TRANSITION PLANNING TASK FORCE.**

Subdivision 1. Membership. The Legislative Budget Office Transition Planning Task Force is established. The task force consists of the following members:

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

(2) two members of the senate appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration, one of whom must represent the majority caucus of the senate, and one of whom must represent the minority caucus of the senate;

(3) the legislative auditor;

(4) the commissioner of management and budget; and

(5) the state budget director.

The chief nonpartisan fiscal analyst of the house of representatives, the lead nonpartisan fiscal analyst of the senate, and two members from executive branch agencies, appointed by the commissioner of management and budget, shall serve as ex-officio, nonvoting members of the task force. Appointments required by this section must be made no later than July 15, 2017. The chair

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of the Legislative Coordinating Commission shall designate one member of the task force to serve as its chair.

Subd. 2. **Duties; report required.** (a) The task force must develop a plan for the orderly transition of fiscal note and local impact note responsibilities from Minnesota Management and Budget to the Legislative Budget Office, as required by this act. At a minimum, the plan must consider the office's responsibilities for fiscal notes and local impact notes, the duties of state agencies and departments and local governments in facilitating the office's work, and any other issues relevant to the transition of duties to the office, as determined by the task force. The plan may include recommendations for additional legislation as necessary to implement the task force's transition plan, or to further clarify or structure the office's responsibilities.

(b) The task force must submit a preliminary report no later than January 15, 2018, and a final report no later than December 1, 2018, to the chairs and ranking minority members of the house of representatives Ways and Means Committee and the senate Finance Committee. The final report must describe the task force's work, including recommendations for a transition plan and any recommendations for legislation developed under paragraph (a).

Subd. 3. **Staff.** The Legislative Coordinating Commission must provide research and administrative assistance to support the work of the task force.

Subd. 4. **Expiration.** The task force expires upon submission of its final report to the legislature under subdivision 2.

5600.0605 LICENSE RENEWAL PROCEDURES.

Subp. 5. **Service.** The licensee must maintain a correct mailing address with the board for receiving board communications, notices, and licensure renewal documents. Placing the license renewal application in first class United States mail, addressed to the licensee at the licensee's last known address with postage prepaid, constitutes valid service. Failure to receive the renewal documents does not relieve a license holder of the obligation to comply with this part.

5600.0605 LICENSE RENEWAL PROCEDURES.

Subp. 8. **Removal of name from list.** The names of licensees who do not return a complete license renewal application, the annual license fee, or the late application fee within the time period listed in subpart 7, shall be removed from the list of individuals authorized to practice medicine and surgery during the current renewal period. Upon reinstatement of licensure, the licensee's name will be placed on the list of individuals authorized to practice medicine and surgery.