

EIGHTY-THIRD DAY

St. Paul, Minnesota, Monday, April 3, 2006

The Senate met at 11:00 a.m. and was called to order by the President.

CALL OF THE SENATE

Senator Rest imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. John Ward.

The members of the Senate gave the pledge of allegiance to the flag of the United States of America.

The roll was called, and the following Senators answered to their names:

Anderson	Foley	Kubly	Olson	Senjem
Bachmann	Frederickson	Langseth	Ortman	Skoe
Bakk	Gerlach	Larson	Pappas	Skoglund
Belanger	Hann	LeClair	Pariseau	Solon
Berglin	Higgins	Limmer	Pogemiller	Sparks
Betzold	Hottinger	Lourey	Ranum	Stumpf
Bonoff	Johnson, D.E.	Marko	Reiter	Tomassoni
Chaudhary	Johnson, D.J.	Marty	Rest	Vickerman
Clark	Jungbauer	McGinn	Robling	Wergin
Cohen	Kelley	Metzen	Rosen	Wiger
Day	Kierlin	Michel	Ruud	
Dibble	Kiscaden	Murphy	Sams	
Dille	Koch	Neuville	Saxhaug	
Fischbach	Koering	Nienow	Scheid	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 2645, 3073, 2677, 2872 and 3302.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted March 30, 2006

FIRST READING OF HOUSE BILLS

The following bills were read the first time.

H.F. No. 2645: A bill for an act relating to Swift County; increasing the size of the board of the rural development finance authority; amending Laws 1995, chapter 264, article 5, section 39, subdivision 4.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2622.

H.F. No. 3073: A bill for an act relating to property; modifying mechanic's lien provisions; modifying certain probate and trust provisions and clarifying the administrative powers of personal representatives to sell, mortgage, or lease property of a decedent; making clarifying, technical, and conforming changes to the Minnesota Common Interest Ownership Act; amending Minnesota Statutes 2004, sections 514.10; 524.3-301; 524.3-715; 524.3-803; Minnesota Statutes 2005 Supplement, sections 253B.23, subdivision 2; 515B.1-102; 515B.2-101; 515B.2-110; 515B.2-112; 515B.2-121; 515B.3-115; 515B.3-117; 515B.4-101; 515B.4-102; 548.27.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2519, now on General Orders.

H.F. No. 2677: A bill for an act relating to local government; authorizing towns to contract without competitive bidding in certain circumstances; amending Minnesota Statutes 2004, section 471.345, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2602.

H.F. No. 2872: A bill for an act relating to state government; defining political subdivision for the purposes of the chapter governing the state auditor; applying provisions for the state auditor to all political subdivisions; amending Minnesota Statutes 2004, sections 6.47; 6.51; 6.54; 6.55; 6.551; 6.57; 6.59; 6.60; 6.62, subdivision 2; 6.63; 6.64; 6.65; 6.66; 6.67; 6.68; 6.70; 6.71; 6.76; 103D.355; proposing coding for new law in Minnesota Statutes, chapter 6; repealing Minnesota Statutes 2004, section 6.56, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2612, now on General Orders.

H.F. No. 3302: A bill for an act relating to local government; modifying municipal and county planning and zoning provisions; providing standards for preliminary plat approval in a proposed development; amending Minnesota Statutes 2004, sections 394.25, subdivision 7; 462.358, subdivision 3b.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2934, now on General Orders.

REPORTS OF COMMITTEES

Senator Rest moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 3359, 2695, 2662, 3273 and the report pertaining to appointments. The motion prevailed.

Senator Higgins from the Committee on State and Local Government Operations, to which was referred

S.F. No. 3359: A bill for an act relating to public employees; modifying public employee insurance provisions; appropriating money; amending Minnesota Statutes 2004, section 43A.316,

subdivisions 1, 2, 3, 4, 5, 10, by adding subdivisions.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 9, delete "5" and insert "4"

And when so amended the bill do pass and be re-referred to the Committee on Health and Family Security. Senator Tomassoni questioned the reference thereon and, under Rule 21, the bill was referred to the Committee on Rules and Administration.

Senator Higgins from the Committee on State and Local Government Operations, to which was referred

S.F. No. 3245: A bill for an act relating to public safety; modifying terms related to the statewide public safety radio system; repealing obsolete provisions; amending Minnesota Statutes 2004, sections 403.21, subdivisions 2, 7; 403.34, subdivision 2; repealing Minnesota Statutes 2004, sections 403.22; 403.23; 403.24; 403.25; 403.26; 403.28; 403.29; 403.30, subdivisions 2, 4.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete section 3 and insert:

"Sec. 3. Minnesota Statutes 2005 Supplement, section 403.21, subdivision 8, is amended to read:

Subd. 8. **Subsystems.** "Subsystems" or "public safety radio subsystems" means systems identified in the plan or a plan developed under section 403.36 as subsystems interconnected by the system backbone and operated by ~~the Metropolitan Radio Board,~~ a regional radio board, or local government units for their own internal operations.

Sec. 4. Minnesota Statutes 2004, section 403.21, subdivision 9, is amended to read:

Subd. 9. **System backbone.** "System backbone" or "backbone" means a public safety radio communication system that consists of a shared, trunked, communication, and interoperability infrastructure network, including, but not limited to, radio towers and associated structures and equipment, the elements of which are identified in the regionwide public safety radio communication system plan ~~under section 403.23, subdivision 6,~~ and the statewide radio communication plan under section 403.36.

Sec. 5. Minnesota Statutes 2004, section 403.33, is amended to read:

403.33 LOCAL PLANNING.

Subdivision 1. **County planning process.** (a) No later than two years from May 22, 1995, each metropolitan county shall undertake and complete a planning process for its public safety radio subsystem to ensure participation by representatives of local government units, quasi-public service organizations, and private entities eligible to use the regional public safety radio system and to ensure coordination and planning of the local subsystems. Local governments and other eligible users shall cooperate with the county in its preparation of the subsystem plan to ensure that local needs are met.

(b) The regional radio board for the metropolitan area shall encourage the establishment by each metropolitan county of local public safety radio subsystem committees composed of representatives of local governments and other eligible users for the purposes of:

(1) establishing a plan for coordinated and timely use of the regionwide public safety radio system by the local governments and other eligible users within each metropolitan county; and

(2) assisting and advising the regional radio board for the metropolitan area in its implementation of the regional public safety radio plan by identification of local service needs and objectives.

(c) The regional radio board for the metropolitan area shall also encourage the establishment of

joint or multicounty planning for the regionwide public safety radio system and subsystems.

(d) The regional radio board for the metropolitan area may provide local boards with whatever assistance it deems necessary and appropriate.

(e) No metropolitan county or city of the first class shall be required to undertake a technical subsystem design to meet the planning process requirements of this subdivision or subdivision 2.

Subd. 2. **Cities of first class; planning process.** Each city of the first class in the metropolitan counties shall have the option to participate in the county public safety radio subsystem planning process or develop its own plan.

Subd. 3. **Submission of plans to board.** Each metropolitan county and each city of the first class in the metropolitan area which has chosen to develop its own plan shall submit the plan to the regional radio board for the metropolitan area for the board's review and approval.

Subd. 4. **Local government joinder.** Local government units, except for cities of the first class, quasi-public service organizations, and private entities eligible to use the regional public safety radio system cannot join the system until its county plan has been approved by the regional radio board for the metropolitan area.

Sec. 6. Minnesota Statutes 2004, section 403.34, is amended to read:

403.34 OPTIONAL LOCAL USE OF REGIONAL STATEWIDE SYSTEM.

Subdivision 1. **Options.** Use of the ~~regional~~ statewide public safety radio system by local governments, quasi-public service organizations, and private entities eligible to use the system shall be optional and no local government or other eligible user of the system shall be required to abandon or modify current public safety radio communication systems or purchase new equipment until the local government or other eligible user elects to join the system. Public safety radio communication service to local governments and other eligible users who do not initially join the system shall not be interrupted. No local government or other eligible users who do not join the system shall be charged a user fee for the use of the system.

Subd. 2. **Requirements to join.** Local governments and other entities eligible to join the ~~regional~~ statewide public safety radio system which elect to join the system must do so in accordance with and meet the requirements of the provisions of the plan adopted by the ~~radio~~ board as provided in section 403.23, ~~subdivision 2~~ 403.36.

Sec. 7. Minnesota Statutes 2005 Supplement, section 403.36, subdivision 1, is amended to read:

Subdivision 1. **Membership.** (a) The commissioner of public safety shall convene and chair the Statewide Radio Board to develop a project plan for a statewide, shared, trunked public safety radio communication system. The system may be referred to as "Allied Radio Matrix for Emergency Response," or "ARMER."

(b) The board consists of the following members or their designees:

- (1) the commissioner of public safety;
- (2) the commissioner of transportation;
- (3) the state chief information officer;
- (4) the commissioner of natural resources;
- (5) the chief of the Minnesota State Patrol;
- (6) the commissioner of health;
- (7) the commissioner of finance;

(8) two elected city officials, one from the nine-county metropolitan area and one from Greater Minnesota, appointed by the governing body of the League of Minnesota Cities;

(9) two elected county officials, one from the nine-county metropolitan area and one from Greater Minnesota, appointed by the governing body of the Association of Minnesota Counties;

(10) two sheriffs, one from the nine-county metropolitan area and one from Greater Minnesota, appointed by the governing body of the Minnesota Sheriffs' Association;

(11) two chiefs of police, one from the nine-county metropolitan area and one from Greater Minnesota, appointed by the governor after considering recommendations made by the Minnesota Chiefs' of Police Association;

(12) two fire chiefs, one from the nine-county metropolitan area and one from Greater Minnesota, appointed by the governor after considering recommendations made by the Minnesota Fire Chiefs' Association;

(13) two representatives of emergency medical service providers, one from the nine-county metropolitan area and one from Greater Minnesota, appointed by the governor after considering recommendations made by the Minnesota Ambulance Association;

(14) the chair of the ~~Metropolitan~~ regional radio board for the metropolitan area; and

(15) a representative of Greater Minnesota elected by those units of government in phase three and any subsequent phase of development as defined in the statewide, shared radio and communication plan, who have submitted a plan to the Statewide Radio Board and where development has been initiated.

(c) The Statewide Radio Board shall coordinate the appointment of board members representing Greater Minnesota with the appointing authorities and may designate the geographic region or regions from which an appointed board member is selected where necessary to provide representation from throughout the state.

Sec. 8. Minnesota Statutes 2004, section 403.36, subdivision 1f, is amended to read:

Subd. 1f. **Advisory groups.** (a) The Statewide Radio Board shall establish one or more advisory groups for the purpose of advising on the plan, design, implementation, and administration of the statewide, shared trunked radio and communication system.

(b) At least one such group must consist of the following members:

(1) ~~the chair of the Metropolitan Radio Board and~~ the chair of each regional radio board or, if no regional radio board has been formed, a representative of each region of development as defined in the statewide, shared, trunked radio and communication plan, once planning and development have been initiated for the region, or a designee;

(2) the chief of the Minnesota State Patrol or a designee;

(3) a representative of the Minnesota State Sheriffs' Association;

(4) a representative of the Minnesota Chiefs of Police Association;

(5) a representative of the Minnesota Fire Chiefs' Association; and

(6) a representative of the Emergency Medical Services Board."

Page 1, delete line 22 and insert "403.29, subdivisions 1, 2, and 3; 403.30, subdivisions 2 and 4; and 403.35, are repealed."

Renumber the sections in sequence

Amend the title accordingly

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Higgins from the Committee on State and Local Government Operations, to which was referred

S.F. No. 3616: A bill for an act relating to state government; requiring the State Board of Investment to monitor state investments in companies doing business with Sudan and to support shareholder resolutions that require affirmative action to end the crisis in Sudan; proposing coding for new law in Minnesota Statutes, chapter 11A.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. **[11A.243] INVESTMENT IN SUDAN.**

Subdivision 1. (a) For the purposes of this section, the following item shall have the meaning given to it in this subdivision.

(b) "Equity tie" means:

(1) ownership of equipment, facilities, or property; or

(2) maintenance of employees or any other apparatus of business or commerce.

Subd. 2. List of investments. By January 15 of each year, the state board shall:

(1) compile a list of corporations with an equity tie to Sudan and in whose stocks or obligations the board has invested under section 11A.24, subdivision 3 or 5; and

(2) determine in writing whether each corporation on the list has, during the preceding 12 months, taken steps to divest equity ties to Sudan.

Subd. 3. Shareholder policy. The board shall:

(1) whenever feasible, sponsor, cosponsor, or support shareholder resolutions designed to encourage corporations listed under subdivision 2 to divest equity ties to Sudan; and

(2) develop and implement a strategy to urge corporations listed under subdivision 2 to divest equity ties to Sudan.

Subd. 4. Divestment not required. Nothing in this section may be construed to require the state board to dispose of existing investments or to make future investments that violate sound investment policy for public pensions.

Subd. 5. Report. By January 15 of each year, the board shall provide a report to the legislature, as provided in section 3.195, listing any determinations made under subdivision 2 and any actions taken under subdivision 3. The board shall also post a copy of the report on its Web site and provide a copy of the report to each member of the Legislative Commission on Pensions and Retirement.

Subd. 6. Sunset. This section expires on January 15, 2011."

Amend the title accordingly

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Higgins from the Committee on State and Local Government Operations, to which was referred

S.F. No. 3394: A bill for an act relating to adults-only businesses; requiring notice to be given to a city or county of intent to conduct adults-only businesses in certain circumstances; authorizing cities and counties certain zoning authority as it relates to adults-only businesses; proposing coding for new law in Minnesota Statutes, chapter 617.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. **PURPOSE; FINDINGS.**

The purpose of this act is to establish requirements governing adult entertainment establishments in order to protect the public health, safety, and welfare and to prevent criminal activity. The legislature finds that:

(1) adult entertainment establishments can contribute to an increase in criminal activity in the area in which these businesses are located, increasing the demands on crime-prevention programs and law enforcement services;

(2) adult entertainment establishments can be used as fronts for prostitution and other criminal activity and the proper management and operation of these businesses can minimize this risk;

(3) adult entertainment establishments can increase the risk of exposure to communicable diseases and facilitate the spread of communicable diseases by virtue of the design and use of the premises, endangering not only the patrons of these establishments but also the general public;

(4) adult entertainment establishments can cause or contribute to public health problems by the presence of live adult entertainment in conjunction with food or drink on the same premises; and

(5) a regulatory scheme as prescribed in this act can aid in monitoring adult entertainment establishments for adverse secondary effects on the communities in which they are located.

Sec. 2. Minnesota Statutes 2004, section 617.241, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For purposes of this section and section 617.242, the following terms have the meanings given them:

(a) "Obscene" means that the work, taken as a whole, appeals to the prurient interest in sex and depicts or describes in a patently offensive manner sexual conduct and which, taken as a whole, does not have serious literary, artistic, political, or scientific value. In order to determine that a work is obscene, the trier of fact must find:

(i) that the average person, applying contemporary community standards would find that the work, taken as a whole, appeals to the prurient interest in sex;

(ii) that the work depicts sexual conduct specifically defined by clause (b) in a patently offensive manner; and

(iii) that the work, taken as a whole, lacks serious literary, artistic, political, or scientific value.

(b) "Sexual conduct" means any of the following:

(i) An act of sexual intercourse, normal or perverted, actual or simulated, including genital-genital, anal-genital, or oral-genital intercourse, whether between human beings or between a human being and an animal.

(ii) Sadomasochistic abuse, meaning flagellation or torture by or upon a person who is nude or clad in undergarments or in a sexually revealing costume or the condition of being fettered, bound, or otherwise physically restricted on the part of one so clothed or who is nude.

(iii) Masturbation, excretory functions, or lewd exhibitions of the genitals including any explicit, close-up representation of a human genital organ.

(iv) Physical contact or simulated physical contact with the clothed or unclothed pubic areas or buttocks of a human male or female, or the breasts of the female, whether alone or between members of the same or opposite sex or between humans and animals in an act of apparent sexual stimulation or gratification.

(c) "Community" means the political subdivision from which persons properly qualified to serve as jurors in a criminal proceeding are chosen.

(d) "Work" means "material" or "performance."

(e) "Material" means a book, magazine, pamphlet, paper, writing, card, advertisement, circular, print, picture, photograph, motion picture film, videotape, script, image, instrument, statue, drawing, or other article.

(f) "Performance" means a play, motion picture, dance, or other exhibition performed before an audience.

Sec. 3. **[617.242] ADULT ENTERTAINMENT ESTABLISHMENTS.**

Subdivision 1. Definitions. The definitions in this subdivision apply to this section.

(a) "Adult book store" means a business that has as a part of its stock books, magazines, or other periodicals and that offers, sells, provides, or rents for a fee:

(1) sexually oriented material to which the business restricts or purports to restrict admission to adults;

(2) sexually oriented material that is available for viewing by patrons on the premises by electronic means or by the operation of a video machine or slide projector;

(3) sexually oriented material that has a substantial portion of its contents devoted to the pictorial depiction of sadism, masochism, or bestiality; or

(4) sexually oriented material that has as its principal theme the depiction of sexual activity by, or lascivious exhibition of, the uncovered genitals, pubic region, or buttocks of children who are or appear to be under the age of 18.

(b) "Adult entertainment establishment" means an adult bookstore or adult performance establishment.

(c) "Adult performance establishment" means a business that presents performances that:

(1) are distinguished or characterized by an emphasis on the depiction of sexual conduct; or

(2) involve the live exhibition of sexual conduct, or uncovered or less than completely opaquely covered: (i) human genitals or pubic region; (ii) buttocks; (iii) female breasts below the top of the areola; or (iv) human male genitals in a discernibly turgid state, even if completely and opaquely covered.

(d) "Sexually oriented material" means material that depicts or displays sexual conduct.

Subd. 2. Notice to city. A person must not operate an adult entertainment establishment at a location where this type of establishment was not previously located unless, within 60 days before commencing operation of the establishment, the person gives written notice by certified mail to the chief clerical officer of the statutory or home rule charter city in which it will be located of the date on which the person will commence operation of the establishment. Upon receipt of the notice, the chief clerical officer must acknowledge receipt of the notice by certified mail, return receipt requested,

addressed to the person, and notify the governing body of the receipt of the notice. The governing body may conduct hearings on the proposed operation of the adult entertainment establishment and must give written notice by ordinary mail to the operator of the establishment of any hearings.

Subd. 3. Zoning; adult entertainment establishments. If an adult entertainment establishment is located within 50 miles of a statutory or home rule charter city, the governing body of the city is not required to provide by zoning or otherwise for a location within the city limits in which an adult entertainment establishment may be located. If an adult entertainment establishment is located within 50 miles of the boundaries of a county, the county board is not required to provide by zoning or otherwise for a location within the county limits in which an adult entertainment establishment may be located.

Subd. 4. Proximity. An adult entertainment establishment may not operate in the same building as, or within 1,500 feet from, another adult entertainment establishment; within 500 feet of residential property, regardless of how the property is zoned; or within 2,800 feet of a public or private elementary or secondary school or a church. Distances are measured between the closest property lines.

Subd. 5. Hours and days of operation. An adult entertainment establishment may not be open for business before 10:00 a.m. or after 10:00 p.m. on Monday through Saturday. An adult entertainment establishment may not be open for business on a Sunday or legal holiday.

Subd. 6. Restrictions on ownership or management by persons convicted of certain crimes. A person who has been convicted of one of the following offenses may not operate or manage an adult business establishment for three years after the conviction for the offense, or a conviction for a similar offense in another state or jurisdiction:

- (1) prostitution under section 609.321; 609.324; or 609.3242;
- (2) criminal sexual conduct under sections 609.342 to 609.3451;
- (3) solicitation of children under section 609.352;
- (4) indecent exposure under section 617.23;
- (5) distribution or exhibition of obscene materials and performances under section 617.241;
- (6) use of a minor in a sexual performance under section 617.246; or
- (7) possession of pornographic work involving minors under section 617.247.

Subd. 7. Local regulation allowed. If a county or statutory or home rule charter city does not enact an ordinance or regulation governing adult entertainment establishments, this section applies in the county or city. A county or city may adopt an ordinance or regulation that is consistent with this section, that supersedes or is in whole or in part more restrictive than this section, or that provides that this section does not apply in the county or city, and the county or city ordinance applies.

Sec. 4. EFFECTIVE DATE.

This act is effective the day following final enactment."

Amend the title accordingly

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Kelley from the Committee on Education, to which was referred

S.F. No. 3271: A bill for an act relating to higher education; establishing a branch campus of the University of Minnesota in Rochester; appropriating money; amending Minnesota Statutes 2004, section 137.17, subdivisions 1, 3; repealing Minnesota Statutes 2004, section 137.17, subdivisions

2, 4.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 12, delete everything after the period

Page 1, delete lines 13 to 15 and insert "The University of Minnesota should expand higher education offerings in Rochester that it is uniquely qualified to provide. To the extent possible, the Board of Regents should provide its offerings in partnership with higher education institutions that already serve Rochester and the southeastern region of Minnesota, and should avoid unnecessary duplicative offerings of courses and programs, particularly in nursing and allied health programs."

Page 1, line 16, delete the new language

Page 2, line 18, after the period, insert "The funding base for activities related to section 1 is \$5,000,000 for fiscal year 2008 and \$6,330,000 for fiscal year 2009."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Kelley from the Committee on Education, to which was referred

S.F. No. 3489: A resolution memorializing the Congress of the United States to repeal the No Child Left Behind requirements in the schools.

Reports the same back with the recommendation that the resolution do pass. Report adopted.

Senator Lourey from the Committee on Health and Family Security, to which was referred

S.F. No. 3444: A bill for an act relating to health; modifying the nursing home construction moratorium by creating an additional exception for a new facility for persons with eating disorders to be located in Hennepin or Dakota County; amending Minnesota Statutes 2004, section 144A.071, subdivision 3.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Senator Murphy from the Committee on Transportation, to which was referred

S.F. No. 3454: A bill for an act relating to metropolitan government; modifying transit service contract requirements; amending Minnesota Statutes 2004, section 473.384, subdivisions 1, 2.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Murphy from the Committee on Transportation, to which was referred

S.F. No. 3473: A bill for an act relating to motor vehicles; authorizing special plates for all disabled veterans; making technical changes; amending Minnesota Statutes 2005 Supplement, section 168.1251, subdivisions 1, 5.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 12, after "for" insert "a service-connected"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Scheid from the Committee on Commerce, to which was referred

S.F. No. 2787: A bill for an act relating to insurance; modernizing insurance regulation; amending mutual holding company laws; enacting the interstate insurance product regulation compact; making miscellaneous insurance law changes; amending Minnesota Statutes 2004, sections 60A.075, subdivision 1; 60A.077, subdivisions 1, 3, by adding a subdivision; 60A.207; 60D.19, subdivision 1; 60K.56, subdivisions 5, 6; 64B.13; Minnesota Statutes 2005 Supplement, sections 66A.02, subdivisions 2, 3; 66A.07, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 60A.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Judiciary. Report adopted.

Senator Scheid from the Committee on Commerce, to which was referred

S.F. No. 3079: A bill for an act relating to occupations and professions; modifying licensing provision for barbers and cosmetologists; amending Minnesota Statutes 2004, section 155A.07, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 8, delete "is an ex-felon" and insert "has a felony record"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Scheid from the Committee on Commerce, to which was referred

S.F. No. 3551: A bill for an act relating to real estate appraisers; regulating trainees; modifying appraiser education, experience, and examination requirements; amending Minnesota Statutes 2004, section 82B.11, subdivisions 2, 3; Minnesota Statutes 2005 Supplement, sections 82B.095; 82B.13, subdivisions 1, 4, 5, by adding subdivisions; 82B.14.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 17, delete "on" and insert "after"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Scheid from the Committee on Commerce, to which was referred

S.F. No. 3081: A bill for an act relating to liquor; allowing Minnesota farm wineries to produce certain fortified wines; amending Minnesota Statutes 2004, sections 340A.101, subdivision 11, by adding a subdivision; 340A.315, subdivisions 1, 2, 3, 4.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2004, section 340A.101, subdivision 11, is amended to read:

Subd. 11. **Farm winery.** "Farm winery" is a winery operated by the owner of a Minnesota farm and producing table ~~or~~ sparkling, or fortified wines from grapes, grape juice, other fruit bases, or honey with a majority of the ingredients grown or produced in Minnesota.

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

Sec. 2. Minnesota Statutes 2004, section 340A.101, is amended by adding a subdivision to read:

Subd. 30. **Fortified wine.** "Fortified wine" is wine to which brandy, or neutral grape spirits, has been added during or after fermentation resulting in a beverage containing not less than one-half of one percent nor more than 24 percent alcohol by volume for nonindustrial use.

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

Sec. 3. Minnesota Statutes 2005 Supplement, section 340A.301, subdivision 6, is amended to read:

Subd. 6. **Fees.** The annual fees for licenses under this section are as follows:

(a) Manufacturers (except as provided in clauses (b) and (c))	\$ 30,000
Duplicates	\$ 3,000
(b) Manufacturers of wines of not more than 25 percent alcohol by volume	\$ 500
(c) Brewers who manufacture more than 3,500 barrels of malt liquor in a year	\$ 4,000
(d) Brewers who also hold one or more retail on-sale licenses and who manufacture fewer than 3,500 barrels of malt liquor in a year, at any one licensed premises, the entire production of which is solely for consumption on tap on the <u>any</u> licensed premises or owned by the brewer, or for off-sale from that <u>those licensed premises as permitted in subdivision 7.</u> A brewer licensed under this clause must obtain a separate license for each licensed premises where the brewer brews malt liquor. A brewer licensed under this clause may not be licensed as an importer under this chapter	\$ 500
(e) Wholesalers (except as provided in clauses (f), (g), and (h))	\$ 15,000
Duplicates	\$ 3,000
(f) Wholesalers of wines of not more than 25 percent alcohol by volume	\$ 3,750
(g) Wholesalers of intoxicating malt liquor	\$ 1,000
Duplicates	\$ 25
(h) Wholesalers of 3.2 percent malt liquor	\$ 10
(i) Brewers who manufacture fewer than 2,000 barrels of malt liquor in a year	\$ 150
(j) Brewers who manufacture 2,000 to 3,500 barrels of malt liquor in a year	\$ 500

If a business licensed under this section is destroyed, or damaged to the extent that it cannot be carried on, or if it ceases because of the death or illness of the licensee, the commissioner may refund the license fee for the balance of the license period to the licensee or to the licensee's estate.

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

Sec. 4. Minnesota Statutes 2004, section 340A.315, subdivision 1, is amended to read:

Subdivision 1. **Licenses.** The commissioner may issue a farm winery license to the owner or operator of a farm winery located within the state and producing table ~~or~~ sparkling, or fortified wines. Licenses may be issued and renewed for an annual fee of \$50, which is in lieu of all other

license fees required by this chapter.

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

Sec. 5. Minnesota Statutes 2004, section 340A.315, subdivision 2, is amended to read:

Subd. 2. **Sales.** A license authorizes the sale, on the farm winery premises, of table ~~œ~~₂ sparkling, or fortified wines produced by that farm winery at on-sale or off-sale, in retail, or wholesale lots in total quantities not in excess of 50,000 gallons in a calendar year, glassware, wine literature and accessories, cheese and cheese spreads, other wine-related food items, and the dispensing of free samples of the wines offered for sale. Sales at on-sale and off-sale may be made on Sundays between 12:00 noon and 12:00 midnight. Labels for each type or brand produced must be registered with the commissioner, without fee prior to sale.

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

Sec. 6. Minnesota Statutes 2004, section 340A.315, subdivision 3, is amended to read:

Subd. 3. **Applicability.** Except as otherwise specified in this section, all provisions of this chapter govern the production, sale, possession, and consumption of table ~~œ~~₂ sparkling, or fortified wines produced by a farm winery.

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

Sec. 7. Minnesota Statutes 2004, section 340A.315, subdivision 4, is amended to read:

Subd. 4. **Minnesota products.** If Minnesota produced or grown grapes, grape juice, other fruit bases, or honey is not available in quantities sufficient to constitute a majority of the table ~~œ~~₂ sparkling, or fortified wine produced by a farm winery, the holder of the farm winery license may file an affidavit stating this fact with the commissioner. If the commissioner, after consultation with the commissioner of agriculture, determines this to be true, the farm winery may use imported products and shall continue to be governed by the provisions of this section. The affidavit is effective for a period of one year, after which time the farm winery must use the required amount of Minnesota products as provided by subdivision 1 unless the farm winery holder files a new affidavit with the commissioner.

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

Sec. 8. Minnesota Statutes 2005 Supplement, section 340A.404, subdivision 2, is amended to read:

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

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

(c) The city of Minneapolis may issue an on-sale intoxicating liquor license to Zuhrah Shrine Temple for use on the premises owned by Zuhrah Shrine Temple at 2540 Park Avenue South in Minneapolis, and to the American Swedish Institute for use on the premises owned by the American Swedish Institute at 2600 Park Avenue South, notwithstanding limitations of law, or local ordinances, or charter provision relating to zoning or school or church distances.

(d) The city of Minneapolis may issue an on-sale intoxicating liquor license to the American Association of University Women, Minneapolis branch, for use on the premises owned by the

American Association of University Women, Minneapolis branch, at 2115 Stevens Avenue South in Minneapolis, notwithstanding limitations of law, or local ordinances, or charter provisions relating to zoning or school or church distances.

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

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

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

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

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

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

EFFECTIVE DATE. This section is effective upon approval by the Minneapolis City Council in the manner provided by Minnesota Statutes, section 645.021, notwithstanding Minnesota Statutes, section 645.023, subdivision 1, paragraph (a).

Sec. 9. Minnesota Statutes 2004, section 340A.404, subdivision 5, is amended to read:

Subd. 5. **Wine licenses.** (a) A municipality may issue an on-sale wine license with the approval of the commissioner to a restaurant having facilities for seating at least 25 guests at one time. A wine license permits the sale of wine of up to 14 percent alcohol by volume for consumption with the sale of food. A wine license authorizes the sale of wine on all days of the week unless the issuing authority restricts the license's authorization to the sale of wine on all days except Sundays.

(b) The governing body of a municipality may by ordinance authorize a holder of an on-sale wine license issued pursuant to paragraph (a) who is also licensed to sell 3.2 percent malt liquors at on-sale pursuant to section 340A.411, and whose gross receipts are at least 60 percent attributable to the sale of food, to sell intoxicating malt liquors at on-sale without an additional license.

(c) A municipality may issue an on-sale wine license with the approval of the commissioner to

a licensed bed and breakfast facility. A license under this paragraph authorizes a bed and breakfast facility to furnish wine only to registered guests of the facility and, if the facility contains a licensed commercial kitchen, also to guests attending private events at the facility.

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

Sec. 10. **[340A.4041] CULINARY CLASSES; ON-SALE LICENSE.**

Subdivision 1. License authorized. A city or county may issue a limited on-sale intoxicating liquor license to a business establishment: (1) not otherwise eligible for an on-sale intoxicating liquor license; and (2) that, as part of its business, conducts culinary or cooking classes for which payment is made by each participant or advance reservation required. The license authorizes the licensee to furnish to each participant in each class, at no additional cost to the participant, up to a maximum of six ounces of wine or 12 ounces of intoxicating malt liquor, during and as part of the class, for consumption on the licensed premises only.

Subd. 2. Fee. The issuing authority shall set the fee for a license under this section, subject to section 340A.408, subdivision 2, paragraph (a).

Subd. 3. Application of other law. All provisions of this chapter that apply to on-sale intoxicating liquor licenses, other than provisions inconsistent with this section, apply to licenses issued under this section, except that section 340A.409 shall not apply.

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

Sec. 11. Minnesota Statutes 2005 Supplement, section 340A.412, subdivision 4, is amended to read:

Subd. 4. Licenses prohibited in certain areas. (a) No license to sell intoxicating liquor may be issued within the following areas:

(1) where restricted against commercial use through zoning ordinances and other proceedings or legal processes regularly had for that purpose, except licenses may be issued to restaurants in areas which were restricted against commercial uses after the establishment of the restaurant;

(2) within the Capitol or on the Capitol grounds, except as provided under Laws 1983, chapter 259, section 9, or Laws 1999, chapter 202, section 13;

(3) on the State Fairgrounds or at any place in a city of the first class within one-half mile of the fairgrounds, except as otherwise provided by charter;

(4) on the campus of the College of Agriculture of the University of Minnesota or at any place in a city of the first class within one-half mile of the campus, provided that a city may issue one on-sale wine license and one off-sale intoxicating liquor license in this area that is not included in the area described in clause (3), except as provided by charter;

(5) within 1,000 feet of a state hospital, training school, reformatory, prison, or other institution under the supervision or control, in whole or in part, of the commissioner of human services or the commissioner of corrections;

(6) in a town or municipality in which a majority of votes at the last election at which the question of license was voted upon were not in favor of license under section 340A.416, or within one-half mile of any such town or municipality, except that intoxicating liquor manufactured within this radius may be sold to be consumed outside it;

(7) at any place on the east side of the Mississippi River within one-tenth of a mile of the main building of the University of Minnesota unless (i) the licensed establishment is on property owned or operated by a nonprofit corporation organized prior to January 1, 1940, for and by former students of the University of Minnesota, or (ii) the licensed premises is Northrop Auditorium;

(8) within 1,500 feet of a state university, except that:

(i) the minimum distance in the case of Winona and Southwest State University is 1,200 feet, measured by a direct line from the nearest corner of the administration building to the main entrance of the licensed establishment;

(ii) within 1,500 feet of St. Cloud State University one on-sale wine and two off-sale intoxicating liquor licenses may be issued, measured by a direct line from the nearest corner of the administration building to the main entrance of the licensed establishment;

(iii) at Mankato State University the distance is measured from the front door of the student union of the Highland campus;

(iv) a temporary license under section 340A.404, subdivision 10, may be issued to a location on the grounds of a state university for an event sponsored or approved by the state university; and

(v) this restriction does not apply to the area surrounding the premises leased by of Metropolitan State University at 730 Hennepin Avenue South in Minneapolis; and

(9) within 1,500 feet of any public school that is not within a city.

(b) The restrictions of this subdivision do not apply to a manufacturer or wholesaler of intoxicating liquor or to a drugstore or to a person who had a license originally issued lawfully prior to July 1, 1967.

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

Sec. 12. Minnesota Statutes 2004, section 340A.414, subdivision 2, is amended to read:

Subd. 2. **Eligibility for permit.** (a) The commissioner may issue a permit under this section only to:

(1) an applicant who has not, within five years prior to the application, been convicted of a felony or of violating any provision of this chapter or rule adopted under this chapter;

(2) a restaurant;

(3) a hotel;

(4) an establishment licensed for the sale of 3.2 percent malt liquor;

(5) a resort as defined in section 157.15; and

(6) a club as defined in section 340A.101, subdivision 7, or an unincorporated club otherwise meeting that definition; and

(7) a bed and breakfast facility as defined in section 340A.411, subdivision 1.

(b) The commissioner may not issue a permit to a club holding an on-sale intoxicating liquor license.

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

Sec. 13. Minnesota Statutes 2004, section 340A.504, subdivision 6, is amended to read:

Subd. 6. **Municipalities may limit hours.** A municipality may further limit the hours of sale on and off sales of alcoholic beverages, provided that further restricted on-sale hours for intoxicating liquor must apply equally to sales on-sale hours of 3.2 percent malt liquor and intoxicating liquor. A city may not permit the sale of alcoholic beverages during hours when the sale is prohibited by this section.

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

Sec. 14. **CITY OF NEW PRAGUE; LIQUOR LICENSE.**

(a) The city of New Prague may issue an on-sale intoxicating liquor license for the New Prague Golf Club grounds, clubhouse, and restaurant located in the city of New Prague, notwithstanding any limitation of law, local ordinance, or charter provision. The provisions of Minnesota Statutes, chapter 340A, apply to the license issued under this section. The provisions of Minnesota Statutes, sections 340A.603 and 340A.604, apply to the establishment licensed under this section as if the establishment were a municipal liquor store, provided that the commissioner of public safety may not impose any penalty on the establishment under those sections if the city has imposed a comparable or greater penalty on the licensee for the same offense. The license under this section authorizes sales on all days of the week.

(b) The city of New Prague is the licensee under this section for purposes of compliance with Minnesota Statutes, section 340A.409. The city of New Prague is deemed the seller of alcoholic beverages under the license authorized by this section for purposes of Minnesota Statutes, sections 340A.801 and 340A.802.

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

Amend the title accordingly

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Foley from the Committee on Crime Prevention and Public Safety, to which was re-referred

S.F. No. 3038: A bill for an act relating to elections; prohibiting voter challenges based on certain mailings by political parties; providing a penalty; amending Minnesota Statutes 2004, section 204C.07, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Marty from the Committee on Environment and Natural Resources, to which was re-referred

H.F. No. 1480: A bill for an act relating to drainage; allowing an outlet fee to be charged for use of an established drainage system in Red Lake County as an outlet for drainage originating in Pennington County.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Marty from the Committee on Environment and Natural Resources, to which was referred

H.F. No. 2994: A bill for an act relating to natural resources; allowing for the replacement and repair of watercraft storage structures on public waters; amending Minnesota Statutes 2005 Supplement, section 103G.245, subdivision 4.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Lourey from the Committee on Health and Family Security, to which was referred

S.F. No. 3240: A bill for an act relating to human services; establishing a pharmacy payment reform advisory committee; providing for a study; requiring a report to the legislature.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on State and Local Government Operations. Report adopted.

Senator Anderson from the Committee on Jobs, Energy and Community Development, to which was referred

S.F. No. 2798: A bill for an act relating to energy; requiring certain gas utilities to prepare and implement service reconnection plans; proposing coding for new law in Minnesota Statutes, chapter 216B.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. **[216B.091] UTILITY CUSTOMER.**

Subdivision 1. **Monthly reports.** (a) Each natural gas and electric public utility must submit a monthly report to the commission that includes the following information:

- (1) number of residential customers;
- (2) total number and dollar amount of residential customer accounts past due;
- (3) average residential customer past due amount;
- (4) total dollars received from the low-income home energy assistance program and from other sources;
- (5) average monthly residential bill;
- (6) revenue from sales to residential accounts;
- (7) total residential write-offs due to uncollectible bills;
- (8) number of disconnection notices mailed to customers;
- (9) number of residential accounts disconnected; and
- (10) number of residential primary heating accounts reconnected to service.

(b) During the period from October 15 to April 15, monthly reports must also include the following information:

- (1) number of cold weather protection requests;
- (2) number of reconnection plan requests received and granted;
- (3) number of inability to pay requests received and granted;
- (4) number of ten-percent plans received and granted;
- (5) number of payment schedule requests received and granted; and
- (6) all other information currently provided to the commission in monthly cold weather rule reports.

Subd. 2. **Commission report.** On or about September 30 of each year, the commission must issue a report that summarizes the monthly data provided under subdivision 1 by each natural gas and electric public utility for the period beginning July 1 to the following June 30 of that year.

EFFECTIVE DATE. This section is effective July 1, 2006, provided that the first report under subdivision 2 is due on or about September 30, 2007.

Sec. 2. **[216B.0951] PREPURCHASE PROPANE FUEL PROGRAM.**

Subdivision 1. **Created.** The commissioner shall operate, or contract to operate, a prepurchase delivered fuel program.

The commissioner shall each July and August purchase the lesser of one-third of the liquid propane fuel consumed by low-income home energy assistance program recipients during the previous heating season or the amount that can be purchased with available funds. The prepurchase delivered fuel program must be available statewide through each local agency that administers the energy assistance program. The commissioner may decide to limit or not engage in prepurchasing if the commissioner finds that there is a reasonable likelihood that prepurchasing will not provide fuel-cost savings.

Subd. 2. **Hedge account.** The commissioner may establish a hedge account with realized program savings due to prepurchasing. The account must be used to compensate program recipients an amount up to the difference in cost for fuel provided to the recipient if winter-delivered fuel prices are lower than the prepurchase or summer-fill price. No more than ten percent of the aggregate prepurchase program savings may be used to establish the hedge account.

Subd. 3. **Report.** The department shall issue an annual report, made available electronically on its Web site and in print upon request, which contains the following information:

- (1) the cost per gallon of the prepurchased fuel;
- (2) the total gallons of fuel prepurchased;
- (3) the average cost of propane and fuel oil by month between October and the following April;
- (4) the number of energy assistance program households receiving prepurchased fuel; and
- (5) the average savings accruing or benefit increase provided to energy assistance households.

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

Sec. 3. **[216B.096] EARLY IDENTIFICATION OF HEAT-DISCONNECTED CUSTOMERS.**

Subdivision 1. **Definitions.** For the purposes of this section, the terms defined in this subdivision have the meanings given them:

- (a) "Heat-affected customer" means a residential customer heating with electricity or natural gas.
- (b) "Heating season" means the period between October 15 and the following April 15.
- (c) "Utility" means a public utility serving residential customers who heat with electricity or natural gas.

Subd. 2. **Early identification.** Beginning no later than September 15, a utility must attempt to contact heat-affected customers in occupied dwellings whose service was disconnected after the previous heating season to establish payment arrangements or a reconnection plan in order to restore service. A record must be made of all contacts and attempted contacts.

Subd. 3. **Report to commission.** Annually on November 1, a utility must file with the commission a report specifying the number of heat-affected customers in occupied dwellings whose service is disconnected on October 1 and on October 15. If heat-affected customers remain disconnected on October 15, each utility shall file a weekly report, beginning November 1, specifying the number of heat-affected customers that are or remain disconnected from service during the current heating season.

Sec. 4. Minnesota Statutes 2004, section 216B.16, subdivision 15, is amended to read:

Subd. 15. **Low-income programs.** (a) The commission may consider ability to pay as a factor

in setting utility rates and ~~may~~ must establish programs for low-income residential ratepayers in order to ensure affordable, reliable, and continuous service to low-income utility customers. By September 1, 2006, public utilities that serve low-income natural gas heating customers, except any public utility operating a low-income program under subdivision 14, must file an affordability program with the commission. A program must be implemented upon approval by the commission.

(b) The purpose of the low-income programs is to lower the percentage of income that participating low-income households devote to energy bills, to increase participating customer payments, to decrease or eliminate participating customer arrears, and to lower the utility costs associated with participating customer account collection activities. In ordering low-income programs, the commission may require public utilities to file program evaluations, including the coordination of other available low-income bill payment and conservation resources and the effect of the program on:

- (1) reducing the percentage of income that participating households devote to energy bills;
- (2) service disconnections; and
- (3) customer payment behavior, utility collection costs, arrearages, and bad debt.

(c) The commission shall issue orders necessary to implement, administer, and recover the costs, including administrative costs, of a program on a timely basis.

Sec. 5. Minnesota Statutes 2004, section 216B.241, subdivision 1a, is amended to read:

Subd. 1a. **Investment, expenditure, and contribution; public utility.** (a) For purposes of this subdivision and subdivision 2, "public utility" has the meaning given it in section 216B.02, subdivision 4. Each public utility shall spend and invest for energy conservation improvements under this subdivision and subdivision 2 the following amounts:

- (1) for a utility that furnishes gas service, 0.5 percent of its gross operating revenues from service provided in the state;
- (2) for a utility that furnishes electric service, 1.5 percent of its gross operating revenues from service provided in the state; and
- (3) for a utility that furnishes electric service and that operates a nuclear-powered electric generating plant within the state, two percent of its gross operating revenues from service provided in the state.

For purposes of this paragraph (a), "gross operating revenues" do not include revenues from large electric customer facilities exempted by the commissioner under paragraph (b).

The gross operating revenue to be used in determining the amount of spending and investment required under this subdivision is the revenue for the year preceding the year that a proposed plan is filed with the commissioner. The commissioner may adjust the spending required after the first or subsequent year of a plan to reflect more recent available revenue figures.

(b) The owner of a large electric customer facility may petition the commissioner to exempt both electric and gas utilities serving the large energy customer facility from the investment and expenditure requirements of paragraph (a) with respect to retail revenues attributable to the facility. At a minimum, the petition must be supported by evidence relating to competitive or economic pressures on the customer and a showing by the customer of reasonable efforts to identify, evaluate, and implement cost-effective conservation improvements at the facility. If a petition is filed on or before October 1 of any year, the order of the commissioner to exempt revenues attributable to the facility can be effective no earlier than January 1 of the following year. The commissioner shall not grant an exemption if the commissioner determines that granting the exemption is contrary to the public interest. The commissioner may, after investigation, rescind any exemption granted under this paragraph upon a determination that cost-effective energy conservation improvements are

available at the large electric customer facility. For the purposes of this paragraph, "cost-effective" means that the projected total cost of the energy conservation improvement at the large electric customer facility is less than the projected present value of the energy and demand savings resulting from the energy conservation improvement. For the purposes of investigations by the commissioner under this paragraph, the owner of any large electric customer facility shall, upon request, provide the commissioner with updated information comparable to that originally supplied in or with the owner's original petition under this paragraph.

(c) The commissioner may require investments or spending greater than the amounts required under this subdivision for a public utility whose most recent advance forecast required under section 216B.2422 or 216C.17 projects a peak demand deficit of 100 megawatts or greater within five years under midrange forecast assumptions.

(d) A public utility or owner of a large electric customer facility may appeal a decision of the commissioner under paragraph (b) or (c) to the commission under subdivision 2. In reviewing a decision of the commissioner under paragraph (b) or (c), the commission shall rescind the decision if it finds that the required investments or spending will:

- (1) not result in cost-effective energy conservation improvements; or
- (2) otherwise not be in the public interest.

(e) Each utility shall determine what portion of the amount it sets aside for conservation improvement will be used for conservation improvements under subdivision 2 and what portion it will contribute to the energy and conservation account established in subdivision 2a. A public utility may propose to the commissioner to designate that all or a portion of funds contributed to the account established in subdivision 2a be used for research and development projects that can best be implemented on a statewide basis. Contributions must be remitted to the commissioner by February 1 of each year. Nothing in this subdivision prohibits a public utility from spending or investing for energy conservation improvement more than required in this subdivision.

Sec. 6. Minnesota Statutes 2005 Supplement, section 216B.241, subdivision 1b, is amended to read:

Subd. 1b. Conservation improvement by cooperative association or municipality. (a) This subdivision applies to:

- (1) a cooperative electric association that provides retail service to its members;
- (2) a municipality that provides electric service to retail customers; and
- (3) a municipality with gross operating revenues in excess of \$5,000,000 from sales of natural gas to retail customers.

(b) Each cooperative electric association and municipality subject to this subdivision shall spend and invest for energy conservation improvements under this subdivision the following amounts:

- (1) for a municipality, 0.5 percent of its gross operating revenues from the sale of gas and 1.5 percent of its gross operating revenues from the sale of electricity, excluding gross operating revenues from electric and gas service provided in the state to large electric customer facilities; and
- (2) for a cooperative electric association, 1.5 percent of its gross operating revenues from service provided in the state, excluding gross operating revenues from service provided in the state to large electric customer facilities indirectly through a distribution cooperative electric association.

The gross operating revenue to be used in determining the amount of spending and investment required under this subdivision is the revenue for the year preceding the year that a proposed plan is filed with the commissioner. The commissioner may adjust the spending required after the first or subsequent year of a plan to reflect more recent available revenue figures.

(c) Each municipality and cooperative electric association subject to this subdivision shall identify and implement energy conservation improvement spending and investments that are appropriate for the municipality or association, except that a municipality or association may not spend or invest for energy conservation improvements that directly benefit a large electric customer facility for which the commissioner has issued an exemption under subdivision 1a, paragraph (b).

(d) Each municipality and cooperative electric association subject to this subdivision may spend and invest annually up to ten percent of the total amount required to be spent and invested on energy conservation improvements under this subdivision on research and development projects that meet the definition of energy conservation improvement in subdivision 1 and that are funded directly by the municipality or cooperative electric association.

(e) Load-management activities that do not reduce energy use but that increase the efficiency of the electric system may be used to meet 50 percent of the conservation investment and spending requirements of this subdivision.

(f) A generation and transmission cooperative electric association that provides energy services to cooperative electric associations that provide electric service at retail to consumers may invest in energy conservation improvements on behalf of the associations it serves and may fulfill the conservation, spending, reporting, and energy savings goals on an aggregate basis. A municipal power agency or other not-for-profit entity that provides energy service to municipal utilities that provide electric service at retail may invest in energy conservation improvements on behalf of the municipal utilities it serves and may fulfill the conservation, spending, reporting, and energy savings goals on an aggregate basis, under an agreement between the municipal power agency or not-for-profit entity and each municipal utility for funding the investments.

(g) At least every four years, on a schedule determined by the commissioner, each municipality or cooperative shall file an overview of its conservation improvement plan with the commissioner. With this overview, the municipality or cooperative shall also provide an evaluation to the commissioner detailing its energy conservation improvement spending and investments for the previous period. The evaluation must briefly describe each conservation program and must specify the energy savings or increased efficiency in the use of energy within the service territory of the utility or association that is the result of the spending and investments. The evaluation must analyze the cost-effectiveness of the utility's or association's conservation programs, using a list of baseline energy and capacity savings assumptions developed in consultation with the department. The commissioner shall review each evaluation and make recommendations, where appropriate, to the municipality or association to increase the effectiveness of conservation improvement activities. Up to three percent of a utility's conservation spending obligation under this section may be used for program pre-evaluation, testing, and monitoring and program evaluation. The overview and evaluation filed by a municipality with less than 60,000,000 kilowatt hours in annual retail sales of electric service may consist of a letter from the governing board of the municipal utility to the department providing the amount of annual conservation spending required of that municipality and certifying that the required amount has been spent on conservation programs pursuant to this subdivision.

(h) The commissioner shall also review each evaluation for whether a portion of the money spent on residential conservation improvement programs is devoted to programs that directly address the needs of renters and low-income persons unless an insufficient number of appropriate programs are available. For the purposes of this subdivision and subdivision 2, "low-income" means an income at or below 50 percent of the state median income.

(i) As part of its spending for conservation improvement, a municipality or association may contribute to the energy and conservation account. A municipality or association may propose to the commissioner to designate that all or a portion of funds contributed to the account be used for research and development projects that can best be implemented on a statewide basis. Any amount contributed must be remitted to the commissioner by February 1 of each year.

(j) A municipality may spend up to 50 percent of its required spending under this section to

refurbish an existing district heating or cooling system. This paragraph expires July 1, 2007.

Sec. 7. Minnesota Statutes 2004, section 216B.241, subdivision 1c, is amended to read:

Subd. 1c. **Energy-saving goals objectives.** (a) The commissioner shall establish statewide energy-saving goals objectives for all gas and electric energy conservation improvement expenditures and shall evaluate an monitor energy conservation improvement program on how well it meets the goals set programs for success in meeting the statewide objectives. The commissioner must present a report on these objectives to the legislature by January 15, 2007.

(b) The commissioner shall, consistent with other law, commencing with calendar year 2008, establish annual statewide electric capacity and energy savings objectives for electric conservation investment programs that the commissioner deems to be in the public interest. The commissioner may establish these objectives based upon utility integrated resource plans, cost-effectiveness potential, utility load-growth projections, and other factors.

The commissioner shall, consistent with other law, allocate statewide capacity and energy savings objectives among public utilities, cooperative electric associations, and municipals as determined by the commissioner to result in the greatest likelihood of meeting the statewide objective. In determining the allocation of capacity and energy savings objectives, the commissioner shall consider individual utilities' load-growth projections, cost-effective savings potential, and past performance.

(c) The commissioner shall, consistent with other law, commencing with calendar year 2008, establish annual statewide natural gas savings objectives for natural gas conservation investment programs that the commissioner deems to be in the public interest. The commissioner may establish these goals based upon utility forecasts, cost-effectiveness potential, and other sources.

The commissioner shall determine and allocate statewide capacity and energy savings objectives among public utilities and municipal utilities having an investment obligation under this section related to gas revenues so as to result in the greatest likelihood of meeting the statewide objective. In determining the allocation of capacity and energy savings objectives, the commissioner shall consider individual utilities' load-growth projections, cost-effective savings potential, and past performance.

(d) The commissioner shall annually report the success in meeting these statewide and individual utility objectives under this subdivision in a publicly available format.

(e) An objective allocation by the commissioner under this subdivision does not create an additional conservation investment spending obligation.

Sec. 8. Minnesota Statutes 2005 Supplement, section 216B.241, subdivision 2, is amended to read:

Subd. 2. **Programs.** (a) The commissioner may require public utilities to make investments and expenditures in energy conservation improvements, explicitly setting forth the interest rates, prices, and terms under which the improvements must be offered to the customers. The required programs must cover no more than a four-year period. Public utilities shall file conservation improvement plans by June 1, on a schedule determined by order of the commissioner, but at least every four years. Plans received by a public utility by June 1 must be approved or approved as modified by the commissioner by December 1 of that same year. The commissioner shall give special consideration and encouragement to programs that bring about significant net savings through the use of energy-efficient lighting. The commissioner shall evaluate the program on the basis of cost-effectiveness and the reliability of technologies employed. The commissioner's order must provide to the extent practicable for a free choice, by consumers participating in the program, of the device, method, material, or project constituting the energy conservation improvement and for a free choice of the seller, installer, or contractor of the energy conservation improvement, provided that the device, method, material, or project seller, installer, or contractor is duly licensed,

certified, approved, or qualified, including under the residential conservation services program, where applicable.

(b) The commissioner may require a utility to make an energy conservation improvement investment or expenditure whenever the commissioner finds that the improvement will result in energy savings at a total cost to the utility less than the cost to the utility to produce or purchase an equivalent amount of new supply of energy. The commissioner shall nevertheless ensure that every public utility operate one or more programs under periodic review by the department.

(c) Each public utility subject to subdivision 1a may spend and invest annually up to ten percent of the total amount required to be spent and invested on energy conservation improvements under this section by the utility on research and development projects that meet the definition of energy conservation improvement in subdivision 1 and that are funded directly by the public utility.

(d) A public utility may not spend for or invest in energy conservation improvements that directly benefit a large electric customer facility for which the commissioner has issued an exemption pursuant to subdivision 1a, paragraph (b). The commissioner shall consider and may require a utility to undertake a program suggested by an outside source, including a political subdivision or a nonprofit or community organization.

(e) The commissioner may, by order, establish a list of programs that may be offered as energy conservation improvements by a public utility, municipal utility, cooperative electric association, or other entity providing conservation services pursuant to this section. The list of programs may include rebates for high-efficiency appliances, rebates or subsidies for high-efficiency lamps, small business energy audits, and building recommissioning. The commissioner may, by order, change this list to add or subtract programs as the commissioner determines is necessary to promote efficient and effective conservation programs.

(f) The commissioner shall ensure that a portion of the money spent on residential conservation improvement programs is devoted to programs that directly address the needs of ~~renters and~~ low-income persons, ~~in proportion to the amount the utility has historically spent on such programs based on the most recent three-year average relative to the utility's total conservation spending under this section, unless an insufficient number of appropriate programs are available including low-income renters.~~ When approving spending and energy savings goals for low-income conservation improvement programs, the commissioner shall consider historic spending, participation and energy savings for low-income programs, and the number of low-income persons residing in the utility's service territory. A utility that furnishes gas service must spend at least 0.2 percent of its gross operating revenue from residential customers on low-income conservation improvement programs.

(g) A utility, a political subdivision, or a nonprofit or community organization that has suggested a program, the attorney general acting on behalf of consumers and small business interests, or a utility customer that has suggested a program and is not represented by the attorney general under section 8.33 may petition the commission to modify or revoke a department decision under this section, and the commission may do so if it determines that the program is not cost-effective, does not adequately address the residential conservation improvement needs of low-income persons, has a long-range negative effect on one or more classes of customers, or is otherwise not in the public interest. The commission shall reject a petition that, on its face, fails to make a reasonable argument that a program is not in the public interest.

(h) The commissioner may order a public utility to include, with the filing of the utility's proposed conservation improvement plan under paragraph (a), the results of an independent audit of the utility's conservation improvement programs and expenditures performed by the department or an auditor with experience in the provision of energy conservation and energy efficiency services approved by the commissioner and chosen by the utility. The audit must specify the energy savings or increased efficiency in the use of energy within the service territory of the utility that is the result of the spending and investments. The audit must evaluate the cost-effectiveness of the utility's

conservation programs.

(i) Up to three percent of a utility's conservation spending obligation under this section may be used for program pre-evaluation, testing, and monitoring and program audit and evaluation.

Sec. 9. Minnesota Statutes 2004, section 216B.241, subdivision 6, is amended to read:

Subd. 6. **Renewable energy research.** (a) A public utility that owns a nuclear generation facility in the state shall spend five percent of the total amount that utility is required to spend under this section to support basic and applied research and demonstration activities at the University of Minnesota Initiative for Renewable Energy and the Environment for the development of renewable energy sources and technologies. The utility shall transfer the required amount to the University of Minnesota on or before July 1 of each year and that annual amount shall be deducted from the amount of money the utility is required to spend under this section. The University of Minnesota shall transfer at least ten percent of these funds to at least one rural campus or experiment station.

(b) Research funded under this subdivision shall include:

(1) development of environmentally sound production, distribution, and use of energy, chemicals, and materials from renewable sources;

(2) processing and utilization of agricultural and forestry plant products and other bio-based, renewable sources as a substitute for fossil-fuel-based energy, chemicals, and materials using a variety of means including biocatalysis, biorefining, and fermentation;

(3) conversion of state wind resources to hydrogen for energy storage and transportation to areas of energy demand;

(4) improvements in scalable hydrogen fuel cell technologies; and

(5) production of hydrogen from bio-based, renewable sources; and sequestration of carbon.

~~(c) Notwithstanding other law to the contrary, the utility may, but is not required to, spend more than two percent of its gross operating revenues from service provided in this state under this section or section 216B.2411.~~

~~(d) This subdivision expires June 30, 2008.~~

Sec. 10. Minnesota Statutes 2004, section 216C.37, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** In this section:

(a) "Commissioner" means the commissioner of commerce.

(b) "Energy conservation investments" means all capital expenditures that are associated with conservation measures identified in an energy project study, including renewable energy measures, and that have a ten-year or less payback period.

(c) "Municipality" means any county, statutory or home rule charter city, town, school district, or any combination of those units operating under an agreement to jointly undertake projects authorized in this section.

(d) "Energy project study" means a study of one or more energy-related capital improvement projects analyzed in sufficient detail to support a financing application. At a minimum, it must include one year of energy consumption and cost data, a description of existing conditions, a description of proposed conditions, a detailed description of the costs of the project, and calculations sufficient to document the proposed energy savings.

Sec. 11. [325E.027] LOW-INCOME CUSTOMERS; DELIVERED HEATING FUEL VENDOR'S OBLIGATION.

A dealer or distributor of liquid propane gas or number 1 or number 2 fuel oil may not refuse to deliver liquid propane gas or number 1 or number 2 fuel oil within their normal delivery area to any person who receives direct grants under the low-income home energy assistance program if that person has requested delivery, the dealer or distributor has product available and the person requesting delivery is capable of making full payment at the time of delivery, and is not in arrears regarding any previous fuel purchase from that dealer or distributor. A distributor or dealer making delivery to a person receiving direct grants from the low-income home energy assistance program may not charge that person any additional costs or fees that would not be charged to any other customer and shall make available to that person any discount programs on the same basis as the dealer or distributor makes available to any other customer.

Sec. 12. BIOMASS GENERATION FACILITY CLARIFICATION.

Consistent with Minnesota Statutes, section 216B.02, subdivision 4, that no person shall be deemed a public utility if it produces or furnishes service to less than 25 persons, the owner and operator of an up-to-15-megawatt, biomass-fueled, electric generation facility located in Scott County, adjacent to an agricultural product processing plant that uses the heat from the biomass facility in its production process, is not a public utility if the electricity produced by the biomass facility is used solely for the operations of the owners of the biomass facility and for wholesale sales. The providing of electric service by the biomass facility to the owners of the facility does not require the consent of the public utility in whose service area the agricultural product processing plant is located.

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

Sec. 13. ETHANOL PLANT; RENEWABLE GENERATION FACILITY CLARIFICATION.

Consistent with Minnesota Statutes, section 216B.02, subdivision 4, that no person shall be deemed a public utility if it produces or furnishes service to less than 25 persons, the owner and operator of an electric generation facility located in Faribault County consisting of two wind turbines, adjacent to an ethanol plant, is not a public utility if the electricity produced by the turbines is used solely for the operations of the ethanol plant. The providing of electric service by those two turbines to the ethanol plant does not require the consent of the electric utility in whose service area the plant is located.

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

Sec. 14. PETROLEUM VIOLATION ESCROW FUNDS.

Petroleum violation escrow funds appropriated to the commissioner of commerce by Laws 1988, chapter 686, article 1, section 38, for state energy loan programs for schools, hospitals, and public buildings may also be used for energy grants to those entities.

Sec. 15. PROMOTING CONSERVATION THROUGH UTILITY RATES; STUDY.

The Legislative Electric Energy Task Force must study the issue of the use of utility rates as an incentive to conservation, including the separation of utility revenues from sales. The study may include both gas and electric utility rates. The task force may contract for all or part of the study, including contracting with other state agencies. The study must be completed by January 15, 2007."

Amend the title accordingly

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Betzold from the Committee on Judiciary, to which was re-referred

S.F. No. 1695: A bill for an act relating to health; modifying access to health care records;

amending Minnesota Statutes 2004, section 144.335, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Betzold from the Committee on Judiciary, to which was re-referred

S.F. No. 2735: A bill for an act relating to legislature; regulating the Legislative Audit Commission; amending Minnesota Statutes 2004, section 3.97, subdivisions 2, 3a; repealing Minnesota Statutes 2004, sections 3.97, subdivision 3; 3.979, subdivision 5.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Betzold from the Committee on Judiciary, to which was re-referred

S.F. No. 2887: A bill for an act relating to manufactured homes; regulating manufactured home park conversions; amending Minnesota Statutes 2004, section 327C.095, subdivisions 1, 5.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Betzold from the Committee on Judiciary, to which was referred

S.F. No. 2965: A bill for an act relating to consumer protection; regulating the disclosure of personal information by data warehouses; providing notice content requirements; removing an exemption for financial institutions and health care entities; amending Minnesota Statutes 2005 Supplement, section 325E.61, subdivision 1, by adding a subdivision; repealing Minnesota Statutes 2005 Supplement, section 325E.61, subdivision 4.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Betzold from the Committee on Judiciary, to which was referred

S.F. No. 2995: A bill for an act relating to liens; regulating liens for storage charges on certain motor vehicles; amending Minnesota Statutes 2004, section 514.19.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, delete line 3 and insert "section fulfills the notice to secured creditors required in section 514.20, subject to the time period required under that section."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Betzold from the Committee on Judiciary, to which was re-referred

S.F. No. 3216: A bill for an act relating to housing; regulating condominium conversions; amending Minnesota Statutes 2005 Supplement, section 515B.1-106.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Betzold from the Committee on Judiciary, to which was re-referred

S.F. No. 3263: A bill for an act relating to commerce; regulating statutory housing warranties; modifying remedies; amending Minnesota Statutes 2004, section 327A.05.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Betzold from the Committee on Judiciary, to which was referred

S.F. No. 3349: A bill for an act relating to domestic abuse; providing for enforcement of foreign protective orders; amending Minnesota Statutes 2004, section 518B.01, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 10, delete everything after "tribe"

Page 1, line 11, delete everything before "or"

Page 1, line 20, delete "prosecution" and insert "protection"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Lourey from the Committee on Health and Family Security, to which was referred

S.F. No. 3223: A bill for an act relating to human services; specifying criteria for coverage of medical assistance special transportation services; increasing special transportation reimbursement rates; extending the prohibition on the use of brokers or coordinators to manage special transportation services; amending Minnesota Statutes 2005 Supplement, section 256B.0625, subdivision 17; Laws 2003, First Special Session chapter 14, article 12, section 93, as amended.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2005 Supplement, section 256B.0625, subdivision 17, is amended to read:

Subd. 17. **Transportation costs.** (a) Medical assistance covers transportation costs incurred solely for obtaining emergency medical care or transportation costs incurred by eligible persons in obtaining emergency or nonemergency medical care when paid directly to an ambulance company, common carrier, or other recognized providers of transportation services.

(b) Medical assistance covers special transportation, as defined in Minnesota Rules, part 9505.0315, subpart 1, item F, if the recipient has a physical or mental impairment that would prohibit the recipient from safely accessing and using a bus, taxi, other commercial transportation, or private automobile.

The commissioner may use an order by the recipient's attending physician to certify that the recipient requires special transportation services. Special transportation includes driver-assisted service to eligible individuals, including, but not limited to, residents of a skilled nursing facility and individuals being discharged from a hospital to a skilled nursing facility. Driver-assisted service includes passenger pickup at and return to the individual's residence or place of business, assistance with admittance of the individual to the medical facility, and assistance in passenger securement or in securing of wheelchairs or stretchers in the vehicle. Special transportation providers must obtain written documentation from the health care service provider who is serving the recipient being transported, identifying the time that the recipient arrived. Special transportation providers may not bill for separate base rates for the continuation of a trip beyond the original destination. Special transportation providers must take recipients to the nearest appropriate health care provider, using the ~~most direct~~ quickest route available. The maximum medical assistance reimbursement rates for special transportation services are:

(1) ~~\$17~~ \$18 for the base rate and ~~\$1.35~~ \$1.85 per mile for services to eligible persons who need a wheelchair-accessible van;

(2) ~~\$11.50~~ \$11.75 for the base rate and ~~\$1.30~~ \$1.35 per mile for services to eligible persons who do not need a wheelchair-accessible van; and

(3) \$60 for the base rate and \$2.40 per mile, and an attendant rate of \$9 per trip, for services to

eligible persons who need a stretcher-accessible vehicle.

Sec. 2. Laws 2003, First Special Session chapter 14, article 12, section 93, as amended by Laws 2005, First Special Session chapter 4, article 8, section 80, is amended to read:

Sec. 93. REVIEW OF SPECIAL TRANSPORTATION ELIGIBILITY CRITERIA AND POTENTIAL COST SAVINGS.

The commissioner of human services, in consultation with the commissioner of transportation and special transportation service providers, shall review eligibility criteria for medical assistance special transportation services and shall evaluate whether the level of special transportation services provided should be based on the degree of impairment of the client, as well as the medical diagnosis. The commissioner shall also evaluate methods for reducing the cost of special transportation services, including, but not limited to:

- (1) requiring providers to maintain a daily log book confirming delivery of clients to medical facilities;
 - (2) requiring providers to implement commercially available computer mapping programs to calculate mileage for purposes of reimbursement;
 - (3) restricting special transportation service from being provided solely for trips to pharmacies;
 - (4) modifying eligibility for special transportation;
 - (5) expanding alternatives to the use of special transportation services;
 - (6) improving the process of certifying persons as eligible for special transportation services;
- and
- (7) examining the feasibility and benefits of licensing special transportation providers.

The commissioner shall present recommendations for changes in the eligibility criteria and potential cost-savings for special transportation services to the chairs and ranking minority members of the house and senate committees having jurisdiction over health and human services spending by January 15, 2004. The commissioner is prohibited from using a broker or coordinator to manage special transportation services until July 1, ~~2006~~ 2007, except for the purposes of checking for recipient eligibility, authorizing recipients for appropriate level of transportation, and monitoring provider compliance with Minnesota Statutes, section 256B.0625, subdivision 17. The commissioner shall not amend the initial contract to broker or manage nonemergency medical transportation to extend beyond two consecutive years. The commissioner shall not enter into a broker or management contract for transportation services which denies a medical assistance recipient the free choice of health service provider, including a special transportation provider, as specified in Code of Federal Regulations, title 42, section 431.51. This prohibition does not apply to the purchase or management of common carrier transportation.

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

Sec. 3. **EFFECTIVE DATE.**

Sections 1 and 2 are effective July 1, 2006."

Amend the title accordingly

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Lourey from the Committee on Health and Family Security, to which was referred

S.F. No. 3307: A bill for an act relating to human services; modifying chemical use assessments; imposing duties on the commissioner of human services related to chemical health; proposing coding for new law in Minnesota Statutes, chapter 254A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 31, delete "and treatment program peer reviews"

Page 3, line 5, before the period, insert "and the feasibility of posting treatment program peer reviews at an online location where they can be viewed by agencies that make client placements"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Marty from the Committee on Environment and Natural Resources, to which was re-referred

S.F. No. 2757: A bill for an act relating to public safety; providing for prevention, preparedness, and response to unauthorized releases of extraordinarily hazardous substances; amending Minnesota Statutes 2004, section 13.6905, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 115E.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2004, section 13.6905, is amended by adding a subdivision to read:

Subd. 1a. **Facility security plans.** Facility security plans are nonpublic data.

Sec. 2. Minnesota Statutes 2004, section 115E.01, subdivision 5, is amended to read:

Subd. 5. **Facility.** "Facility" means a structure, group of structures, equipment, or device, other than a vessel, that is used for one or more of the following purposes: exploring for, drilling for, producing, storing, handling, transferring, processing, or transporting oil or a hazardous substance. Facility includes a motor vehicle, rolling stock, or pipeline used for one or more of these purposes. Facility also includes a research and development laboratory, which means a specially designated area used primarily for research, development, and testing activity and not primarily involved in the production of goods for commercial sale. A facility may be in, on, or under land, or in, on, or under waters of the state as defined in section 115.01, subdivision 22.

Sec. 3. Minnesota Statutes 2004, section 115E.01, subdivision 6, is amended to read:

Subd. 6. **Hazardous substance.** "Hazardous substance" has the meaning given in section 115B.02, subdivision 8. In addition, hazardous substance includes the substances listed under section 112r of the Clean Air Act, found in Code of Federal Regulations, title 40, part 68.

Sec. 4. Minnesota Statutes 2004, section 115E.01, subdivision 7, is amended to read:

Subd. 7. **Lead agency.** "Lead agency" means:

- (1) the Department of Agriculture, with respect to agricultural chemicals; ~~or~~
- (2) the Pollution Control Agency, for other hazardous substances or oil; or
- (3) the Department of Public Safety, with respect to the security planning and security measures.

Sec. 5. Minnesota Statutes 2004, section 115E.01, is amended by adding a subdivision to read:

Subd. 11d. **Security measure.** "Security measure" means an action carried out to increase

the security of a facility, including employee training and background checks, limitation and prevention of access to controls of the facility, protection of the perimeter of the facility, installation and operation of an intrusion detection sensor, or a measure to increase computer or computer network security.

Sec. 6. Minnesota Statutes 2004, section 115E.01, is amended by adding a subdivision to read:

Subd. 11e. **Use of inherently safer technology.** "Use of inherently safer technology" means the use of a technology, product, raw material, or practice that, as compared with the technologies, products, raw materials, or practices currently in use, reduces or eliminates the possibility of a release, and reduces or eliminates the threats to the public health or safety and environment associated with the release or threatened release.

Sec. 7. Minnesota Statutes 2004, section 115E.01, subdivision 13, is amended to read:

Subd. 13. **Worst case discharge.** "Worst case discharge" means:

(1) in the case of a vessel, sudden loss of the entire contents of the vessel in weather conditions that impede cleanup;

(2) for each tank of a storage tank facility, sudden loss of the entire contents of the tank in weather conditions that impede cleanup;

(3) in the case of railroad rolling stock facilities, sudden loss of the contents of the maximum expected number of the rail cars containing oil or hazardous substance of a train onto land or into water in weather conditions that impede cleanup;

(4) in the case of truck and trailer rolling stock facilities, sudden loss of the entire contents of the truck or trailer onto land or into water in weather conditions that impede cleanup;

(5) in the case of a pipeline facility, sudden loss of the contents of the pipeline which would be expected from complete failure of the pipeline onto land or into water in weather conditions that impede cleanup;

(6) in the case of oil or hazardous substance transfer facilities, sudden loss of the largest volume which could occur during transfer into or out of a facility; ~~or~~

(7) in the case of a facility with more than the threshold quantity of any substance listed in Code of Federal Regulations, title 40, part 68, under section 112r of the Clean Air Act, on the property at any point in the year, sudden loss of the maximum expected inventory of the substances; or

(8) the worst case discharge for the facility as described by regulations under the Oil Pollution Act of 1990 if the regulations, when adopted, describe a discharge worse than one described in clauses (1) to ~~(6)~~ (7).

Sec. 8. **[115E.025] DUTY TO SECURE FACILITIES.**

Subdivision 1. **General security.** A person who owns or operates a vessel or facility transporting, storing, or otherwise handling hazardous substances or oil, or who is otherwise in control of hazardous substances or oil, shall take reasonable security measures to prevent the unauthorized access of persons to the facilities or to the control mechanisms of the facility.

Subd. 2. **Specific security measures.** The following persons shall comply with the specific requirements of section 115E.04, subdivision 2:

(1) persons who own or operate facilities subject to Code of Federal Regulations, title 40, part 68, under section 112r of the Clean Air Act, except for retail facilities at which more than one-half of the income is obtained from direct sales of ammonia or propane to end users; and

(2) persons who own or operate facilities containing 1,000,000 gallons or more of oil or

hazardous substance in tank storage at any time.

Sec. 9. Minnesota Statutes 2004, section 115E.04, is amended by adding a subdivision to read:

Subd. 1a. **Security plan.** Persons required to show specific security measures under section 115E.025, subdivision 2, shall prepare and maintain a facility security plan. The security plan must be completed in consultation with local law enforcement agencies. The security plan must:

(1) summarize the methods used and results of an assessment of vulnerability of the facility to a terrorist attack or other unauthorized entry and release, the expertise and affiliation of the evaluators, and any direct or indirect relationship between the vulnerability evaluators and the owner or operator of the facility;

(2) provide an inventory of the hazardous substance or oil subject to the security plan, with ranges of the quantity of each substance expected to be in the facility and entering and leaving the facility during the course of a year;

(3) assess the use of inherently safe technology in reducing or eliminating the vulnerability of the facility and the possibility of an unauthorized release;

(4) describe actions and procedures, including safer design and maintenance of the facility, use of inherently safer technology, and all appropriate security measures undertaken to eliminate or significantly lessen the vulnerability to an unauthorized entry to the facility or an unauthorized release of oil or a hazardous substance; and

(5) the names of all insurance carriers underwriting the facility's environmental liability and workers' compensation insurance policies and the scope of the policies, including any limitations and exclusions.

A plan submitted to the federal government under the Oil Pollution Act of 1990 or prepared under any other law may be used to satisfy the security plan requirement in this subdivision, if the information required by this subdivision is included in the plan.

The security plan required by this subdivision and material specifically related to preparation, review, or approval of the security plan are nonpublic data under chapter 13.

Sec. 10. Minnesota Statutes 2004, section 115E.04, subdivision 2, is amended to read:

Subd. 2. Timing. (a) A person required to be prepared under section 115E.03, other than a person who owns or operates a motor vehicle, rolling stock, or a facility that stores less than 250,000 gallons of oil or a hazardous substance, shall complete the response plan required by this section by March 1, 1993, unless one of the commissioners orders the person to demonstrate preparedness at an earlier date under section 115E.05.

(b) A person who owns or operates a motor vehicle, rolling stock, or a facility that stores less than 250,000 gallons of oil or a hazardous substance shall complete the response plan required by this section by January 1, 1994.

(c) A person required to prepare a security plan shall complete it within 90 days of the effective date of this act. The security plan must be amended following significant change in the security measures, vulnerability, or presence of hazardous substances on the facility.

(d) Plans required under section 115E.04 or 115E.045 must be updated every three years. Plans must be updated before three years following a significant discharge, upon significant change in vessel or facility operation or ownership, upon significant change in the national or area contingency plans under the Oil Pollution Act of 1990, or upon change in the capabilities or role of a person named in a plan who has an important response role.

Sec. 11. Minnesota Statutes 2004, section 115E.04, is amended by adding a subdivision to read:

Subd. 4a. **Review of security plans.** (a) A person required to complete a security plan under section 115E.025, subdivision 2, must submit a copy of the security plan to the Department of Public Safety within five business days of its completion.

(b) Authorized staff of the Department of Public Safety must be granted access to the facility for the purpose of inspecting security measures.

(c) Upon the request of authorized staff of the Department of Public Safety, a person shall demonstrate the adequacy of the security plan and security measures by conducting announced or unannounced drills, calling persons and organizations named in a security plan and verifying roles and capabilities, locating and testing security measure procedures or equipment, questioning facility personnel, or other means that in the judgment of the commissioner or sheriff demonstrate security. Before requesting an unannounced security drill, the commissioner of public safety or authorized person shall invite the county sheriff to participate in or witness the drill. If an announced drill is conducted to the satisfaction of the commissioner, the person conducting the security drill may not be required to conduct an additional unannounced security drill in the same calendar year.

Sec. 12. Minnesota Statutes 2004, section 115E.04, is amended by adding a subdivision to read:

Subd. 4b. **Data.** Assessments and plans prepared under this section are nonpublic data as defined in section 13.02, except that the data may be provided to law enforcement, firefighters, members of the National Guard, or other representatives of a government entity responding to a request for services at a facility that is the subject of the assessment and plan.

Sec. 13. Minnesota Statutes 2004, section 115E.05, subdivision 1, is amended to read:

Subdivision 1. **Amendment to plan.** If one or more of the commissioners finds the prevention and response plans or preparedness measures of a person do not meet the requirements of this chapter, or if the commissioner of public safety finds that the security plan does not meet the requirements of this chapter, the commissioner or commissioners making the finding may by order require that reasonable amendments to the plan or reasonable additional preventive ~~or~~ preparedness, or security measures be implemented in a timely fashion. If more than one commissioner makes the finding, the order must be a joint order.

Sec. 14. Minnesota Statutes 2004, section 115E.05, subdivision 2, is amended to read:

Subd. 2. **Compliance.** If oil or a hazardous substance is discharged while it is under the control of a person not identified in section 115E.03, subdivision 2, or in section 115E.025, any one of the commissioners with appropriate jurisdiction may by order require the person to comply with the prevention and response plan or security plan requirements of sections 115E.03 and 115E.04 in a timely manner if:

- (1) land, water, or air of the state is polluted or threatened; or
- (2) human life, safety, health, natural resources, or property is damaged or threatened.

Sec. 15. Minnesota Statutes 2004, section 115E.08, subdivision 3, is amended to read:

Subd. 3. **Jurisdiction.** Except as otherwise provided, the following agencies have primary responsibility for the specified areas in carrying out the duties and authorities of this chapter:

- (1) the Department of Agriculture, for agricultural chemicals;
- (2) the Department of Public Safety, for public safety ~~and~~ protection of property, and security measures;
- (3) the Department of Natural Resources, for assessment and rehabilitation of water resources;
- (4) the Pollution Control Agency, for all other matters subject to this chapter; and

(5) the Department of Transportation, with respect to requirements related to the packaging, labeling, placarding, routing, and written reporting on releases of hazardous materials that are being transported.

Sec. 16. **APPROPRIATION.**

\$...... is appropriated in fiscal year 2006 from the general fund to the commissioner of public safety for purposes of this act."

Amend the title accordingly

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Scheid from the Committee on Commerce, to which was re-referred

S.F. No. 3022: A bill for an act relating to boxing; regulation of boxing; establishing a boxing commission; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 341.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. **[341.21] DEFINITIONS.**

Subdivision 1. **Applicability.** The definitions in this section apply to this chapter.

Subd. 2. **Boxing.** "Boxing" means the act of attack and defense with the fists, using padded gloves, that is practiced as a sport under the rules of the World Boxing Association, the World Boxing Council, the International Boxing Federation, or equivalent.

Subd. 3. **Commission.** "Commission" means the Minnesota Boxing Commission.

Subd. 4. **Contest.** "Contest" means any boxing match or exhibition.

Subd. 5. **Professional.** "Professional" means any person who competes for any money prize or a prize that exceeds the value of \$50 or teaches, pursues, or assists in the practice of boxing as a means of obtaining a livelihood or pecuniary gain.

Subd. 6. **Director.** "Director" means the executive director of the commission.

Subd. 7. **Tough man contest.** "Tough man contest" means any boxing match consisting of one-minute rounds between two or more persons who use their hands or their feet, or both, in any manner. Tough man contest does not include kick boxing, any recognized martial arts competition, or boxing as defined in subdivision 2.

Sec. 2. **[341.22] BOXING COMMISSION.**

There is hereby created the Minnesota Boxing Commission, consisting of five members who are citizens of this state. One member of the commission shall be a retired judge of the Minnesota district court, Minnesota Court of Appeals, Minnesota Supreme Court, the United States District Court for the District of Minnesota, or the Eighth Circuit Court of Appeals; one member shall be a licensed medical professional; and three members shall be involved in the boxing industry. Membership terms, compensation of members, removal of members, the filling of membership vacancies, and fiscal year and reporting requirements shall be as provided in sections 214.07 to 214.09. The provision of staff, administrative services, and office space; the review and processing of complaints; the setting of fees; and other provisions relating to commission operations shall be as provided in chapter 214.

Sec. 3. **[341.23] LIMITATIONS.**

(a) No member of the boxing commission shall directly or indirectly promote any boxing contest, or directly or indirectly engage in the managing of any boxer or fighter or be interested in any manner in the proceeds from any boxing match.

(b) No member of the boxing commission may make a wager on a contest held under the auspices of the commission.

Sec. 4. [341.24] EXECUTIVE DIRECTOR.

The commission may appoint, and at its pleasure remove, an executive director and prescribe the powers and duties of the office. The executive director shall not be a member of the commission. The commission may employ personnel necessary to the performance of its duties.

Sec. 5. [341.25] RULES.

(a) The commission may adopt rules that include standards for the physical examination and condition of boxers and referees.

(b) The commission may adopt other rules necessary to carry out the purposes of this chapter, including, but not limited to, the conduct of boxing contests and their manner, supervision, time, and place.

Sec. 6. [341.26] MEETINGS.

The commission shall hold a regular meeting quarterly and in addition may hold special meetings. Except as otherwise provided in law, all meetings of the commission shall be open to the public and reasonable notice of the meetings shall be given under chapter 13D.

Sec. 7. [341.27] COMMISSION DUTIES.

The commission shall:

- (1) issue, deny, renew, suspend, or revoke licenses;
- (2) make and maintain records of its acts and proceedings including the issuance, denial, renewal, suspension, or revocation of licenses;
- (3) keep public records of the commission open to inspection at all reasonable times;
- (4) assist the director in the development of rules to be implemented under this chapter; and
- (5) conform to the rules adopted under this chapter.

Sec. 8. [341.28] REGULATION OF BOXING CONTESTS.

Subdivision 1. **Regulatory authority; boxing.** All boxing contests are subject to this chapter. Every contestant in a boxing contest shall wear padded gloves that weigh at least eight ounces. The commission shall, for every boxing contest:

- (1) direct a commission member to be present; and
- (2) direct the attending commission member to make a written report of the contest.

All boxing contests within this state shall be conducted according to the requirements of this chapter.

Subd. 2. **Regulatory authority; tough man contests.** All tough man contests, including amateur tough man contests, are subject to this chapter. Every contestant in a tough man contest shall wear padded gloves that weight at least 12 ounces.

Sec. 9. [341.29] JURISDICTION OF COMMISSION.

The commission shall:

(1) have sole direction, supervision, regulation, control, and jurisdiction over all boxing contests and tough man contests held within this state unless a contest is exempt from the application of this chapter under federal law;

(2) have sole control, authority, and jurisdiction over all licenses required by this chapter; and

(3) grant a license to an applicant if, in the judgment of the commission, the financial responsibility, experience, character, and general fitness of the applicant are consistent with the public interest, convenience, or necessity and the best interests of boxing and conforms with this chapter and the commission's rules.

Sec. 10. [341.30] LICENSURE; PERSONS REQUIRED TO OBTAIN LICENSES; REQUIREMENTS; BACKGROUND INFORMATION; FEE; BOND.

Subdivision 1. **Licensure; individuals.** All referees, judges, matchmakers, promoters, trainers, ring announcers, timekeepers, ringside physicians, boxers, boxers' managers, and boxers' seconds are required to be licensed by the commission. The commission shall not permit any of these persons to participate in the holding or conduct of any boxing contest unless the commission has first issued the person a license.

Subd. 2. **Entity licensure.** Before participating in the holding or conduct of any boxing contest, a corporation, partnership, limited liability company, or other business entity organized and existing under law, its officers and directors, and any person holding 25 percent or more of the ownership of the corporation shall obtain a license from the commission and must be authorized to do business under the laws of this state.

Subd. 3. **Background investigation.** The commission shall require referees, judges, matchmakers, promoters, and boxers to furnish fingerprints and background information under commission rules before licensure. The commission shall charge a fee for receiving fingerprints and background information in an amount determined by the commission. The commission may require referees, judges, matchmakers, promoters, and boxers to furnish fingerprints and background information before license renewal if the commission determines that the fingerprints and background information are desirable or necessary. The fee may include a reasonable charge for expenses incurred by the commission or the Department of Public Safety.

Subd. 4. **Prelicensure requirements.** (a) Before the commission issues a license to a promoter, matchmaker, corporation, or other business entity, the applicant shall:

(1) provide the commission with a copy of any agreement between a contestant and the applicant which binds the applicant to pay the contestant a certain fixed fee or percentage of the gate receipts;

(2) show on the application the owner or owners of the applicant entity and the percentage of interest held by each owner holding a 25 percent or more interest in the applicant;

(3) provide the commission with a copy of the latest financial statement of the entity; and

(4) provide the commission with a copy or other proof acceptable to the commission of the insurance contract or policy required by this chapter.

(b) Before the commission issues a license to a promoter, the applicant shall deposit with the commission a cash bond or surety bond in an amount set by the commission. The bond shall be executed in favor of this state and shall be conditioned on the faithful performance by the promoter of the promoter's obligations under this chapter and the rules adopted under it.

(c) Before the commission issues a license to a boxer, the applicant shall submit to the commission the results of a current medical examination on forms furnished or approved by the commission. The medical examination must include an ophthalmological and neurological examination. The ophthalmological exam must be designed to detect any retinal defects or other

damage or condition of the eye that could be aggravated by boxing. The neurological examination must include an electroencephalogram or medically superior test if the boxer has been knocked unconscious in a previous boxing or other athletic competition. The commission may also order an electroencephalogram or other appropriate neurological or physical exam before any contest, match, or exhibition if it determines that the examination is desirable to protect the health of the boxer.

Sec. 11. [341.31] SIMULCAST LICENSES.

The commission shall issue a license to a person or organization holding, showing, or exhibiting a simultaneous telecast of any live, current, or spontaneous boxing or sparring match or performance on a closed circuit telecast or subscription television program viewed within the state, whether originating in this state or elsewhere, and for which a charge is made. Each person or organization shall apply for such a license in advance of each showing. No showing may be licensed unless the person or organization applying for the license:

(1) certifies that the match is subject to the jurisdiction and regulation of a boxing or athletic regulatory authority in another state or country;

(2) certifies the match is in compliance with the requirements of the authority;

(3) identifies the authority; and

(4) provides any information the commission may require.

Sec. 12. [341.32] LICENSE FEES; EXPIRATION; RENEWAL.

Subdivision 1. **Annual licensure.** The commission may establish and issue annual licenses subject to the collection of advance fees by the commission for: promoters, matchmakers, managers, judges, referees, ring announcers, ringside physicians, timekeepers, boxers, boxers' trainers, boxers' seconds, business entities filing for a license to participate in the holding of any boxing contest, and officers, directors, or other persons affiliated with the business entity.

Subd. 2. **Expiration and renewal.** A license expires December 31 at midnight in the year of its issuance and may be renewed on filing an application for renewal of a license with the commission and payment of the license fee required in subdivision 1. An application for a license and renewal of a license shall be on a form provided by the commission. There is a 30-day grace period during which a license may be renewed if a late filing penalty fee equal to the license fee is submitted with the regular license fee. A licensee that files late shall not conduct any activity regulated by this chapter until the commission has renewed the license. If the licensee fails to apply to the commission within the 30-day grace period the licensee must apply for a new license under subdivision 1.

Sec. 13. [341.33] CONTESTANTS AND REFEREES; PHYSICAL EXAMINATION; ATTENDANCE OF PHYSICIAN; PAYMENT OF FEES; INSURANCE.

Subdivision 1. **Examination by physician.** All boxers and referees shall be examined by a physician licensed by this state within three hours before entering the ring, and the examining physician shall immediately file with the commission a written report of the examination. The physician's examination shall report on the condition of the boxer's heart and general physical and neurological condition. The physician's report may record the condition of the boxer's nervous system and brain as required by the commission. The physician may prohibit the boxer from entering the ring if, in the physician's professional opinion, it is in the best interest of the boxer's health. The cost of the examination is payable by the person or entity conducting the contest or exhibition.

Subd. 2. **Attendance of physician.** Every person holding or sponsoring any boxing contest shall have in attendance at every boxing contest a physician licensed by this state. The commission may establish a schedule of fees to be paid to each attending physician by the person holding or sponsoring the contest.

Sec. 14. **[341.34] INSURANCE.**

Subdivision 1. **Required insurance.** The commission shall:

(1) require insurance coverage for a boxer to provide for medical, surgical, and hospital care for injuries sustained in the ring in an amount of at least \$100,000 with \$25 deductible and payable to the boxer as beneficiary; and

(2) require life insurance for a boxer in the amount of at least \$50,000 payable in case of accidental death resulting from injuries sustained in the ring.

Subd. 2. **Payment for insurance.** The cost of the insurance required by this section is payable by the promoter.

Sec. 15. **[341.35] PENALTIES FOR NONLICENSED EXHIBITIONS.**

Any person or persons who send or cause to be sent, published, or otherwise made known, any challenge to fight what is commonly known as a prize fight, or engage in any public boxing or sparring match, with or without gloves, for any prize, reward or compensation, or for which any admission fee is charged directly or indirectly, or go into training preparatory for such fight, exhibition, or contest, or act as a trainer, aider, abettor, backer, umpire, referee, second, surgeon, assistant, or attendant at such fight, exhibition, or contest, or in any preparation for same, and any owner or lessee of any ground, building, or structure of any kind permitting the same to be used for any fight, exhibition, or contest, is guilty of a misdemeanor unless a license for the holding of the fight, exhibition, or contest has been issued by the commission in compliance with the rules adopted by it.

Sec. 16. **APPROPRIATIONS.**

\$..... is appropriated from the general fund to the Minnesota Boxing Commission for purposes in sections 1 to 15.

Sec. 17. **EFFECTIVE DATE.**

Sections 1 to 15 are effective July 1, 2007."

Amend the title accordingly

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Vickerman from the Committee on Agriculture, Veterans and Gaming, to which was re-referred

S.F. No. 3314: A bill for an act relating to agriculture; creating a soy-based transformer fluid conversion allowance program; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 14, after "commissioner" insert "of agriculture"

Page 1, line 20, delete "non-soy-based" and insert "soy-based"

Page 2, line 13, delete "\$240,000" and insert "\$....." and delete the second "to" and insert "for"

Page 2, line 14, delete "administer section 1" and insert "the program"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Vickerman from the Committee on Agriculture, Veterans and Gaming, to which was referred

S.F. No. 3345: A bill for an act relating to nursery stock; providing for improved consumer education at the point of retail sale; requiring a report to the legislature.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete lines 6 to 13

Page 1, line 14, delete "Subd. 2" and insert "Subdivision 1"

Page 1, line 19, delete "3" and insert "2"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Vickerman from the Committee on Agriculture, Veterans and Gaming, to which was referred

S.F. No. 3506: A bill for an act relating to agriculture; creating a farm enhancement loan program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 41B.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Senator Vickerman from the Committee on Agriculture, Veterans and Gaming, to which was referred

S.F. No. 3546: A bill for an act relating to military; permitting military personnel stationed outside Minnesota to enter state parks without a fee while home on leave; amending Minnesota Statutes 2004, section 85.053, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Murphy from the Committee on Transportation, to which was referred

S.F. No. 2657: A bill for an act relating to transportation; requiring commissioner of transportation, before entering into privatization transportation contract, to compare cost of state employee performance with cost of privatization contract; requiring commissioner to determine that cost of privatization contract will be ten percent less than cost of state employee performance for contract of \$25,000 or more; requiring commissioner to file annual report of privatization transportation contracts; proposing coding for new law in Minnesota Statutes, chapter 161.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete subdivision 2 and insert:

"Subd. 2. Applicability. This section applies to privatization transportation contracts:

(1) in a total amount of \$25,000 or more; and

(2) for work that is substantially similar to work done by state employees at any time within the past 15 years, or for work that available state employees are able to perform.

The requirements imposed by this section are in addition to, and do not supersede, the requirements of any other applicable section of law."

Page 2, line 15, delete "ten" and insert "five"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Murphy from the Committee on Transportation, to which was re-referred

S.F. No. 3246: A bill for an act relating to transportation; commuter rail; authorizing the commissioner to contract for use of railroad right-of-way; regulating civil liability; amending Minnesota Statutes 2004, section 174.82.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 9, delete "essential"

Page 1, line 21, after the comma, insert "sections 466.04 and 466.06 govern the liability of" and delete "acting under a commuter rail contract"

Page 1, delete lines 22 to 24

Page 2, line 1, delete "466.07" and insert "arising from the joint or shared use of the railroad right-of-way or the provision of commuter rail construction, operation, or maintenance services pursuant to the contract"

Page 2, line 5, before the period, insert "or the federal Railway Labor Act"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Murphy from the Committee on Transportation, to which was referred

S.F. No. 3327: A bill for an act relating to transportation; governing contents of impounded vehicles; amending Minnesota Statutes 2004, sections 168B.06, subdivision 1; 168B.07, by adding subdivisions.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 9, after "owner" insert "and any lienholders"

Page 1, line 21, delete "car" and insert "vehicle"

Page 1, line 22, delete everything after "your" and insert "vehicle."

Page 1, delete line 23

Page 2, delete lines 1 to 2

Page 2, line 5, delete "; liability" and delete "(a)"

Page 2, line 6, delete "shall" and insert "may"

Page 2, line 12, delete "temporarily or"

Page 2, delete lines 13 to 21

Amend the title accordingly

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Marty from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 2973: A bill for an act relating to natural resources; modifying contractual and grant

agreement provisions; excepting the electronic licensing system commission from certain standing appropriations; modifying invasive species provisions; modifying certain state trail descriptions; modifying certain definitions; modifying water use surcharge provisions; modifying water aeration safety provisions; amending Minnesota Statutes 2004, sections 84.026; 84.0911, as amended; 84D.01, subdivisions 9a, 13, 15, 16; 84D.02, subdivision 2; 85.015, subdivisions 7, 8, 11; 97A.015, subdivision 18; 103G.611, by adding a subdivision; Minnesota Statutes 2005 Supplement, sections 84.8205, subdivision 1; 85.015, subdivision 5; 88.17, subdivision 5; 103G.271, subdivision 6; repealing Minnesota Statutes 2004, section 103G.611, subdivision 6.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 9, after "2005," insert "First Special Session chapter 2, section 17,"

Page 2, delete section 3 and insert:

"Sec. 3. Minnesota Statutes 2005 Supplement, section 84.8205, subdivision 1, is amended to read:

Subdivision 1. **Sticker required; fee.** (a) Except as provided in paragraph (b), a person may not operate a snowmobile on a state or grant-in-aid snowmobile trail unless a snowmobile state trail sticker is affixed to the snowmobile. The commissioner of natural resources shall issue a sticker upon application and payment of a \$15 fee. The fee for a three-year snowmobile state trail sticker that is purchased at the time of snowmobile registration is \$30. In addition to other penalties prescribed by law, a person in violation of this subdivision must purchase an annual state trail sticker for a fee of \$30. The sticker is valid from November 1 through April 30. Fees collected under this section, except for the issuing fee for licensing agents under this section and for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, shall be deposited in the state treasury and credited to the snowmobile trails and enforcement account in the natural resources fund and, except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, must be used for grants-in-aid, trail maintenance, grooming, and easement acquisition.

(b) A state trail sticker is not required under this section for:

(1) a snowmobile owned by the state or a political subdivision of the state that is registered under section 84.82, subdivision 5;

(2) a snowmobile that is owned and used by the United States, another state, or a political subdivision thereof that is exempt from registration under section 84.82, subdivision 6;

(3) a collector snowmobile that is operated as provided in a special permit issued for the collector snowmobile under section 84.82, subdivision 7a; or

(4) a person operating a snowmobile only on the portion of a trail that is owned by the person or the person's spouse, child, or parent.

Sec. 4. Minnesota Statutes 2004, section 84.8205, subdivision 2, is amended to read:

Subd. 2. **Placement of sticker.** The state trail sticker shall be permanently affixed to either:

(1) the forward half of the snowmobile directly above or below the headlight of the snowmobile;

(2) above the expiration year on the top portion of the snowmobile registration validation decal;
or

(3) the lower right corner of a registration plate issued to a dealer or manufacturer under section 84.82, subdivision 3."

Page 4, after line 12, insert:

"Sec. 10. Minnesota Statutes 2004, section 85.015, subdivision 2, is amended to read:

Subd. 2. **Casey Jones Trail, Murray, Redwood, and Pipestone Counties.** (a) The trail shall originate in Lake Shetek State Park in Murray County and include the six-mile loop between Currie in Murray County and Lake Shetek State Park. From there, the first half of the trail shall trail southwesterly to Slayton in Murray County; thence westerly to the point of intersection with the most easterly terminus of the state-owned abandoned railroad right-of-way, commonly known as the Casey Jones unit; thence westerly along said Casey Jones unit to Pipestone in Pipestone County; thence southwesterly to Split Rock Creek State Park in Pipestone County, and there terminate. The second half of the trail shall commence in Lake Shetek State Park in Murray County and trail northeasterly to Walnut Grove in Redwood County ~~and there terminate~~; thence northeasterly to Redwood Falls in Redwood County to join with the Minnesota River State Trail.

(b) The trail shall be developed as a multiuse, multiseasonal, dual treadway trail. Nothing herein shall abrogate the purpose for which the Casey Jones unit was originally established, and the use thereof shall be concurrent."

Page 5, after line 26, insert:

"Sec. 15. Minnesota Statutes 2004, section 85.015, subdivision 12, is amended to read:

Subd. 12. **Heartland Trail, Clay, Becker, Hubbard, and Cass Counties.** (a) The trail shall originate at Moorhead in Clay County and extend in an easterly direction through Detroit Lakes in Becker County to mile post 90.92 at Park Rapids in Hubbard County and shall extend; thence in an easterly direction along the Burlington Northern Railroad right-of-way through Walker in Cass County. ~~The trail shall then continue; thence~~ in a northerly direction along the Burlington Northern Railroad right-of-way to Cass Lake in Cass County, and there terminate.

(b) The trail shall be developed primarily for riding and hiking.

~~(c) In addition to the authority granted in subdivision 1, lands and interests in lands for the Heartland Trail may be acquired by eminent domain. Before acquiring any land or interest in land by eminent domain the commissioner of administration shall obtain the approval of the governor. The governor shall consult with the Legislative Advisory Commission before granting approval. Recommendations of the Legislative Advisory Commission shall be advisory only. Failure or refusal of the commission to make a recommendation shall be deemed a negative recommendation.~~

Sec. 16. Minnesota Statutes 2004, section 85.015, is amended by adding a subdivision to read:

Subd. 25. **Great River Ridge Trail, Wabasha and Olmsted Counties.** The trail shall originate in the city of Plainview in Wabasha County and extend southwesterly through the city of Elgin in Wabasha County and the town of Viola in Olmsted County to the Chester Woods Trail in Olmsted County.

Sec. 17. Minnesota Statutes 2004, section 85.32, subdivision 1, is amended to read:

Subdivision 1. **Areas marked.** The commissioner of natural resources is authorized in cooperation with local units of government and private individuals and groups when feasible to mark canoe and boating routes on the Little Fork, Big Fork, Minnesota, St. Croix, Snake, Mississippi, Red Lake, Cannon, Straight, Des Moines, Crow Wing, St. Louis, Pine, Rum, Kettle, Cloquet, Root, Zumbro, Pomme de Terre within Swift County, Watonwan, Cottonwood, Whitewater, Chippewa from Benson in Swift County to Montevideo in Chippewa County, Long Prairie, Red River of the North, Sauk, and Crow Rivers which have historic and scenic values and to mark appropriately points of interest, portages, camp sites, and all dams, rapids, waterfalls, whirlpools, and other serious hazards which are dangerous to canoe and watercraft travelers."

Page 6, after line 13, insert:

"Sec. 19. Minnesota Statutes 2004, section 89.01, subdivision 1, is amended to read:

Subdivision 1. **Best methods.** The commissioner shall ascertain and observe the best methods of reforesting cutover and denuded lands, foresting waste ~~and prairie~~ lands, preventing destruction of forests and lands by fire, administering forests on forestry principles, encouraging private owners to preserve and grow timber for commercial purposes, and conserving the forests around the head waters of streams and on the watersheds of the state."

Page 8, after line 17, insert:

"Sec. 23. **AGREEMENT; WABASHA COUNTY REGIONAL RAIL AUTHORITY.**

The commissioner of natural resources shall enter an agreement with the Wabasha County Regional Rail Authority to maintain and develop the Great River Ridge Trail as a state trail."

Page 8, after line 19, insert:

"Sec. 25. **EFFECTIVE DATE.**

Sections 16 and 23 are effective the day after the governing body of the Wabasha County Regional Rail Authority and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3."

Renumber the sections in sequence

Amend the title accordingly

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Higgins from the Committee on State and Local Government Operations, to which was referred

S.F. No. 3141: A bill for an act relating to local government; granting port authority powers to the city of Ramsey; proposing coding for new law in Minnesota Statutes, chapter 469.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes. Report adopted.

Senator Higgins from the Committee on State and Local Government Operations, to which was re-referred

S.F. No. 2974: A bill for an act relating to game and fish; modifying critical habitat private sector matching account provisions; providing definitions; providing for and modifying disposition of certain revenue; modifying restrictions on motorized watercraft and recreational vehicles in wildlife management areas; modifying procedure for confiscation of property; providing for inspection of equipment used to take wild animals; modifying certain penalty and fee amounts; modifying certain game and fish license provisions; modifying firearms possession provisions for persons under 16; providing for collecting antler sheds; modifying certain provisions for taking and possessing game and fish; providing for arms use areas; modifying provisions for fishing contests; creating a ditch buffer task force; providing for a moratorium on use of public waters for aquaculture; amending Minnesota Statutes 2004, sections 84.943, subdivision 3; 97A.015, by adding subdivisions; 97A.055, subdivision 2; 97A.065, subdivision 2; 97A.075, subdivision 1; 97A.101, subdivision 4; 97A.221, subdivisions 3, 4; 97A.225, subdivisions 2, 5; 97A.251, subdivision 1; 97A.321; 97A.475, subdivisions 2, 20; 97A.535, subdivision 1; 97B.021, subdivision 1, by adding a subdivision; 97B.301, subdivision 7; 97C.081, subdivisions 4, 6, 8, 9; 97C.205; 97C.355, subdivision 7; 97C.371, subdivision 4; Minnesota Statutes 2005 Supplement, sections 97A.405, subdivision 4; 97A.475, subdivision 3; 97A.551, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 97B; repealing Minnesota Statutes 2004, section 97C.355, subdivision 6.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Senator Higgins from the Committee on State and Local Government Operations, to which was referred

S.F. No. 2622: A bill for an act relating to Swift County; increasing the size of the board of the rural development finance authority; amending Laws 1995, chapter 264, article 5, section 39, subdivision 4.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Higgins from the Committee on State and Local Government Operations, to which was referred

S.F. No. 2602: A bill for an act relating to local government; authorizing towns to contract without competitive bidding in certain circumstances; amending Minnesota Statutes 2004, section 471.345, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Betzold from the Committee on Judiciary, to which was re-referred

S.F. No. 3234: A bill for an act relating to commerce; regulating statutory housing warranties; clarifying the legislature's intent that the warranties remain unaffected by corporate dissolution; amending Minnesota Statutes 2004, sections 302A.781, by adding a subdivision; 322B.863, by adding a subdivision; 327A.02, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2004, section 60A.08, subdivision 6, is amended to read:

Subd. 6. **Bankruptcy or, insolvency, or dissolution clause.** Every bond or policy of insurance issued in this state insuring against either actual loss suffered by the insured, and imposed by law for damages on account of personal injury, death, or injury to property caused by accident, or legal liability imposed upon the insured by reason of such injuries or death, shall, notwithstanding anything in the policy to the contrary, be deemed to contain the following condition:

The bankruptcy or, insolvency, or dissolution of the insured shall not relieve the insurer of any of its obligations under this policy, and in case an execution against the insured on a final judgment is returned unsatisfied, then such judgment creditor shall have a right of action on this policy against the company to the same extent that the insured would have, had the insured paid the final judgment.

Sec. 2. Minnesota Statutes 2004, section 302A.781, is amended by adding a subdivision to read:

Subd. 4. Statutory homeowner warranty claims preserved. The statutory warranties provided under section 327A.02 are not affected by a dissolution under this chapter.

Sec. 3. Minnesota Statutes 2004, section 322B.863, is amended by adding a subdivision to read:

Subd. 4. Statutory homeowner warranty claims preserved. The statutory warranties provided under section 327A.02 are not affected by a dissolution under this chapter.

Sec. 4. Minnesota Statutes 2004, section 327A.02, is amended by adding a subdivision to read:

Subd. 2a. Remedies unaffected by corporate dissolution. The statutory warranties provided in this section are not affected by the dissolution of a vendor or home improvement contractor that

is a corporation or limited liability company.

Sec. 5. **EFFECTIVE DATE.**

This act is effective the day following final enactment and applies to all homes constructed or improved after January 1, 1994, that have existing warranties under Minnesota Statutes, section 327A.02."

Amend the title accordingly

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Higgins from the Committee on State and Local Government Operations, to which was referred

S.F. No. 3562: A bill for an act relating to state government; creating a task force to study the feasibility of Minnesota submitting a bid to host the summer Olympics.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Rules and Administration. Report adopted.

Senator Anderson from the Committee on Jobs, Energy and Community Development, to which was referred

S.F. No. 3332: A bill for an act relating to taxation; delaying the final designation of the international economic development zone and the beginning of zone duration; changing corresponding dates relating to tax incentives; authorizing political subdivisions to apply for foreign trade zone powers; extending the period that appropriation for funding certain grants to qualifying business is available; amending Minnesota Statutes 2005 Supplement, sections 272.02, subdivision 83; 290.0922, subdivisions 2, 3; 297A.68, subdivision 41; 469.322; 469.323, subdivision 2; 469.327; Laws 2005, First Special Session chapter 3, article 10, section 23; proposing coding for new law in Minnesota Statutes, chapter 469.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes. Report adopted.

Senator Anderson from the Committee on Jobs, Energy and Community Development, to which was referred

S.F. No. 3282: A bill for an act relating to public safety; increasing 911 emergency telecommunications service fee; providing for completion of statewide public safety radio communication system; authorizing sale of state 911 revenue bonds; appropriating money; amending Minnesota Statutes 2005 Supplement, section 403.11, subdivision 1.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Senator Anderson from the Committee on Jobs, Energy and Community Development, to which was referred

S.F. No. 3238: A bill for an act relating to public safety; changing a requirement concerning combined local access surcharges; modifying requirements for 911 system service contracts; modifying reporting requirement of wireless 911 service providers; modifying provisions relating to payments for recurring 911 system costs; modifying provisions relating to 911 system cost accounting requirements; amending Minnesota Statutes 2004, sections 237.49; 403.08, subdivision 7; 403.11, subdivisions 3b, 3c; 403.113, subdivision 3; Minnesota Statutes 2005 Supplement,

sections 403.025, subdivision 7; 403.05, subdivision 3; 403.11, subdivisions 1, 3, 3a; 403.113, subdivision 1; repealing Minnesota Statutes 2004, section 403.08, subdivision 8.

Reports the same back with the recommendation that the bill be amended as follows:

Page 5, line 21, delete "60" and insert "90"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Marty from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 2695: A bill for an act relating to state lands; authorizing a conveyance of certain surplus state land in Otter Tail County.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. CONVEYANCE OF SURPLUS STATE LAND; OTTER TAIL COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 94.09 to 94.16, the commissioner of natural resources shall convey to Independent School District No. 544, Fergus Falls, the surplus land that is described in paragraph (c).

(b) The conveyance must be at market value and in a form approved by the attorney general. The conveyance must provide that the land reverts to the state if the school district does not use the land for a school facility.

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

(1) the West Half of the Northeast Quarter of Section 27, Township 133 North, Range 43 West, excepting the area designated for the State Hospital Cemetery located in the Northeast Quarter of the Northwest Quarter of the Northeast Quarter of said section and that part of the Southwest Quarter of the Northeast Quarter previously conveyed to Donald Stevens pursuant to Minnesota Laws 1973, chapter 80, and described as follows:

That part of the SW1/4 of the NE1/4 of Section 27 described as follows: Beginning at the SE corner of said SW1/4 of the NE1/4; thence on an assumed bearing of North 00 degrees 00 minutes 36 seconds West on the easterly line thereof for a distance of 660.00 feet; thence North 89 degrees 40 minutes 12 seconds West parallel to the southerly line thereof for a distance of 7.90 feet; thence South 00 degrees 19 minutes 48 seconds West 660.00 feet to the southerly line of said SW1/4 of the NE1/4; thence South 89 degrees 40 minutes 12 seconds East on last said southerly line for a distance of 11.91 feet to point of beginning; also that part of the SW1/4 of the NE1/4 of Section 27 described as follows: Commencing at the SE corner of said SW1/4 of the NE1/4; thence on an assumed bearing of North 89 degrees 40 minutes 12 seconds West on the southerly line of the SW1/4 of the NE1/4 for a distance of 11.91 feet to point of beginning of tract to be described; thence North 00 degrees 19 minutes 48 seconds East 660.00 feet; thence North 89 degrees 40 minutes 12 seconds West parallel to the southerly line of the SW1/4 of the NE1/4 for a distance of 25.00 feet; thence South 00 degrees 21 minutes 50 seconds East 660.05 feet to the southerly line of the SW1/4 of said NE1/4 ; thence South 89 degrees 40 minutes 12 seconds East on said southerly line for a distance of 17.00 feet to point of beginning. Containing 73.5 acres, more or less;

(2) the Southeast Quarter of the Northwest Quarter of Section 27, Township 133 North, Range 43 West. Containing 40 acres; and

(3) that part of the South Half of Section 27, Township 133 North, Range 43 West, described as

follows: Beginning at the center of said Section 27; thence on an assumed bearing of West on the north line of said South Half for a distance of 430 feet; thence South 0 degrees 45 minutes East 200 feet; thence South 46 degrees 30 minutes East 680 feet; thence North 0 degrees 45 minutes West 240 feet; thence North 58 degrees 30 minutes East 380 feet; thence North 71 degrees 15 minutes East 760 feet, more or less, to the north line of said South Half; thence West to the point of beginning. Containing 9.1 acres, more or less.

(d) The land is no longer needed for any natural resource purpose and the state's land management interests would best be served if the land was conveyed to Independent School District No. 544, Fergus Falls, for a new school facility."

And when so amended the bill do pass.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

Senator Betzold from the Committee on Judiciary, to which was re-referred

S.F. No. 2662: A bill for an act relating to housing; creating a blighted housing rehabilitation program; providing for transfer of possession or ownership of nuisance properties to nonprofit housing organizations; proposing coding for new law in Minnesota Statutes, chapter 463.

Reports the same back with the recommendation that the bill do pass.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

Senator Betzold from the Committee on Judiciary, to which was re-referred

S.F. No. 2852: A bill for an act relating to natural resources; providing for land donor appraisal reimbursement; providing for acquisition of land for certain facilities; modifying certain definitions; modifying forest services provided to private owners; granting authority to establish state forest user fees; modifying the State Timber Act; eliminating the requirement for a comprehensive forest resource management plan; amending Minnesota Statutes 2004, sections 84.085, subdivision 1; 88.79, subdivision 1; 90.14; 90.151, subdivisions 1, 6, by adding a subdivision; 103I.005, subdivision 9; proposing coding for new law in Minnesota Statutes, chapters 85; 89; 90; repealing Minnesota Statutes 2004, section 89.011, subdivisions 1, 2, 3, 6.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Senator Anderson from the Committee on Jobs, Energy and Community Development, to which was referred

S.F. No. 3513: A bill for an act relating to economic development; establishing a commission to develop an incentive package for enhancement of St. Paul's Ford plant.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. **[80E.35] FLEXIBLE-FUEL VEHICLE TARGETS.**

Subdivision 1. **Findings.** The legislature finds that it is in the interest of all Minnesotans to lessen dependence on oil as an energy source for economic, security, and environmental reasons. Minnesota leads the nation in the production and use of ethanol in motor vehicles, but this strategy can be made more effective by increasing the proportion of vehicles that can use alternative fuels, such as E85. Further, manufacturers can produce flexible-fuel vehicles at a minimal incremental cost above gasoline-only vehicles. As a result, the legislature finds that Minnesota would benefit

from more choices of flexible-fuel vehicles.

Subd. 2. **Definitions.** (a) As used in this section, "flexible-fuel vehicle" means a motor vehicle that operates on gasoline and one or more alternative fuels.

(b) As used in this section, "alternative fuel" has the meaning given in United States Code, title 42, section 13211(3).

Subd. 3. **Target.** (a) The targets in this subdivision apply to manufacturers who grant a valid sales and service agreement, franchise, or contract to a dealer in this state.

(b) The following targets refer to the percentage of a manufacturer's new motor vehicles offered for sale in this state that are flexible-fuel vehicles:

(1) 2008: ten percent;

(2) 2009: 15 percent;

(3) 2010: 20 percent;

(4) 2011: 25 percent; and

(5) 2012: 30 percent.

Sec. 2. **PLUG-IN HYBRID ELECTRIC VEHICLE TASK FORCE.**

Subdivision 1. **Establishment; membership.** The plug-in hybrid electric vehicle task force is established. The task force shall consist of 13 members as follows:

(1) one representative each from Xcel Energy and Great River Energy;

(2) one representative each from the Minnesota Department of Commerce, the Minnesota Department of Transportation, and the Minnesota Pollution Control Agency;

(3) the director of the Travel Management Division of the Minnesota Department of Administration, or the director's designee;

(4) a representative from the University of Minnesota Department of Electrical Engineering;

(5) one representative each from Minnesota-based manufacturers of electric batteries, automotive parts, and power electronics;

(6) a representative from an environmental advocacy organization active in electricity issues;

(7) a representative of United Auto Workers Local 879; and

(8) a representative of the Ford Motor Company.

Subd. 2. **Appointment.** The chairs of the senate and house of representatives committees with primary jurisdiction over energy policy shall jointly appoint the task force members.

Subd. 3. **Cochairs.** The task force shall have two cochairs, one appointed by each of the appointing authorities established in subdivision 2.

Subd. 4. **Charge.** (a) The plug-in hybrid electric vehicle task force shall identify barriers to the adoption of plug-in hybrid electric vehicles by state agencies, small and large private fleets, and Minnesota drivers at-large and develop strategies to be implemented over one-, three-, and five-year time frames to overcome those barriers. Included in the analysis should be possible financial incentives to encourage Ford Motor Company to produce plug-in hybrid, flexible-fueled vehicles at its St. Paul plant.

(b) The task force shall consider and evaluate the data and information presented to it under

subdivision 5 in presenting its findings and recommendations.

Subd. 5. **Data and analysis.** (a) The commissioner of administration shall analyze and report to the task force the economic impacts of purchasing a sufficient number of plug-in hybrid electric vehicles to comprise ten percent, 25 percent, and 50 percent of the state-owned vehicle fleet. The analysis must compare initial purchase and life-cycle costs of plug-in hybrid electric vehicles and current fleet vehicles under several scenarios based on alternative projections of future gasoline prices and prices at which utilities may charge plug-in hybrid electric vehicles to recharge.

(b) The commissioner of the pollution control agency shall analyze and report to the task force the environmental impacts of purchasing plug-in hybrid electric vehicles for the state-owned vehicle fleet and at penetration rates of ten percent, 25 percent, and 50 percent of all motor vehicles registered in this state. The analysis must compare, for plug-in hybrid electric vehicles and current fleet vehicles, air emissions of sulfur dioxide, nitrogen oxides, particulate matter less than 2.5 microns in width, volatile organic compounds, and carbon dioxide.

Subd. 6. **Expenses.** Members of the task force are entitled to reimbursement for expenses under section 15.059, subdivision 6.

Subd. 7. **Staff.** The state agencies represented on the commission shall provide staff support.

Subd. 8. **Report.** The task force shall present its findings and recommendations in a report to the chairs of the senate and house of representatives committees with primary jurisdiction over energy policy and state government operations by April 1, 2007.

Subd. 9. **Definitions.** As used in this section, "plug-in hybrid electric vehicles" means a vehicle containing an internal combustion engine that also allows power to be delivered to the drive wheels by a battery-powered electric motor, and that meets applicable federal motor vehicle safety standards. When connected to the electrical grid via an electric outlet, the vehicle must be able to recharge its battery. The vehicle must have the ability to travel at least 30 miles powered substantially by electricity.

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

Sec. 3. **PUBLIC UTILITIES COMMISSION PROCEEDING.**

Subdivision 1. **Proceeding.** The public utilities commission shall open a proceeding to investigate how utilities can best develop the infrastructure to connect plug-in hybrid electric vehicles to the electrical grid and to allow utilities to purchase electricity from plug-in hybrid electric vehicles.

Subd. 2. **Definitions.** As used in this section and section 4, "plug-in hybrid electric vehicles" means a vehicle containing an internal combustion engine that also allows power to be delivered to the drive wheels by a battery-powered electric motor, and that meets applicable federal motor vehicle safety standards. When connected to the electrical grid via a two-way electrical outlet, the vehicle must be able to recharge its battery and to transfer electricity to a utility. The vehicle must have the ability to travel at least 30 miles powered substantially by electricity.

Sec. 4. **INDEPENDENT STUDY ON PLUG-IN HYBRID ELECTRIC VEHICLE AND UTILITY ECONOMICS.**

The Public Utilities Commission shall order the utility subject to Minnesota Statutes, section 216B.1691, subdivision 6, to contract with a firm selected by the commissioner of commerce for an independent study of:

(1) the economics of using electricity purchased from plug-in hybrid electric vehicles to provide to the utility peak power services and ancillary services, including regulation and spinning reserves; and

(2) how such purchases may impact the reserve needs for wind-generated electricity purchased

by the utility. The study must examine the economic impacts on plug-in hybrid electric vehicle owners and utilities of different prices for electricity purchased from plug-in hybrid electric vehicles and rates for recharging plug-in hybrid electric vehicles, including time-of-day pricing and substantial discounts for off-peak charging. The study must be completed by April 1, 2007, and submitted in a report to the chairs of the senate and house of representatives committees with primary jurisdiction over energy policy. The costs of the study are recoverable under Minnesota Statutes, section 216B.1645."

Amend the title accordingly

And when so amended the bill do pass and be re-referred to the Committee on State and Local Government Operations. Amendments adopted. Report adopted.

Senator Betzold from the Committee on Judiciary, to which was re-referred

S.F. No. 1040: A bill for an act relating to civil actions; limiting liability for certain conduct of persons released from confinement; proposing coding for new law in Minnesota Statutes, chapter 147.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. **[147.231] RELEASED PERSONS; PRESCRIPTIONS.**

(a) Subject to paragraph (b), a physician, physician's assistant, certified nurse practitioner, or clinical nurse specialist in psychiatric and mental health nursing is not civilly liable for conduct of a former prisoner or civilly committed person that is related to the use or nonuse of medicines prescribed by the physician, physician's assistant, certified nurse practitioner, or clinical nurse specialist in psychiatric and mental health nursing before the prisoner's or committed person's release. This limitation on liability applies during the period from release from confinement until the former prisoner or committed person is scheduled to receive new medicines pursuant to a new prescription written after the release.

(b) In order for paragraph (a) to apply, the person must have made the prescription in good faith, within the scope of lawful practice, and with reasonable care.

Sec. 2. Minnesota Statutes 2004, section 604A.31, is amended by adding a subdivision to read:

Subd. 2a. **Prescriptions for released persons.** A physician, physician's assistant, certified nurse practitioner, or clinical nurse specialist in psychiatric and mental health nursing who prescribes drugs for a prisoner or committed person is immune from liability for conduct of that person related to the use or nonuse of medicine as provided in section 147.231."

Amend the title accordingly

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Betzold from the Committee on Judiciary, to which was re-referred

S.F. No. 2002: A bill for an act relating to consumer protection; authorizing credit blocks in cases of identity theft; authorizing a consumer to place a security freeze on the consumer's credit report; providing notice of this right; providing protections against identity theft; providing Social Security number protections; providing credit monitoring; providing for the adequate destruction of personal records; providing civil and criminal penalties; proposing coding for new law in Minnesota Statutes, chapters 13C; 325E; 325G.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, before line 10, insert:

**"ARTICLE 1
IDENTITY THEFT**

Section 1. Minnesota Statutes 2004, section 13.6905, is amended by adding a subdivision to read:

Subd. 33. **Victim of identity theft data.** Data maintained by the Department of Public Safety that document victims of identity theft and determinations of innocence are classified under section 325E.66, subdivision 6."

Page 1, line 14, delete "his or her" and insert "the consumer's"

Page 2, lines 1 and 6, delete "he or she" and insert "the consumer"

Page 4, lines 30 and 32, delete "or entity"

Page 5, line 10, delete "....." and insert "Minnesota Statutes, section 13C.05."

Page 6, line 22, delete "government or governmental subdivision or agency."

Page 6, line 29, delete everything after "parties"

Page 6, line 30, delete everything before the period

Page 7, line 13, delete "he"

Page 7, line 14, delete "or she" and insert "the person"

Page 7, line 16, delete "his or her" and insert "the person's"

Page 8, line 11, delete everything after the period

Page 8, delete lines 12 to 15 and insert "The data are private data on individuals as defined in section 13.02, subdivision 12. Law enforcement agencies have access to the data in order to assist victims of identify theft."

Page 8, line 34, delete "such" and insert "the"

Page 9, line 25, delete "his"

Page 9, line 26, delete "or her" and insert "the consumer's"

Page 10, line 13, delete "any such" and insert "the"

Page 11, line 2, delete "Such" and delete "may not be" and insert "are not"

Page 11, line 13, delete "and/or" and insert "or"

Page 11, line 23, delete "such" and insert "the"

Page 12, after line 14, insert:

**"ARTICLE 2
DATA WAREHOUSES**

Section 1. Minnesota Statutes 2005 Supplement, section 325E.61, subdivision 1, is amended to read:

Subdivision 1. **Disclosure of personal information; notice required.** (a) Any person or business that conducts business in this state, and that owns or licenses data that includes personal information, shall disclose any breach of the security of the system following discovery or notification of the breach in the security of the data to any resident of this state whose unencrypted personal information was, or is reasonably believed to have been, acquired by an unauthorized person. The disclosure must be made in the most expedient time possible and without unreasonable delay, consistent with the legitimate needs of law enforcement, as provided in paragraph (c), or with any measures necessary to determine the scope of the breach, identify the individuals affected, and restore the reasonable integrity of the data system.

(b) Any person or business that maintains data that includes personal information that the person or business does not own shall notify the owner or licensee of the information of any breach of the security of the data immediately following discovery, if the personal information was, or is reasonably believed to have been, acquired by an unauthorized person.

(c) The notification required by this section may be delayed to a date certain if a law enforcement agency affirmatively determines that the notification will impede a criminal investigation.

(d) For purposes of this section, "breach of the security of the system" means unauthorized acquisition of computerized data that compromises the security, confidentiality, or integrity of personal information maintained by the person or business. Good faith acquisition of personal information by an employee or agent of the person or business for the purposes of the person or business is not a breach of the security system, provided that the personal information is not used or subject to further unauthorized disclosure.

(e) For purposes of this section, "personal information" means an individual's first name or first initial and last name in combination with any one or more of the following data elements, when either the name or the data elements is not encrypted or is encrypted with an encryption key that was also acquired:

(1) Social Security number;

(2) driver's license number or Minnesota identification card number; or

(3) account number or credit or debit card number, in combination with any required security code, access code, or password that would permit access to an individual's financial account;

(4) account passwords, personal identification numbers, or other access codes; or

(5) biometric data. For purposes of this clause, "biometric data" means biological data derived from direct measurement of a part of the human body. Direct measurement technologies include, but are not limited to, fingerprinting, iris recognition, hand geometry, and facial recognition.

(f) For purposes of this section, "personal information" does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records.

(g) For purposes of this section, "notice" may be provided by one of the following methods:

(1) written notice to the most recent available address the person or business has in its records;

(2) electronic notice, if the notice provided is consistent with the provisions regarding electronic records and signatures in United States Code, title 15, section 7001; or

(3) substitute notice, if the person or business demonstrates that the cost of providing notice would exceed \$250,000, or that the affected class of subject persons to be notified exceeds 500,000, or the person or business does not have sufficient contact information. Substitute notice must consist of all of the following:

- (i) e-mail notice when the person or business has an e-mail address for the subject persons;
- (ii) conspicuous posting of the notice on the Web site page of the person or business, if the person or business maintains one; and
- (iii) notification to major statewide media.

(h) Notwithstanding paragraph (g), a person or business that maintains its own notification procedures as part of an information security policy for the treatment of personal information and is otherwise consistent with the timing and content requirements of this section, shall be deemed to be in compliance with the notification requirements of this section if the person or business notifies subject persons in accordance with its policies in the event of a breach of security of the system.

Sec. 2. Minnesota Statutes 2005 Supplement, section 325E.61, is amended by adding a subdivision to read:

Subd. 1a. Content of notice. The notice required by this section must be clear and conspicuous. The notice must include:

(a) to the extent possible, a description of the categories of information that were, or are reasonably believed to have been, acquired by an unauthorized person, including Social Security numbers, driver's license or state identification numbers, and financial data;

(b) the steps taken by the person or business to protect personal information from further unauthorized access;

(c) a toll-free telephone number:

(1) that the individual may use to contact a live representative of the agency or person; and

(2) from whom the individual may learn:

(i) what types of information the agency or person maintained about that individual or about individuals in general; and

(ii) whether the agency or person maintained information about that individual;

(d) the toll-free telephone numbers and addresses for the major consumer reporting agencies, along with a description of, and an explanation of how to exercise, the following rights under the federal Fair Credit Reporting Act:

(1) the right to obtain a credit report free of charge from each nationwide credit reporting agency;

(2) the right to place a fraud alert in consumer reports to put creditors on notice that the individual may be a victim of fraud; and

(3) the right to block or delete specific items in consumer reports relating to fraudulent transactions; and

(e) the toll-free telephone number and Web site address of the Federal Trade Commission, along with a recommendation that the individual should report any incidents of identity theft to a local law enforcement agency and the Federal Trade Commission."

Renumber the sections in sequence

Amend the title accordingly

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Anderson from the Committee on Jobs, Energy and Community Development, to

which was referred

S.F. No. 3229: A bill for an act relating to economic development; authorizing certain investments; creating a program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116J.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [116J.635] GREATER MINNESOTA BUSINESS DEVELOPMENT INVESTMENTS.

Subdivision 1. Investment fund. The commissioner shall establish an investment fund from which investments can be made in qualified organizations under this section. The commissioner shall return to the investment fund all funds repaid by qualifying organizations under subdivision 4 and shall use these funds for subsequent reinvestment in qualified organizations.

Subd. 2. Qualified organizations. The commissioner is authorized to make investments in organizations that are established pursuant to section 116J.415 and provide business financing to greater Minnesota businesses.

Subd. 3. Authorized investments. The commissioner shall invest funds in the form of loans to provide capital for business lending and investment by qualified organizations.

Subd. 4. Investment authorized. The commissioner may make an investment in a qualified organization only if the investment conforms to the following terms:

(1) The qualified organization provides collateral or security for not less than 100 percent of the funds invested in the organization.

(2) The investment is made in the form of a loan for a term of ten years, at an interest rate of one percent.

(3) During the ten-year term of a loan, the qualified organization shall make interest-only payments.

(4) At the end of the ten-year term of the loan, the qualified organization is required to make a payment of the entire principal amount of the initial loan.

(5) The state investment by the commissioner in a single qualified organization may not exceed \$2,000,000.

Sec. 2. APPROPRIATION.

\$12,000,000 is appropriated from the general fund to the commissioner of employment and economic development to provide loans authorized under section 1."

Amend the title accordingly

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Anderson from the Committee on Jobs, Energy and Community Development, to which was referred

S.F. No. 2907: A bill for an act relating to economic development; extending business subsidy reporting requirements to all recipients of business development public infrastructure grants and redevelopment grants; amending Minnesota Statutes 2004, section 116J.431, by adding a subdivision; Minnesota Statutes 2005 Supplement, section 116J.575, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete lines 10 to 13 and insert:

"Subd. 9. **Annual report.** The commissioner shall prepare and submit to the legislature an annual report on the greater Minnesota business infrastructure account. The report shall include information on the amount of funds remaining in the account, the amount distributed, to whom the funds were awarded, and a brief description of the purpose of the project funded. The report must also include information on the proposed and actual number of jobs created and the average wage and benefits paid for the jobs created."

Page 1, delete lines 16 to 19 and insert:

"Subd. 4. **Annual report.** The commissioner shall prepare and submit to the legislature an annual report on the redevelopment accounts. The report must include information on the amount of money in the accounts, the amount distributed, to whom the grants were distributed and for what purposes, and an evaluation of the effectiveness of the projects funded in meeting the policies and goals of the program, including jobs created and wages and benefits paid."

Amend the title accordingly

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Foley from the Committee on Crime Prevention and Public Safety, to which was re-referred

S.F. No. 3049: A bill for an act relating to commerce; providing an expedited process for the judicial review of financing statements; establishing civil and criminal liability for fraudulent or otherwise improper financing statements; amending Minnesota Statutes 2005 Supplement, section 609.749, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 545; 604; 609.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete section 1 and insert:

"Section 1. **[545.05] EXPEDITED PROCESS TO REVIEW AND DETERMINE THE EFFECTIVENESS OF FINANCING STATEMENTS.**

Subdivision 1. **Definitions.** (a) As used in this section, a financing statement or other record is fraudulent or otherwise improper if it is filed without the authorization of the obligor, person named as debtor, or owner of collateral described or indicated in the financing statement or other record, or by consent of an agent, fiduciary, or other representative of that person or without the consent of the secured party of record in the case of an amendment or termination.

(b) As used in this section, filing office or filing officer refers to the office or officer where a financing statement or other record is appropriately filed or recorded as provided by law, including, but not limited to, the county recorder, the secretary of state, and other related filing officers.

Subd. 2. **Motion.** An obligor, person named as a debtor, or owner of collateral described or indicated in a financing statement or other record filed under sections 336.9-101 to 336.9-709 (Uniform Commercial Code - Secured Transactions), who has reason to believe that the financing statement or other record is fraudulent or otherwise improper may complete and file at any time a motion for judicial review of the effectiveness of the financing statement or other record. A secured party of record who believes that an amendment or termination of a financing statement or other record is fraudulent or otherwise improper may also file a motion.

Subd. 3. **Service and filing.** (a) The motion under subdivision 2 must be mailed by certified United States mail to the person who is indicated as the secured party on the allegedly fraudulent or

improper record at the address listed on the record or, in the case of a filing by the secured party of record, to the address of the person who filed the amendment or termination in question, as listed on the record. The motion must be accompanied by a copy of the record in question, an affidavit of mailing, the form for responding to the motion under subdivision 6, and a copy of the text of this section.

(b) On the day the motion is mailed, a copy of the materials must be filed with the district court of the county in which the financing statement or other record has been filed or in the county of residence of the moving party. The motion must be supported by the affidavit of the moving party or the moving party's attorney setting forth a concise statement of the facts upon which the claim for relief is based. There is no filing fee for a motion or a response filed under this section.

Subd. 4. **Motion form.** The motion must be in substantially the following form:

In Re: A Purported Financing Statement in the district court of County, Minnesota,
Against [Name of person who filed the financing statement]

MOTION FOR JUDICIAL REVIEW OF A FINANCING STATEMENT FILED UNDER
THE UNIFORM COMMERCIAL CODE - SECURED TRANSACTIONS

..... (name of moving party) files this motion requesting a judicial determination of the effectiveness of a financing statement or other record filed under the Uniform Commercial Code - Secured Transactions in the office of the (filing office and location) and in support of the motion provides as follows:

I.

..... (name), the moving party, is the [obligor, person named as a debtor, or owner of collateral described or indicated in] [secured party of record listed in] a financing statement or other record filed under the Uniform Commercial Code.

II.

On (date), in the exercise of the filing officer's official duties as (filing officer's position), the filing officer received and filed or recorded the financing statement or other record, a copy which is attached, that purports to [perfect a security interest against the obligor, person named as debtor, or the owner of collateral described or indicated in the financing statement or other record] or [amend or terminate the financing statement in which the moving party is listed as the secured party of record].

III.

The moving party alleges that the financing statement or other record is fraudulent or otherwise improper and that this court should declare the financing statement or other record ineffective.

IV.

The moving party attests that the assertions in this motion are true and correct.

V.

The moving party does not request the court to make a finding as to any underlying claim of the parties involved and acknowledges that this motion does not seek review of an effective financing statement. The moving party further acknowledges that the moving party may be subject to sanctions if this motion is determined to be frivolous. The moving party may be contacted by the respondent at:

Mailing Address: (required)

Telephone Number:

Facsimile Number: (either facsimile or e-mail contact is required)

E-Mail Address: (either facsimile or e-mail contact is required)

REQUEST FOR RELIEF

The moving party requests the court to review the attached documentation and enter an order finding that the financing statement or other record is ineffective together with other findings as the court deems appropriate.

Respectfully submitted, (Signature and typed name and address).

Subd. 5. **Motion acknowledgment form.** The form for the certificate of acknowledgment must be substantially as follows:

AFFIDAVIT

THE STATE OF MINNESOTA COUNTY OF

BEFORE ME, the undersigned authority, personally appeared, who, being by me duly sworn, deposed as follows:

"My name is I am over 18 years of age, of sound mind, with personal knowledge of the following facts, and fully competent to testify.

I attest that the assertions contained in the accompanying motion are true and correct."

SUBSCRIBED and SWORN TO before me, this day of

NOTARY PUBLIC, State of [state name]

Notary's printed name:

My commission expires:

The motion must be supported by the affidavit of the moving party or the moving party's attorney setting forth a concise statement of the facts upon which the claim for relief is based.

Subd. 6. **Motion affidavit of mailing form.** The moving party shall complete an affidavit of mailing the motion to the court and to the respondent in substantially the following form:

State of Minnesota

County of

....., the moving party, being duly sworn, on oath, deposes and says that on the day of,, the moving party mailed the motion to the court and the respondent by placing a true and correct copy of the motion in an envelope addressed to them as shown by certified United States mail at, Minnesota.

Subscribed and sworn to before me this day of,

Subd. 7. **Response form.** The person listed as [the secured party in] [filing] the record for which the moving party has requested review may respond to the motion and accompanying materials to request an actual hearing within 20 days from the mailing by certified United States mail by the moving party. The form for use by the person listed as [the secured party in] [filing] the record in question to respond to the motion for judicial review must be in substantially the following form:

In Re: A Purported Financing Statement in the district court of County, Minnesota, Against [Name of person who filed the financing statement]

RESPONSE TO MOTION FOR JUDICIAL REVIEW OF A FINANCING STATEMENT

FILED UNDER THE UNIFORM COMMERCIAL CODE - SECURED TRANSACTIONS

..... (name) files this response to a motion requesting a judicial determination of the effectiveness of a financing statement or other record filed under the Uniform Commercial Code - Secured Transactions in the office of the (filing office and location) and in support of the motion provides as follows:

I.

..... (name), the respondent, is the person listed as [the secured party in] [filing] the record for which review has been requested by the moving party.

II.

On (date), in the exercise of the filing officer’s official duties as (filing officer’s position), the filing officer received and filed or recorded the financing statement or other record, a copy which is attached, that purports to [perfect a security interest against] [amend or terminate a record filed by] the moving party.

III.

Respondent states that the financing statement or other record is not fraudulent or otherwise improper and that this court should not declare the financing statement or other record ineffective.

IV.

Respondent attests that assertions in this response are true and correct.

V.

Respondent does not request the court to make a finding as to any underlying claim of the parties involved. Respondent further acknowledges that respondent may be subject to sanctions if this response is determined to be frivolous.

REQUEST FOR RELIEF

Respondent requests the court to review the attached documentation, to set a hearing for no later than five days after the date of this response or as soon after that as the court shall order and to enter an order finding that the financing statement or other record is not ineffective together with other findings as the court deems appropriate. Respondent may be contacted at:

Mailing Address: (required)

Telephone Number:

Facsimile Number: (either facsimile or e-mail contact is required)

E-Mail Address: (either facsimile or e-mail contact is required)

Respectfully submitted,

(Signature and typed name and address).

Subd. 8. **Response acknowledgment form.** The form for the certificate of acknowledgment must be substantially as follows:

AFFIDAVIT

THE STATE OF MINNESOTA COUNTY OF

BEFORE ME, the undersigned authority, personally appeared, who, being by me duly sworn, deposed as follows:

"My name is I am over 18 years of age, of sound mind, with personal knowledge of the following facts, and fully competent to testify.

I attest that the assertions contained in the accompanying motion are true and correct."

SUBSCRIBED and SWORN TO before me, this day of

NOTARY PUBLIC, State of [state name]

Notary's printed name:

My commission expires:

Subd. 9. **Response affidavit of mailing form.** Respondent shall submit the response by United States mail to both the court and the moving party, and also by either e-mail or facsimile as provided by the moving party. The respondent shall complete an affidavit of mailing the response to the court and to the moving party in substantially the following form:

State of Minnesota

County of

....., being the responding party, being duly sworn, on oath, deposes and says that on the day of,, respondent mailed the response to court and the moving party by placing a true and correct copy of the response in an envelope addressed to them as shown depositing the same with postage prepaid, in the U.S. Mail at, Minnesota.

Subscribed and sworn to before me this day of,

Subd. 10. **Hearing.** (a) If a hearing is timely requested, the court shall hold that hearing within five days after the mailing of the response by the respondent or as soon after that as ordered by the court. After the hearing, the court shall enter appropriate findings of fact and conclusions of law regarding the financing statement or other record filed under the Uniform Commercial Code.

(b) If a hearing request under subdivision 7 is not received by the court by the 20th day following the mailing of the original motion, the court's finding may be made solely on a review of the documentation attached to the motion and without hearing any testimonial evidence. After that review, which must be conducted no later than five days after the 20-day period has expired, the court shall enter appropriate findings of fact and conclusions of law as provided in subdivision 11 regarding the financing statement or other record filed under the Uniform Commercial Code.

(c) A copy of the findings of fact and conclusions of law must be sent to the moving party, the respondent, and the person who filed the financing statement or other record at the address listed in the motion or response of each person within seven days of the date that the findings of fact and conclusions of law are issued by the court.

(d) In all cases, the moving party shall file or record an attested copy of the findings of fact and conclusions of law in the filing office in the appropriate class of records in which the original financing statement or other record was filed or recorded. The filing officer shall not collect a filing fee for filing a court's finding of fact and conclusion of law as provided in this section except as specifically directed by the court in its findings and conclusions.

Subd. 11. **Order form; no hearing.** The findings of fact and conclusion of law for an expedited review where no hearing has been requested must be in substantially the following form:

MISCELLANEOUS DOCKET No.

In Re: A purported Financing Statement in the district court of County, Minnesota, Against [Name of person who filed financing statement]

Judicial Finding of Fact and Conclusion of Law Regarding a Financing Statement or Other

Record Filed Under the Uniform Commercial Code - Secured Transactions

On the (number) day of (month), (year), in the above entitled and numbered cause, this court reviewed a motion, verified by affidavit, of (name) and the documentation attached. The respondent did not respond within the required 20-day period. No testimony was taken from any party, nor was there any notice of the court's review, the court having made the determination that a decision could be made solely on review of the documentation as provided in Minnesota Statutes, section 545.05.

The court finds as follows (only an item or subitem checked and initialed is a valid court ruling):

[.] The documentation attached to the motion IS filed or recorded with the authorization of the obligor, person named as debtor, or owner of collateral described or indicated in the financing statement or other record, or by consent of an agent, fiduciary, or other representative of that person, or with the authorization of the secured party of record in the case of an amendment or termination.

[.] The documentation attached to the motion IS NOT filed or recorded with the authorization of the obligor, person named as debtor, or owner of collateral described or indicated in the documentation, or by consent of an agent, fiduciary, or other representative of that person, or with the authorization of the secured party of record in the case of an amendment or termination and, IS NOT an effective financing statement or other record under the Uniform Commercial Code - Secured Transactions law of this state.

[.] This court makes no finding as to any underlying claims of the parties involved and expressly limits its findings of fact and conclusions of law to the review of a ministerial act. The filing officer shall remove the subject financing statement or other record so that the record is not reflected in or obtained as a result of any search, standard or otherwise, conducted of those records, but shall retain them and these findings of fact and conclusions of law in the filing office for the duration of the period for which they would have otherwise been filed.

SIGNED ON THIS THE DAY of

..... District Judge

..... District

..... County, Minnesota

Subd. 12. **Hearing determination.** If a determination is made after a hearing, the court may award the prevailing party all costs related to the entire review, including, but not limited to, filing fees, attorney fees, administrative costs, and other costs.

Subd. 13. **Subsequent motion.** If the moving party files a subsequent motion under this section against a person filing a financing statement or other record that is reviewed under this section and found to be filed or recorded with the authorization of the obligor, person named as debtor, or owner of collateral described or indicated in the financing statement or other record, or by consent of an agent, fiduciary, or other representative of that person, or with the authorization of the secured party of record in the case of an amendment or termination, the court may, in addition to assessing costs, order other equitable relief against the moving party or enter other sanctions against the moving party.

Subd. 14. **Judicial officers.** The chief judge of a district court may order that any or all proceedings under this section be conducted and heard by other judicial officers of that district court."

Page 8, line 32, delete "(2) filing" and insert "(2) "filing"

Page 9, line 4, delete "neither" and insert "not"

Page 9, line 5, delete "nor" and insert "or"

Page 9, line 6, delete "or" and insert "and"

Pages 10 to 12, delete sections 3 and 4 and insert:

"Sec. 3. [609.7475] FRAUDULENT OR OTHERWISE IMPROPER FINANCING STATEMENTS.

Subdivision 1. Definition. As used in this section, "record" has the meaning given in section 336.9-102.

Subd. 2. Crime described. A person who:

(1) knowingly causes to be presented for filing or promotes the filing of a record that:

(i) is not:

(A) related to a valid lien or security agreement; or

(B) filed pursuant to section 336.9-502(d); or

(ii) contains a forged signature or is based upon a document containing a forged signature; or

(2) presents for filing or causes to be presented for filing a record with the intent that it be used to harass or defraud any other person;

is guilty of a crime and may be sentenced as provided in subdivision 3.

Subd. 3. Penalties. (a) Except as provided in paragraph (b), a person who violates subdivision 2 is guilty of a gross misdemeanor.

(b) A person who violates subdivision 2 is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if the person:

(1) commits the offense with intent to influence or otherwise tamper with a juror or a judicial proceeding or with intent to retaliate against a judicial officer, as defined in section 609.415, or a prosecutor, defense attorney, or officer of the court, because of that person's performance of official duties in connection with a judicial proceeding; or

(2) commits the offense after having been previously convicted of a violation of this section.

Subd. 4. Venue. A violation of this section may be prosecuted in either the county of residence of the individual listed as debtor or the county in which the filing is made.

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to crimes committed on or after that date."

Amend the title accordingly

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Foley from the Committee on Crime Prevention and Public Safety, to which was re-referred

S.F. No. 1752: A bill for an act relating to elections; restoring citizenship rights and eligibility to vote to certain convicted felons who are not incarcerated; requiring notice; amending Minnesota Statutes 2005 Supplement, section 201.014, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 243; 609.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2005 Supplement, section 201.014, subdivision 2, is amended to read:

Subd. 2. **Not eligible.** ~~(a)~~ The following individuals are not eligible to vote. ~~Any individual:~~

~~(a)~~ (1) an individual who is convicted of treason or any felony and committed to the custody of the commissioner of corrections and whose civil rights have not been restored;

~~(b)~~ (2) an individual who is under a guardianship in which the court order revokes the ward's right to vote; ~~or~~ and

~~(c)~~ (3) an individual who is found by a court of law to be legally incompetent.

(b) An individual who is convicted of any felony other than treason and incarcerated in a local correctional facility for the offense is not eligible to vote during the period the individual is incarcerated.

(c) An individual who is convicted of treason and who is placed on probation is not eligible to vote until the individual's sentence has expired.

(d) For purposes of this subdivision, an individual described in paragraph (a), clause (1), is restored to civil rights upon the expiration of the individual's sentence, or discharge from parole, conditional release, or supervised release, whichever occurs latest.

Sec. 2. [243.205] NOTICE OF RESTORATION OF ELIGIBILITY TO VOTE.

Unless the offender is otherwise prohibited by law from voting, the commissioner of corrections shall give an offender who was committed to the commissioner's custody notice in writing that the offender is eligible to vote upon the expiration of the offender's sentence, or discharge from parole, conditional release, or supervised release, whichever occurs latest.

Sec. 3. [609.169] NOTICE OF RESTORATION OF ELIGIBILITY TO VOTE.

When an offender who has been convicted of a felony offense is released from incarceration in a local correctional facility, the chief executive officer of the facility shall give the offender a notice in writing that the person is eligible to vote unless the offender is otherwise prohibited by law from voting."

Amend the title accordingly

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Betzold from the Committee on Judiciary, to which was re-referred

S.F. No. 2899: A bill for an act relating to health; establishing a controlled substances reporting program; providing for disciplinary action; proposing coding for new law in Minnesota Statutes, chapter 152.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete lines 10 and 11

Page 1, line 12, delete "~~(b)~~" and insert "(a)"

Page 1, line 14, delete "~~(c)~~" and insert "(b)"

Page 1, line 17, delete "~~(d)~~" and insert "(c)"

Page 1, line 19, delete "~~(e)~~" and insert "(d)"

Page 1, line 22, delete "(f)" and insert "(e)"

Page 1, line 24, delete "(g)" and insert "(f)"

Page 2, line 1, before "The" insert "(a)"

Page 2, after line 3, insert:

"(b) The board may contract with a vendor for the purpose of obtaining technical assistance in the design, implementation, and maintenance of the electronic reporting system. The vendor's role shall be limited to providing technical support to the board concerning the software, databases, and computer systems required to interface with the existing systems currently used by pharmacies to dispense prescriptions and transmit prescription data to other third parties."

Page 2, delete lines 5 and 6 and insert "board may convene an advisory committee. If the board convenes a committee, the committee must include at least one representative of:"

Page 3, line 1, delete "and analysis"

Page 3, line 11, delete "paragraphs (b), (c), and (d)" and insert "this subdivision"

Page 3, delete lines 13 to 16

Page 3, line 17, delete "(c)" and insert "(b)"

Page 3, line 20, delete "(d)" and insert "(c)"

Page 3, after line 34, insert:

"(6) authorized personnel of a vendor under contract with the board who are engaged in the design, implementation, and maintenance of the electronic reporting system as part of the assigned duties and responsibilities of their employment, provided that access to data is limited to the minimum amount necessary to test and maintain the system databases;"

Page 4, line 1, delete "(6)" and insert "(7)"

Page 4, line 4, delete "(7)" and insert "(8)"

Page 4, line 6, delete "(8)" and insert "(9)"

Page 4, line 10, delete "(e)" and insert "(d)"

Page 4, line 19, delete ", in consultation with the"

Page 4, line 20, delete "advisory committee,"

Page 4, delete lines 25 and 26

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Marty from the Committee on Environment and Natural Resources, to which were referred the following appointments:

MINNESOTA POLLUTION CONTROL AGENCY
Melanie Allen
Brian Bensen
Daniel D. Foley, M.D.

Reports the same back with the recommendation that the appointments be confirmed.

Senator Rest moved that the foregoing committee report be laid on the table. The motion prevailed.

Senator Lourey from the Committee on Health and Family Security, to which was referred

S.F. No. 3342: A bill for an act relating to health; providing for clinical trial registration; providing civil penalties; proposing coding for new law in Minnesota Statutes, chapter 144.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. **CITATION.**

Minnesota Statutes, sections 144.6602 to 144.6605, may be cited as the Patient Safety and Drug Review Transparency Act.

Sec. 2. **[144.6602] DEFINITIONS.**

Subdivision 1. **Scope of definitions.** The terms used in sections 144.6602 to 144.6605 have the following meanings, unless the context indicates otherwise.

Subd. 2. **Clinical trial.** "Clinical trial" means any pharmacological, pharmacokinetic, or other study of the safety or efficacy of a pharmaceutical drug, biological product, or vaccine, whether or not completed in full, including, but not limited to:

(1) a clinical investigation that involves any trial to test the safety or efficacy of a pharmaceutical drug or biological product with one or more human subjects and that is intended to be submitted to, or held for inspection by, the federal Food and Drug Administration as part of any application for a research or marketing permit or for any other type of application, permit, procedure, or requirement of the Food and Drug Administration, including, but not limited to, an abbreviated new drug application, an investigational new drug application, a new drug application, nonconfidential additions to the drug master file, postmarketing adverse events recording, and compliance with the electronic or paper common technical document; and

(2) any pharmacological study subsequent to initial approval for sale by the Food and Drug Administration, including studies assessing potential off-label applications, new therapies, new ways of using known treatments, and comparative drug trials assessing the efficacy or safety of a drug compared to other therapies.

Subd. 3. **Manufacturer.** "Manufacturer" means a manufacturer of prescription drugs or biological products or an affiliate of the manufacturer.

Sec. 3. **[144.6603] DISCLOSURE OF CLINICAL TRIALS OF PRESCRIPTION DRUGS.**

Subdivision 1. **Information to be disclosed.** A manufacturer of prescription drugs shall make publicly available in accordance with subdivision 3 the following information regarding clinical trials conducted or sponsored by the manufacturer, or any entity on its behalf, for each prescription drug the manufacturer sold, delivered, dispensed, offered for sale, or gave away in this state:

(1) the names of all participating organizations and funding sources of the clinical trial, including the name and contact information, including institutional affiliation, of all sponsors, cosponsors, and administrators, including the name of the principal investigators and study centers, of the clinical trial;

(2) a summary of the purpose of the clinical trial, including the name of the drug being tested and its active ingredients; overall design of the study, including statistical method to be employed; status or phase type of the trial; inclusion and exclusion criteria; treatment methods to be used; all hypotheses tested by the trial; the medical condition or conditions being studied; and outcomes that

were evaluated;

(3) the dates during which the trial took place; and

(4) information concerning the results and outcomes of the clinical trial, which shall include, but not be limited to, potential or actual adverse effects of the drug, including the frequency, severity, and nature of adverse events for any trial participant and the numbers of participants who discontinued participation in the trial and the reasons for their discontinuance.

Subd. 2. **Application.** The disclosure requirement in subdivision 1 shall apply to all clinical trials completed or terminated on or after January 1, 1990, including any clinical trials completed after a prescription drug has been approved for sale by the federal Food and Drug Administration.

Subd. 3. **Information to be posted.** The information required to be disclosed under subdivision 1 shall be posted on the publicly accessible Internet Web site of the federal National Institutes of Health or another publicly accessible Web site. In order to satisfy the requirements of this subdivision, the publicly accessible Web site and manner of posting must be acceptable to the commissioner and shall be a free, nonsubscription Web site that clearly indicates the location and instructions for downloading the files or information submitted under subdivision 1.

Subd. 4. **Disclosure of terminated trials.** Disclosure of clinical trials under subdivision 1 shall include clinical trials that the manufacturer, or an entity on its behalf, initiated but terminated prior to completion. For these trials, the manufacturer shall include an explanation for the termination of the trial, including, but not limited to, potential or actual adverse effects of the drug, including the frequency, severity, and nature of adverse events for any trial participant and numbers of participants who discontinued participation in the trial and the reasons for their discontinuance.

Sec. 4. **[144.6604] FEES.**

Beginning January 1, 2007, each manufacturer of prescription drugs that are provided to state residents through the medical assistance program shall pay a fee of \$1,000 per calendar year to the commissioner. Fees collected under this section are appropriated to the commissioner to cover the cost of overseeing implementation of sections 144.6602 to 144.6605, including, but not limited to, maintaining links to publicly accessible Web sites to which manufacturers are posting clinical trial information under section 144.6603, and other relevant sites.

Sec. 5. **[144.6605] COMPLIANCE DATES.**

A manufacturer shall post the information required by section 144.6603 as follows:

(1) for a drug that has been approved for sale by the Food and Drug Administration, within 90 days after the completion or termination of the clinical trial, or within 90 days after the effective date of sections 144.6602 to 144.6605, whichever is later; or

(2) in the case of a clinical trial performed prior to approval for sale by the Food and Drug Administration, within 60 days after the date of approval for sale by the Food and Drug Administration, or within 90 days after the effective date of sections 144.6602 to 144.6605, whichever is later."

Amend the title accordingly

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Lourey from the Committee on Health and Family Security, to which was referred

H.F. No. 2745: A bill for an act relating to occupations and professions; modifying provisions for medical licenses; amending Minnesota Statutes 2004, sections 147.02, subdivision 1; 147.03, subdivision 1.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Lourey from the Committee on Health and Family Security, to which was referred

S.F. No. 3209: A bill for an act relating to human services; creating an adoption advisory task force and requiring a report.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 21, delete everything after "(9)" and insert "two representatives of county social service agencies;"

And when so amended the bill do pass and be re-referred to the Committee on State and Local Government Operations. Amendments adopted. Report adopted.

Senator Lourey from the Committee on Health and Family Security, to which was referred

S.F. No. 3059: A bill for an act relating to human services; making changes to continuing care provisions and elderly and disabled services; amending Minnesota Statutes 2004, sections 144.0724, subdivisions 3, 4; 256B.434, by adding a subdivision; 256B.438, subdivision 4; Minnesota Statutes 2005 Supplement, sections 144A.071, subdivision 1a; 256B.434, subdivision 4.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2004, section 144.0724, subdivision 3, is amended to read:

Subd. 3. **Resident reimbursement classifications.** (a) Resident reimbursement classifications shall be based on the minimum data set, version 2.0 assessment instrument, or its successor version mandated by the Centers for Medicare and Medicaid Services that nursing facilities are required to complete for all residents. The commissioner of health shall establish resident classes according to the 34 group, resource utilization groups, version III or RUG-III model. Resident classes must be established based on the individual items on the minimum data set and must be completed according to the facility manual for case mix classification issued by the Minnesota Department of Health. The facility manual for case mix classification shall be drafted by the Minnesota Department of Health and presented to the chairs of health and human services legislative committees by December 31, 2001.

(b) Each resident must be classified based on the information from the minimum data set according to general domains in clauses (1) to (7):

(1) extensive services where a resident requires intravenous feeding or medications, suctioning, or tracheostomy care, or is on a ventilator or respirator;

(2) rehabilitation where a resident requires physical, occupational, or speech therapy;

(3) special care where a resident has cerebral palsy; quadriplegia; multiple sclerosis; pressure ulcers; ulcers; fever with vomiting, weight loss, pneumonia, or dehydration; surgical wounds with treatment; or tube feeding and aphasia; or is receiving radiation therapy;

(4) clinically complex status where a resident has tube feeding, burns, coma, septicemia, pneumonia, internal bleeding, chemotherapy, dialysis, oxygen, transfusions, foot infections or lesions with treatment, ~~heiplegia/hemiparesis~~ hemiplegia/hemiparesis, physician visits or order changes, or diabetes with injections and order changes;

(5) impaired cognition where a resident has poor cognitive performance;

(6) behavior problems where a resident exhibits wandering or socially inappropriate or disruptive

behavior, has hallucinations or delusions, is physically or verbally abusive toward others, or resists care, unless the resident's other condition would place the resident in other categories; and

(7) reduced physical functioning where a resident has no special clinical conditions.

(c) The commissioner of health shall establish resident classification according to a 34 group model based on the information on the minimum data set and within the general domains listed in paragraph (b), clauses (1) to (7). Detailed descriptions of each resource utilization group shall be defined in the facility manual for case mix classification issued by the Minnesota Department of Health. The 34 groups are described as follows:

- (1) SE3: requires four or five extensive services;
- (2) SE2: requires two or three extensive services;
- (3) SE1: requires one extensive service;
- (4) RAD: requires rehabilitation services and is dependent in activity of daily living (ADL) at a count of 17 or 18;
- (5) RAC: requires rehabilitation services and ADL count is 14 to 16;
- (6) RAB: requires rehabilitation services and ADL count is ten to 13;
- (7) RAA: requires rehabilitation services and ADL count is four to nine;
- (8) SSC: requires special care and ADL count is 17 or 18;
- (9) SSB: requires special care and ADL count is 15 or 16;
- (10) SSA: requires special care and ADL count is seven to 14;
- (11) CC2: clinically complex with depression and ADL count is 17 or 18;
- (12) CC1: clinically complex with no depression and ADL count is 17 or 18;
- (13) CB2: clinically complex with depression and ADL count is 12 to 16;
- (14) CB1: clinically complex with no depression and ADL count is 12 to 16;
- (15) CA2: clinically complex with depression and ADL count is four to 11;
- (16) CA1: clinically complex with no depression and ADL count is four to 11;
- (17) IB2: impaired cognition with nursing rehabilitation and ADL count is six to ten;
- (18) IB1: impaired cognition with no nursing rehabilitation and ADL count is six to ten;
- (19) IA2: impaired cognition with nursing rehabilitation and ADL count is four or five;
- (20) IA1: impaired cognition with no nursing rehabilitation and ADL count is four or five;
- (21) BB2: behavior problems with nursing rehabilitation and ADL count is six to ten;
- (22) BB1: behavior problems with no nursing rehabilitation and ADL count is six to ten;
- (23) BA2: behavior problems with nursing rehabilitation and ADL count is four to five;
- (24) BA1: behavior problems with no nursing rehabilitation and ADL count is four to five;
- (25) PE2: reduced physical functioning with nursing rehabilitation and ADL count is 16 to 18;
- (26) PE1: reduced physical functioning with no nursing rehabilitation and ADL count is 16 to

18;

(27) PD2: reduced physical functioning with nursing rehabilitation and ADL count is 11 to 15;

(28) PD1: reduced physical functioning with no nursing rehabilitation and ADL count is 11 to 15;

(29) PC2: reduced physical functioning with nursing rehabilitation and ADL count is nine or ten;

(30) PC1: reduced physical functioning with no nursing rehabilitation and ADL count is nine or ten;

(31) PB2: reduced physical functioning with nursing rehabilitation and ADL count is six to eight;

(32) PB1: reduced physical functioning with no nursing rehabilitation and ADL count is six to eight;

(33) PA2: reduced physical functioning with nursing rehabilitation and ADL count is four or five; and

(34) PA1: reduced physical functioning with no nursing rehabilitation and ADL count is four or five.

Sec. 2. Minnesota Statutes 2004, section 144.0724, subdivision 4, is amended to read:

Subd. 4. Resident assessment schedule. (a) A facility must conduct and electronically submit to the commissioner of health case mix assessments that conform with the assessment schedule defined by Code of Federal Regulations, title 42, section 483.20, and published by the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services, in the Long Term Care Assessment Instrument User's Manual, version 2.0, October 1995, and subsequent clarifications made in the Long-Term Care Assessment Instrument Questions and Answers, version 2.0, August 1996. The commissioner of health may substitute successor manuals or question and answer documents published by the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services, to replace or supplement the current version of the manual or document.

(b) The assessments used to determine a case mix classification for reimbursement include the following:

(1) a new admission assessment must be completed by day 14 following admission;

(2) an annual assessment must be completed within 366 days of the last comprehensive assessment;

(3) a significant change assessment must be completed within 14 days of the identification of a significant change; and

(4) the second quarterly assessment following either a new admission assessment, an annual assessment, or a significant change assessment, and all quarterly assessments beginning October 1, 2006. Each quarterly assessment must be completed within 92 days of the previous assessment.

Sec. 3. Minnesota Statutes 2005 Supplement, section 144A.071, subdivision 1a, is amended to read:

Subd. 1a. Definitions. For purposes of sections 144A.071 to 144A.073, the following terms have the meanings given them:

(a) "Attached fixtures" has the meaning given in Minnesota Rules, part 9549.0020, subpart 6.

(b) "Buildings" has the meaning given in Minnesota Rules, part 9549.0020, subpart 7.

(c) "Capital assets" has the meaning given in section 256B.421, subdivision 16.

(d) "Commenced construction" means that all of the following conditions were met: the final working drawings and specifications were approved by the commissioner of health; the construction contracts were let; a timely construction schedule was developed, stipulating dates for beginning, achieving various stages, and completing construction; and all zoning and building permits were applied for.

(e) "Completion date" means the date on which ~~a certificate of occupancy clearance for the construction project~~ is issued ~~for a construction project~~, or if a ~~certificate of occupancy clearance for the construction project~~ is not required, the date on which the construction project ~~is~~ assets are available for facility use.

(f) "Construction" means any erection, building, alteration, reconstruction, modernization, or improvement necessary to comply with the nursing home licensure rules.

(g) "Construction project" means:

(1) a capital asset addition to, or replacement of a nursing home or certified boarding care home that results in new space or the remodeling of or renovations to existing facility space; and

(2) the remodeling or renovation of existing facility space the use of which is modified as a result of the project described in clause (1). This existing space and the project described in clause (1) must be used for the functions as designated on the construction plans on completion of the project described in clause (1) for a period of not less than 24 months.

(h) "Depreciation guidelines" means the most recent publication of "The Estimated Useful Lives of Depreciable Hospital Assets," issued by the American Hospital Association, 840 North Lake Shore Drive, Chicago, Illinois, 60611.

(i) "New licensed" or "new certified beds" means:

(1) newly constructed beds in a facility or the construction of a new facility that would increase the total number of licensed nursing home beds or certified boarding care or nursing home beds in the state; or

(2) newly licensed nursing home beds or newly certified boarding care or nursing home beds that result from remodeling of the facility that involves relocation of beds but does not result in an increase in the total number of beds, except when the project involves the upgrade of boarding care beds to nursing home beds, as defined in section 144A.073, subdivision 1. "Remodeling" includes any of the type of conversion, renovation, replacement, or upgrading projects as defined in section 144A.073, subdivision 1.

(j) "Project construction costs" means the cost of the following items that have a completion date within 12 months before or after the completion date of the project described in item (g), clause (1):

(1) facility capital asset additions;

(2) replacements;

(3) renovations;

(4) remodeling projects;

(5) construction site preparation costs;

(6) related soft costs; and

(7) the cost of new technology implemented as part of the construction project and depreciable equipment directly identified to the project, if the construction costs for clauses (1) to (6) exceed the

threshold for additions and replacements stated in section 256B.431, subdivision 16. Technology and depreciable equipment shall be included in the project construction costs unless a written election is made by the facility, to not include it in the facility's appraised value for purposes of Minnesota Rules, part 9549.0020, subpart 5. Debt incurred for purchase of technology and depreciable equipment shall be included as allowable debt for purposes of Minnesota Rules, part 9549.0060, subpart 5, items A and C, unless the written election is to not include it. Any new technology and depreciable equipment included in the project construction costs that the facility elects not to include in its appraised value and allowable debt shall be treated as provided in section 256B.431, subdivision 17, paragraph (b). Written election under this paragraph must be included in the facility's request for the rate change related to the project, and this election may not be changed.

(k) "Technology" means information systems or devices that make documentation, charting, and staff time more efficient or encourage and allow for care through alternative settings including, but not limited to, touch screens, monitors, hand-helds, swipe cards, motion detectors, pagers, telemedicine, medication dispensers, and equipment to monitor vital signs and self-injections, and to observe skin and other conditions.

Sec. 4. Minnesota Statutes 2004, section 181.9413, is amended to read:

181.9413 SICK OR INJURED CHILD CARE LEAVE BENEFITS; USE TO CARE FOR CERTAIN RELATIVES.

(a) An employee may use personal sick leave benefits provided by the employer for absences due to an illness of or injury to the employee's child, spouse, sibling, parent, grandparent, stepparent, or other dependent residing in the employee's household for such reasonable periods as the employee's attendance with the child may be necessary, on the same terms upon which the employee is able to use sick leave benefits for the employee's own illness or injury. This section applies only to personal sick leave benefits payable to the employee from the employer's general assets.

(b) For purposes of this section, "personal sick leave benefits" means time accrued and available to an employee to be used as a result of absence from work due to personal illness or injury, but does not include short-term or long-term disability or other salary continuation benefits.

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to sick leave used on or after that date.

Sec. 5. Minnesota Statutes 2005 Supplement, section 256B.434, subdivision 4, is amended to read:

Subd. 4. **Alternate rates for nursing facilities.** (a) For nursing facilities which have their payment rates determined under this section rather than section 256B.431, the commissioner shall establish a rate under this subdivision. The nursing facility must enter into a written contract with the commissioner.

(b) A nursing facility's case mix payment rate for the first rate year of a facility's contract under this section is the payment rate the facility would have received under section 256B.431.

(c) A nursing facility's case mix payment rates for the second and subsequent years of a facility's contract under this section are the previous rate year's contract payment rates plus an inflation adjustment and, for facilities reimbursed under this section or section 256B.431, an adjustment to include the cost of any increase in Health Department licensing fees for the facility taking effect on or after July 1, 2001. The index for the inflation adjustment must be based on the change in the Consumer Price Index-All Items (United States City average) (CPI-U) forecasted by the commissioner of finance's national economic consultant, as forecasted in the fourth quarter of the calendar year preceding the rate year. The inflation adjustment must be based on the 12-month period from the midpoint of the previous rate year to the midpoint of the rate year for which the rate is being determined. For the rate years beginning on July 1, 1999, July 1, 2000, July 1, 2001, July 1, 2002, July 1, 2003, July 1, 2004, July 1, 2005, July 1, 2006, July 1, 2007, and July 1, 2008,

this paragraph shall apply only to the property-related payment rate, except that adjustments to include the cost of any increase in Health Department licensing fees taking effect on or after July 1, 2001, shall be provided. Beginning in 2005, adjustment to the property payment rate under this section and section 256B.431 shall be effective on October 1. In determining the amount of the property-related payment rate adjustment under this paragraph, the commissioner shall determine the proportion of the facility's rates that are property-related based on the facility's most recent cost report. ~~Beginning October 1, 2006, facilities reimbursed under this section shall be allowed to receive a property rate adjustment for building projects under section 144A.071, subdivision 2.~~

Sec. 6. Minnesota Statutes 2004, section 256B.434, is amended by adding a subdivision to read:

Subd. 4f. **Construction project rate adjustments effective October 1, 2006.** (a) Effective October 1, 2006, facilities reimbursed under this section may receive a property rate adjustment for construction projects exceeding the threshold in section 256B.431, subdivision 16, and below the threshold in section 144A.071, subdivision 2, clause (a). For these projects, capital assets purchased shall be counted as construction project costs for a rate adjustment request made by a facility if they are:

- (1) purchased within 24 months of the completion of the construction project;
- (2) purchased after the completion date of any prior construction project; and
- (3) not purchased prior to July 14, 2005.

Except as otherwise provided in this subdivision, the definitions, rate calculation methods, and principles in sections 144A.071 and 256B.431, and Minnesota Rules, parts 9549.0010 to 9549.0080, shall be used to calculate rate adjustments for allowable construction projects under this subdivision and section 144A.073. Facilities completing construction projects between October 1, 2005, and October 1, 2006, are eligible to have a property rate adjustment effective October 1, 2006. Facilities completing projects after October 1, 2006, are eligible for a property rate adjustment effective on the first of the month following the completion date.

(b) Notwithstanding subdivision 18, as of July 14, 2005, facilities with rates set under section 256B.431 and Minnesota Rules, parts 9549.0010 to 9549.0080, that commenced a construction project on or after October 1, 2004, and do not have a contract under subdivision 3 by September 30, 2006, are eligible to request a rate adjustment under section 256B.431, subdivision 10, through September 30, 2006. If the request results in the commissioner determining a rate adjustment is allowable, the rate adjustment is effective on the first of the month following project completion. These facilities shall be allowed to accumulate construction project costs for the period October 1, 2004, to September 30, 2006.

(c) Facilities shall be allowed construction project rate adjustments no sooner than 12 months after completing a previous construction project. Facilities must request the rate adjustment according to section 256B.431, subdivision 10.

(d) Capacity days shall be computed according to Minnesota Rules, part 9549.0060, subpart 11. For rate calculations under this section, the number of licensed beds in the nursing facility shall be the number existing after the construction project is completed and the number of days in the nursing facility's reporting period shall be 365.

(e) The value of assets to be recognized for a total replacement project as defined in section 256B.431, subdivision 17d, shall be computed as described in clause (1). The value of assets to be recognized for all other projects shall be computed as described in clause (2):

(1) Replacement-cost-new limits under section 256B.431, subdivision 17e, and the number of beds allowed under subdivision 3a, paragraph (c), shall be used to compute the maximum amount of assets allowable in a facility's property rate calculation. If a facility's current request for a rate adjustment results from the completion of a construction project that was previously approved under

section 144A.073, the assets to be used in the rate calculation cannot exceed the lesser of the amount determined under sections 144A.071, subdivision 2, and 144A.073, subdivision 3b, or the actual allowable costs of the construction project. A current request that is not the result of a project under section 144A.073 cannot exceed the limit under section 144A.071, subdivision 2, paragraph (a). Applicable credits must be deducted from the cost of the construction project.

(2) (i) Replacement-cost-new limits under section 256B.431, subdivision 17e, and the number of beds allowed under section 256B.431, subdivision 3a, paragraph (c), shall be used to compute the maximum amount of assets allowable in a facility's property rate calculation.

(ii) The value of a facility's assets to be compared to the amount in (i) begins with the total appraised value from the last rate notice a facility received when its rates were set under section 256B.431 and Minnesota Rules, parts 9549.0010 to 9549.0080. This value shall be indexed by the factor in section 256B.431, subdivision 3f, paragraph (a), for each rate year the facility received an inflation factor on its property-related rate when its rates were set under this section. The value of assets listed as previous capital additions, capital additions, and special projects on the facility's base year rate notice and the value of assets related to a construction project for which the facility received a rate adjustment when its rates were determined under this section shall be added to the indexed appraised value.

(iii) The maximum amount of assets to be recognized in computing a facility's rate adjustment after a project is completed is the lesser of the aggregate replacement-cost-new limit computed in (i) minus the assets recognized in (ii) or the actual allowable costs of the construction project.

(iv) If a facility's current request for a rate adjustment results from the completion of a construction project that was previously approved under section 144A.073, the assets to be added to the rate calculation cannot exceed the lesser of the amount determined under sections 144A.071, subdivision 2, and 144A.073, subdivision 3b, or the actual allowable costs of the construction project. A current request that is not the result of a project under section 144A.073 cannot exceed the limit stated in section 144A.071, subdivision 2, paragraph (a). Assets disposed of as a result of a construction project and applicable credits must be deducted from the cost of the construction project.

(f) For construction projects approved under section 144A.073, allowable debt may never exceed the lesser of the cost of the assets purchased, the threshold limit in section 144A.071, subdivision 2, or the replacement-cost-new limit less previously existing capital debt.

(g) For construction projects that were not approved under section 144A.073, allowable debt is limited to the lesser of the threshold in section 144A.071, subdivision 2, for such construction projects or the applicable limit in paragraph (e), clause (1) or (2), less previously existing capital debt. Amounts of debt taken out that exceed the costs of a construction project shall not be allowed regardless of the use of the funds.

For all construction projects being recognized, interest expense and average debt shall be computed based on the first 12 months following project completion. "Previously existing capital debt" means capital debt recognized on the last rate determined under section 256B.431 and Minnesota Rules, parts 9549.0010 to 9549.0080, and the amount of debt recognized for a construction project for which the facility received a rate adjustment when its rates were determined under this section.

For a total replacement project as defined in section 256B.431, subdivision 17d, the value of previously existing capital debt shall be zero.

(h) In addition to the interest expense allowed from the application of paragraph (f), the amounts allowed under section 256B.431, subdivision 17a, paragraph (a), clauses (2) and (3), will be added to interest expense.

(i) The equity portion of the construction project shall be computed as the allowable assets in

paragraph (e), less the average debt in paragraph (f). The equity portion must be multiplied by 5.66 percent and the allowable interest expense in paragraph (f) must be added. This sum must be divided by 95 percent of capacity days to compute the construction project rate adjustment.

(j) For projects that are not a total replacement of a nursing facility, the amount in paragraph (i) is adjusted for nonreimbursable areas and then added to the current property-related per diem of the facility.

(k) For projects that are a total replacement of a nursing facility, the amount in paragraph (i) becomes the new property-related per diem after being adjusted for nonreimbursable areas. Any amounts existing in a facility's rate before the effective date of the construction project for equity incentives under section 256B.431, subdivision 16; capital repairs and replacements under section 256B.431, subdivision 15; or refinancing incentives under section 256B.431, subdivision 19, shall be removed from the facility's rates.

(l) No additional equipment allowance is allowed under Minnesota Rules, part 9549.0060, subpart 10, as the result of construction projects under this section. Allowable equipment shall be included in the construction project costs.

(m) Capital assets purchased after the completion date of a construction project shall be counted as construction project costs for any future rate adjustment request made by a facility under section 144A.071, subdivision 2, clause (a), if they are purchased within 24 months of the completion of the future construction project.

(n) In subsequent rate years, the property-related rate for a facility that results from the application of this subdivision shall be the amount inflated in subdivision 4.

(o) Construction projects are eligible for an equity incentive under section 256B.431, subdivision 16. When computing the equity incentive for a construction project under this subdivision, only the allowable costs and allowable debt related to the construction project shall be used. The equity incentive shall not be a part of the property-related per diem and not inflated under subdivision 4.

(p) At the time of completion of a building project resulting in a rate increase under this subdivision or section 144A.073, a facility may change its single-bed election for use in calculating capacity days under Minnesota Rules, part 9549.0060, subpart 11. The facility shall notify the commissioner of its desire to change its single-bed election at the time the final cost of the project is submitted to the commissioner, and the change in the election shall be effective the same date as the rate increase related to the building project.

Sec. 7. Minnesota Statutes 2004, section 256B.438, subdivision 4, is amended to read:

Subd. 4. Resident assessment schedule. (a) Nursing facilities shall conduct and submit case mix assessments according to the schedule established by the commissioner of health under section 144.0724, subdivisions 4 and 5.

(b) The resident reimbursement classifications established under section 144.0724, subdivision 3, shall be effective the day of admission for new admission assessments. The effective date for significant change assessments shall be the assessment reference date. The effective date for annual and second quarterly assessments shall be the first day of the month following assessment reference date.

(c) Effective October 1, 2006, the commissioner shall rebase payment rates to account for the change in resident assessment schedule in section 144.0724, subdivision 4, paragraph (b), clause (4), in a facility specific budget neutral manner, according to subdivision 7, paragraph (b)."

Amend the title accordingly

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Lourey from the Committee on Health and Family Security, to which was referred

S.F. No. 3457: A bill for an act relating to health occupations; modifying Board of Medical Practice examination provision; amending Minnesota Statutes 2004, section 147.02, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 10, after "service" insert ", as defined in section 197.447,"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Lourey from the Committee on Health and Family Security, to which was referred

S.F. No. 3521: A bill for an act relating to human services; modifying policies for secured treatment facilities; providing for criminal penalties for possession of contraband; allowing for the entering of service contracts; modifying escape from custody provisions; providing sentencing provisions; amending Minnesota Statutes 2004, sections 243.55, subdivision 1; 246.014; Minnesota Statutes 2005 Supplement, section 609.485, subdivisions 2, 4.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, delete section 2

Renumber the sections in sequence

Amend the title accordingly

And when so amended the bill do pass and be re-referred to the Committee on Crime Prevention and Public Safety. Amendments adopted. Report adopted.

Senator Higgins from the Committee on State and Local Government Operations, to which was referred

S.F. No. 3183: A bill for an act relating to local government; authorizing political subdivisions to establish accounts to pay for postemployment benefits owed to officers and employees; proposing coding for new law in Minnesota Statutes, chapter 353.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 17, delete "and"

Page 1, delete lines 18 to 23 and insert:

"(2) "postemployment benefit" means a benefit giving rise to a liability under statement 45 of the Government Accounting Standards Board, and therefore does not include benefits to be paid by a Minnesota public pension plan listed in section 356.20, subdivision 2, or section 356.30, subdivision 3, and benefits provided on a defined contribution, individual account basis; and

(3) "plan administrator" means third party agent or administrator handling the payment of benefits on behalf of the political subdivision consistent with the requirements of the Government Accounting Standards Board."

Page 2, line 1, delete "4" and insert "3"

Page 2, line 13, delete "5" and insert "4"

Page 2, line 19, delete "6" and insert "5"

Page 2, delete lines 25 to 31 and insert:

"(b) For an irrevocable account:

(1) the plan administrator may withdraw money only as needed to pay postemployment benefits owed to former officers and employees of the political subdivision; or

(2) the political subdivision may withdraw money only to the extent the political subdivision's actuarial liability is satisfied or otherwise defeased."

Page 2, line 32, after "A" insert "plan administrator or"

Page 3, line 1, delete "7" and insert "6"

Page 3, line 4, after the third "the" insert "current and former"

Amend the title accordingly

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Foley from the Committee on Crime Prevention and Public Safety, to which was referred

S.F. No. 2615: A bill for an act relating to corrections; requiring state and local jail and prison inmates to be housed in publicly owned and operated jails and prisons; prohibiting the state and counties from contracting with private prisons; authorizing the purchase of the Prairie Correctional Facility; amending Minnesota Statutes 2004, section 241.01, subdivision 3a; proposing coding for new law in Minnesota Statutes, chapter 641.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 16, delete "2007" and insert "2015"

Page 1, line 17, after "not" insert "publicly" and delete everything after "operated"

Page 1, line 18, delete everything before the period

Page 2, delete sections 2 and 3

Amend the title accordingly

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Foley from the Committee on Crime Prevention and Public Safety, to which was referred

S.F. No. 3532: A bill for an act relating to public safety; requiring an additional gang strike force; amending Minnesota Statutes 2005 Supplement, section 299A.641, subdivision 3.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Senator Lourey from the Committee on Health and Family Security, to which was referred

S.F. No. 3523: A bill for an act relating to human services; making technical changes; modifying commissioner's duties, county board duties, education programs, safety requirements, licensing requirements, disqualification provisions, chemical dependency care, agency appeals and hearings, day treatment services, alternative care funding, clinical infrastructures, property costs, co-payments and coinsurance, adoption provisions, children in need of protection; amending

Minnesota Statutes 2004, sections 144.225, subdivision 2b; 245A.04, subdivision 11; 254A.03, subdivision 3; 254A.16, subdivision 2; 254B.02, subdivisions 1, 5; 254B.03, subdivisions 1, 3; 254B.06, subdivision 3; 256.0451, subdivisions 1, 3, 11, 19; 256B.0625, subdivision 23; 256B.0913, subdivision 1; 256B.0943, subdivisions 9, 11; 256B.431, subdivisions 1, 3f, 17e; 260B.157, subdivision 1; Minnesota Statutes 2005 Supplement, sections 245.4874; 245A.14, subdivision 12; 245A.18, subdivision 2; 245C.07; 245C.13, subdivision 2; 245C.15, subdivisions 2, 3; 245C.22, subdivision 7; 245C.24, subdivision 3; 256.046, subdivision 1; 256B.0625, subdivision 13c; 256B.0913, subdivision 4; 256B.0943, subdivisions 6, 12; 256L.03, subdivision 5; 259.67, subdivision 4; 260.012; 626.556, subdivision 2; Laws 2005, chapter 98, article 3, section 25; repealing Minnesota Statutes 2004, sections 252.21; 252.22; 252.23; 252.24, subdivisions 1, 2, 3, 4; 252.25; 252.261; 254A.02, subdivisions 7, 9, 12, 14, 15, 16; 254A.085; 254A.086; 254A.12; 254A.14, subdivisions 1, 2, 3; 254A.15; 254A.16, subdivision 5; 254A.175; 254A.18; Minnesota Statutes 2005 Supplement, section 252.24, subdivision 5; Minnesota Rules, part 9503.0035, subpart 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 5, after line 15, insert:

"Sec. 5. Minnesota Statutes 2005 Supplement, section 245A.146, subdivision 4, is amended to read:

Subd. 4. **Crib safety standards and inspection.** (a) On at least a monthly basis, the license holder shall perform safety inspections of every crib used by or that is accessible to any child in care, and must document the following:

- (1) no corner posts extend more than 1/16 of an inch;
- (2) no spaces between side slats exceed 2.375 inches;
- (3) no mattress supports can be easily dislodged from any point of the crib;
- (4) no cutout designs are present on end panels;
- (5) no heights of the rail and end panel are less than 26 inches when measured from the top of the rail or panel in the highest position to the top of the mattress support in its lowest position;
- (6) no heights of the rail and end panel are less than nine inches when measured from the top of the rail or panel in its lowest position to the top of the mattress support in its highest position;
- (7) no screws, bolts, or hardware are loose or not secured, and there is no use of woodscrews in components that are designed to be assembled and disassembled by the crib owner;
- (8) no sharp edges, points, or rough surfaces are present;
- (9) no wood surfaces are rough, splintered, split, or cracked;
- (10) no tears in mesh of fabric sides in non-full-size cribs;
- (11) no mattress pads in non-full-size mesh or fabric cribs exceed one inch; and
- (12) no unacceptable gaps between the mattress and any sides of the crib are present as follows:
 - (i) when the noncompressed mattress is centered in the non-full-size crib, at any of the adjustable mattress support positions, the gap between the perimeter of the mattress and the perimeter of the crib cannot be greater than one-half inch at any point. When the mattress is placed against the perimeter of the crib, the resulting gap cannot be greater than one inch at any point; and
 - (ii) when the noncompressed mattress is centered in the full-size crib, at any of the adjustable mattress support positions, the gap between the perimeter of the mattress and the perimeter of the

crib cannot be greater than 11/16 inch at any point. When the mattress is placed against the perimeter of the crib, the resulting gap cannot be greater than 1-3/8 inch at any point.

(b) Upon discovery of any unsafe condition identified by the license holder during the safety inspection required under paragraph (a), the license holder shall immediately remove the crib from use and ensure that the crib is not accessible to children in care, and as soon as practicable, but not more than two business days after the inspection, remove the crib from the area where child care services are routinely provided for necessary repairs or to destroy the crib.

(c) Documentation of the inspections and actions taken with unsafe cribs required in paragraphs (a) and (b) shall be maintained on site by the license holder and made available to parents of children in care and the commissioner."

Page 5, after line 30, insert:

"For all providers licensed prior to July 1, 2006, the training required in this subdivision must be obtained by December 31, 2007."

Page 6, delete lines 5 to 7

Page 16, after line 11, insert:

"Sec. 20. Minnesota Statutes 2004, section 256.045, subdivision 3b, is amended to read:

Subd. 3b. **Standard of evidence for maltreatment and disqualification hearings.** (a) The state human services referee shall determine that maltreatment has occurred if a preponderance of evidence exists to support the final disposition under sections 626.556 and 626.557. For purposes of hearings regarding disqualification, the state human services referee shall affirm the proposed disqualification in an appeal under subdivision 3, paragraph (a), clause (9), if a preponderance of the evidence shows the individual has:

- (1) committed maltreatment under section 626.556 or 626.557, which is serious or recurring;
- (2) committed an act or acts meeting the definition of any of the crimes listed in section 245C.15, subdivisions 1 to 4; or
- (3) failed to make required reports under section 626.556 or 626.557, for incidents in which the final disposition under section 626.556 or 626.557 was substantiated maltreatment that was serious or recurring.

(b) If the disqualification is affirmed, the state human services referee shall determine whether the individual poses a risk of harm in accordance with the requirements of section 245C.16, and whether the disqualification should be set aside or not set aside. In determining whether the disqualification should be set aside, the human services referee shall consider all of the characteristics that cause the individual to be disqualified, including those characteristics that were not subject to review under paragraph (a), in order to determine whether the individual poses a risk of harm. A decision to set aside a disqualification that is the subject of the hearing constitutes a determination that the individual does not pose a risk of harm and that the individual may provide direct contact services in the individual program specified in the set aside. If a determination that the information relied upon to disqualify an individual was correct and is conclusive under section 245C.29, and the individual is subsequently disqualified under section 245C.14, the individual has a right to again request reconsideration on the risk of harm under section 245C.21. Subsequent determinations regarding risk of harm are not subject to another hearing under this section.

(c) The state human services referee shall recommend an order to the commissioner of health, education, corrections, or human services, as applicable, who shall issue a final order. The commissioner shall affirm, reverse, or modify the final disposition. Any order of the commissioner issued in accordance with this subdivision is conclusive upon the parties unless appeal is taken in the manner provided in subdivision 7. In any licensing appeal under chapters 245A and 245C

and sections 144.50 to 144.58 and 144A.02 to 144A.46, the commissioner's determination as to maltreatment is conclusive, as provided under section 245C.29. "

Pages 19 to 21, delete sections 26 and 27

Renumber the sections in sequence

Amend the title accordingly

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Lourey from the Committee on Health and Family Security, to which was referred

S.F. No. 3399: A bill for an act relating to human services; allowing the commissioner of human services to contract with Medicare-approved Special Needs Plans to provide medical assistance services to persons with disabilities; amending Minnesota Statutes 2005 Supplement, section 256B.69, subdivision 23.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2004, section 256B.69, subdivision 9, is amended to read:

Subd. 9. **Reporting.** (a) Each demonstration provider shall submit information as required by the commissioner, including data required for assessing client satisfaction, quality of care, cost, and utilization of services for purposes of project evaluation. The commissioner shall also develop methods of data reporting and collection from county advocacy activities in order to provide aggregate enrollee information on encounters and outcomes to determine access and quality assurance. Required information shall be specified before the commissioner contracts with a demonstration provider.

(b) Nonpersonally identifiable health plan encounter data, aggregate spending data, and criteria for service authorization and service use are public data that the commissioner shall make available and use in public reports. The commissioner shall require each health plan and county-based purchasing plan to provide:

(1) encounter data for each service provided, using standard codes and unit of service definitions set by the commissioner, in a form that the commissioner can report by age, eligibility groups, and health plan;

(2) total aggregate medical assistance spending for major categories of service as reported to the commissioner of commerce under section 62D.08, subdivision 3, paragraph (a), in a form that the commissioner can report by age, eligibility group, and health plan; and

(3) criteria, written policies, and procedures required to be disclosed under section 62M.10, subdivision 7, and Code of Federal Regulations, title 42, part 438.210(b)(1), used for each type of service for which authorization is required.

Sec. 2. Minnesota Statutes 2005 Supplement, section 256B.69, subdivision 23, is amended to read:

Subd. 23. **Alternative services; elderly and disabled persons.** (a) The commissioner may implement demonstration projects to create alternative integrated delivery systems for acute and long-term care services to elderly persons and persons with disabilities as defined in section 256B.77, subdivision 7a, that provide increased coordination, improve access to quality services, and mitigate future cost increases. The commissioner may seek federal authority to combine Medicare and Medicaid capitation payments for the purpose of such demonstrations and may contract with Medicare-approved special needs plans to provide Medicaid services. Medicare

funds and services shall be administered according to the terms and conditions of the federal waiver and demonstration provisions. For the purpose of administering medical assistance funds, demonstrations under this subdivision are subject to subdivisions 1 to 22. The provisions of Minnesota Rules, parts 9500.1450 to 9500.1464, apply to these demonstrations, with the exceptions of parts 9500.1452, subpart 2, item B; and 9500.1457, subpart 1, items B and C, which do not apply to persons enrolling in demonstrations under this section. An initial open enrollment period may be provided. Persons who disenroll from demonstrations under this subdivision remain subject to Minnesota Rules, parts 9500.1450 to 9500.1464. When a person is enrolled in a health plan under these demonstrations and the health plan's participation is subsequently terminated for any reason, the person shall be provided an opportunity to select a new health plan and shall have the right to change health plans within the first 60 days of enrollment in the second health plan. Persons required to participate in health plans under this section who fail to make a choice of health plan shall not be randomly assigned to health plans under these demonstrations. Notwithstanding section 256L.12, subdivision 5, and Minnesota Rules, part 9505.5220, subpart 1, item A, if adopted, for the purpose of demonstrations under this subdivision, the commissioner may contract with managed care organizations, including counties, to serve only elderly persons eligible for medical assistance, elderly and disabled persons, or disabled persons only. For persons with primary diagnoses of mental retardation or a related condition, serious and persistent mental illness, or serious emotional disturbance, the commissioner must ensure that the county authority has approved the demonstration and contracting design. Enrollment in these projects for persons with disabilities shall be voluntary. The commissioner shall not implement any demonstration project under this subdivision for persons with primary diagnoses of mental retardation or a related condition, serious and persistent mental illness, or serious emotional disturbance, without approval of the county board of the county in which the demonstration is being implemented.

(b) Notwithstanding chapter 245B, sections 252.40 to 252.46, 256B.092, 256B.501 to 256B.5015, and Minnesota Rules, parts 9525.0004 to 9525.0036, 9525.1200 to 9525.1330, 9525.1580, and 9525.1800 to 9525.1930, the commissioner may implement under this section projects for persons with developmental disabilities. The commissioner may capitate payments for ICF/MR services, waived services for mental retardation or related conditions, including case management services, day training and habilitation and alternative active treatment services, and other services as approved by the state and by the federal government. Case management and active treatment must be individualized and developed in accordance with a person-centered plan. Costs under these projects may not exceed costs that would have been incurred under fee-for-service. Beginning July 1, 2003, and until two years after the pilot project implementation date, subcontractor participation in the long-term care developmental disability pilot is limited to a nonprofit long-term care system providing ICF/MR services, home and community-based waiver services, and in-home services to no more than 120 consumers with developmental disabilities in Carver, Hennepin, and Scott Counties. The commissioner shall report to the legislature prior to expansion of the developmental disability pilot project. This paragraph expires two years after the implementation date of the pilot project.

(c) Before implementation of a demonstration project for disabled persons, the commissioner must provide information to appropriate committees of the house of representatives and senate and must involve representatives of affected disability groups in the design of the demonstration projects.

(d) A nursing facility reimbursed under the alternative reimbursement methodology in section 256B.434 may, in collaboration with a hospital, clinic, or other health care entity provide services under paragraph (a). The commissioner shall amend the state plan and seek any federal waivers necessary to implement this paragraph.

(e) The commissioner, in consultation with the commissioners of commerce and health, may approve and implement programs for all-inclusive care for the elderly (PACE) according to federal laws and regulations governing that program and state laws or rules applicable to participating providers. The process for approval of these programs shall begin only after the commissioner receives grant money in an amount sufficient to cover the state share of the administrative and

actuarial costs to implement the programs during state fiscal years 2006 and 2007. Grant amounts for this purpose shall be deposited in an account in the special revenue fund and are appropriated to the commissioner to be used solely for the purpose of PACE administrative and actuarial costs. A PACE provider is not required to be licensed or certified as a health plan company as defined in section 62Q.01, subdivision 4. Persons age 55 and older who have been screened by the county and found to be eligible for services under the elderly waiver or community alternatives for disabled individuals or who are already eligible for Medicaid but meet level of care criteria for receipt of waiver services may choose to enroll in the PACE program. Medicare and Medicaid services will be provided according to this subdivision and federal Medicare and Medicaid requirements governing PACE providers and programs. PACE enrollees will receive Medicaid home and community-based services through the PACE provider as an alternative to services for which they would otherwise be eligible through home and community-based waiver programs and Medicaid State Plan Services. The commissioner shall establish Medicaid rates for PACE providers that do not exceed costs that would have been incurred under fee-for-service or other relevant managed care programs operated by the state.

(f) The commissioner shall seek federal approval to expand the Minnesota disability health options (MnDHO) program established under this subdivision in stages, first to regional population centers outside the seven-county metro area and then to all areas of the state. Until January 1, 2008, expansion for MnDHO projects that include home and community-based services is limited to the two projects and service areas in effect on March 1, 2006. Enrollment in integrated MnDHO programs that include home and community-based services shall remain voluntary. Costs for home and community-based services included under MnDHO must not exceed costs that would have been incurred under the fee-for-service program. In developing program specifications for expansion of integrated programs, the commissioner shall involve and consult the state-level stakeholder group established in subdivision 28, paragraph (d), including consultation on whether and how to include home and community-based waiver programs. Plans for further expansion of MnDHO projects shall be presented to the chairs of the house and senate committees with jurisdiction over health and human services policy and finance by February 1, 2007.

(g) Notwithstanding section 256B.0261, health plans providing services under this section are responsible for home care targeted case management and relocation targeted case management. Services must be provided according to the terms of the waivers and contracts approved by the federal government.

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

Sec. 3. Minnesota Statutes 2004, section 256B.69, is amended by adding a subdivision to read:

Subd. 28. Medicare special needs plans and medical assistance basic health care for persons with disabilities. (a) The commissioner may contract with qualified Medicare-approved special needs plans to provide medical assistance basic health care services to persons with disabilities, including those with developmental disabilities. Basic health care services include:

(1) those services covered by the medical assistance state plan except for ICF/MR services, home and community-based waiver services, case management for persons with developmental disabilities under section 256B.0625, subdivision 20a, and personal care and certain home care services defined by the commissioner in consultation with the stakeholder group established under paragraph (d);

(2) basic health care services may also include risk for up to 100 days of nursing facility services for persons who reside in a noninstitutional setting and home health services related to rehabilitation as defined by the commissioner after consultation with the stakeholder group; and

(3) the commissioner may exclude other medical assistance services from the basic health care benefit set. Enrollees in these plans can access any excluded services on the same basis as other medical assistance recipients who have not enrolled.

Unless a person is otherwise required to enroll in managed care, enrollment in these plans for Medicaid services must be voluntary. For purposes of this subdivision, automatic enrollment with an option to opt out is not voluntary enrollment.

(b) Beginning January 1, 2007, the commissioner may contract with qualified Medicare special needs plans to provide basic health care services under medical assistance to persons who are dually eligible for both Medicare and Medicaid and those Social Security beneficiaries eligible for Medicaid but in the waiting period for Medicare. The commissioner shall consult with the stakeholder group under paragraph (d) in developing program specifications for these services. The commissioner shall report to the chairs of the house and senate committees with jurisdiction over health and human services policy and finance by February 1, 2007, on implementation of these programs and the need for increased funding for the ombudsman for managed care and other consumer assistance and protections needed due to enrollment in managed care of persons with disabilities.

(c) Beginning January 1, 2008, the commissioner may expand contracting under this subdivision to all persons with disabilities not otherwise required to enroll in managed care.

(d) The commissioner shall establish a state-level stakeholder group to provide advice on managed care programs for persons with disabilities, including both MnDHO and contracts with special needs plans that provide basic health care services as described in paragraphs (a) and (b). The stakeholder group shall provide advice on program expansions under this subdivision and subdivision 23, including:

- (1) implementation efforts;
- (2) consumer protections; and
- (3) program specifications such as quality assurance measures, data collection and reporting, and evaluation of costs, quality, and results.

(e) Each plan under contract to provide medical assistance basic health care services shall establish a local or regional stakeholder group, including representatives of the counties covered by the plan, members, consumer advocates, and providers, for advice on issues that arise in the local or regional area.

Sec. 4. STAKEHOLDER PARTICIPATION.

The commissioner of human services shall establish one or more stakeholder groups of interested persons, including representatives of recipients, advocacy groups, counties, providers, and health plans to provide information and advice on the development of any proposals for changes in the medical assistance program authorized by the federal Deficit Reduction Act of 2005, Public Law 109-171.

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

Sec. 5. LEGISLATIVE AUTHORIZATION REQUIRED.

Any changes to the medical assistance program proposed as a result of the federal Deficit Reduction Act of 2005, Public Law 109-171, which affect cost sharing, co-payments, premiums, eligibility, covered services, service limitations, or benefit set changes, must receive legislative approval prior to being implemented or submitted to the Centers for Medicare and Medicaid Services.

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

Sec. 6. APPROPRIATION; OMBUDSMAN FOR MANAGED CARE.

\$200,000 is appropriated from the general fund to the commissioner of human services in fiscal

year 2007 to increase staff for the development and management of contract requirements associated with enrolling persons with disabilities in managed care and for the ombudsman for managed care office in order to assist persons with disabilities on issues involving health coverage under Minnesota Statutes, section 256B.69, subdivision 28."

Amend the title accordingly

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Pogemiller from the Committee on Taxes, to which was referred

S.F. No. 3550: A bill for an act relating to taxation; conforming certain provisions to federal law; increasing the standard deduction for married joint filers; modifying the alternative minimum tax; providing for taxation of certain compensation paid to nonresidents; modifying income tax rates; amending Minnesota Statutes 2004, sections 290.06, subdivision 2d; 290.091, subdivision 3; 290.17, subdivision 2; Minnesota Statutes 2005 Supplement, sections 289A.02, subdivision 7; 290.01, subdivisions 19, 19a, 19b, 31; 290.06, subdivision 2c; 290.0675, subdivision 1; 290.091, subdivision 2; 290A.03, subdivision 15.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 16, strike everything after "Code"

Page 3, strike line 17

Page 3, line 18, strike everything before the period

Page 4, line 12, after the semicolon, insert "and"

Page 4, lines 13 to 17, strike the old language and delete the new language

Page 4, line 18, strike "(11)" and insert "(10)"

Page 4, delete section 4

Page 8, line 5, delete "\$....." and insert "\$270,000"

Page 8, line 6, delete "...." and insert "8.15"

Page 8, line 15, delete "...." and insert "8.15"

Page 8, line 22, delete "...." and insert "8.15"

Page 9, after line 9, insert:

"(f) If in a taxable year the taxable net income of a taxpayer exceeds the amount to which the rate of 8.15 percent applies, but the average of the taxpayer's taxable net income for that year and the preceding year does not exceed that threshold amount, the rate of 8.15 percent does not apply for that taxable year."

Page 10, line 19, strike everything after "Code"

Page 10, line 20, strike the old language

Page 15, line 6, delete "2006" and insert "2005" and delete "2005" and insert "2004"

Page 15, after line 6, insert:

"Sec. 12. NET INCOME; FEDERAL CONFORMITY.

For taxable years beginning after December 31, 2004, and before December 31, 2006, the definition of "net income" in Minnesota Statutes, section 290.01, subdivision 19, must be interpreted by the Department of Revenue to conform to the position taken by the Internal Revenue Service in Revenue Notice 2005-68.

Sec. 13. **MARRIED JOINT FILERS; TAXABLE YEAR 2005.**

For taxable years beginning after December 31, 2004, and before January 1, 2006, the liability for tax under Minnesota Statutes, chapter 290, must be determined as if the addition to federal taxable income under Minnesota Statutes 2005 Supplement, section 290.01, subdivision 19a, clause (10), did not apply.

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

Sec. 14. **REFUNDS.**

The commissioner of revenue must review individual income tax returns that may be subject to section 13 and adjust the tax liability accordingly. If the tax paid for the taxable year beginning after December 31, 2004, and before January 1, 2006, by any taxpayer under Minnesota Statutes, chapter 290, as amended through December 31, 2005, to the commissioner of revenue is greater than the tax liability determined under section 13, the commissioner must pay the taxpayer a refund of the difference. If the tax paid for that taxable year by any taxpayer under Minnesota Statutes, chapter 290, as amended through December 31, 2005, is less than the tax liability determined under section 13, no additional payment is required of the taxpayer. The refunds issued under this section are not subject to accrual of interest.

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

Sec. 15. **APPROPRIATION.**

The amount necessary to issue refunds under section 14 and the administrative costs associated with the issuance of refunds is appropriated from the Tax Relief Account under Minnesota Statutes, section 16A.1522, subdivision 4, to the commissioner of revenue. Notwithstanding Minnesota Statutes, section 16A.285, the commissioner of revenue may not use this appropriation for any purpose other than administering the refunds under section 13. This is a onetime appropriation and may not be added to the agency's budget base.

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

Renumber the sections in sequence

Amend the title accordingly

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Foley from the Committee on Crime Prevention and Public Safety, to which was referred

S.F. No. 3273: A bill for an act relating to public safety; establishing the Forensic Laboratory Oversight Commission and specifying its duties; establishing the cold case investigations unit and specifying its duties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 299C.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. **[299C.156] FORENSIC LABORATORY OVERSIGHT COMMISSION.**

Subdivision 1. **Membership.** (a) The Forensic Laboratory Oversight Commission consists of the following:

- (1) the superintendent of the Bureau of Criminal Apprehension or the superintendent's designee;
- (2) the commissioner of public safety or the commissioner's designee;
- (3) the commissioner of corrections or the commissioner's designee;
- (4) two senators, one from the majority party and one from the minority party, selected by the Subcommittee on Committees of the senate Committee on Rules and Administration;
- (5) two representatives, one from the majority party and one from the minority party, selected by the speaker of the house of representatives;
- (6) an individual with expertise in the field of forensic science, selected by the governor;
- (7) an individual with expertise in the field of forensic science, selected by the attorney general;
- (8) a faculty member of the University of Minnesota Medical School who specializes in clinical laboratory medicine, selected by the president of the university;
- (9) a faculty member of the University of Minnesota Law School who specializes in criminal justice, selected by the president of the university;
- (10) the state public defender or a designee;
- (11) a prosecutor, selected by the Minnesota County Attorneys Association;
- (12) a sheriff, selected by the Minnesota Sheriffs Association;
- (13) a police chief, selected by the Minnesota Chiefs of Police Association;
- (14) a peace officer, selected by the Minnesota Police and Peace Officers Association;
- (15) a judge or court administrator, selected by the chief justice of the Supreme Court;
- (16) a criminal defense attorney, selected by the Minnesota State Bar Association;
- (17) a local corrections official from a Community Corrections Act county, selected by the commissioner of corrections; and
- (18) a local corrections official from a non-Community Corrections Act county, selected by the commissioner of corrections.

(b) The commission shall select a chair from among its members.

(c) Commission members serve four-year terms and may be reappointed.

(d) The commission may employ staff necessary to carry out its duties.

Subd. 2. **Duties.** The commission may:

(1) develop and implement a reporting system through which laboratories, facilities, or entities that conduct forensic analyses report professional negligence or misconduct;

(2) require all laboratories, facilities, or entities that conduct forensic analyses to report professional negligence or misconduct to the commission; and

(3) investigate, in a timely manner, any allegation of professional negligence or misconduct that would substantially affect the integrity of the results of a forensic analysis conducted by a laboratory, facility, or entity.

Subd. 3. **Investigations.** An investigation under subdivision 2, clause (3):

(1) shall include the preparation of a written report that identifies and describes the methods and procedures used to identify:

(i) the alleged negligence or misconduct;

(ii) whether negligence or misconduct occurred; and

(iii) any corrective action required of the laboratory, facility, or entity; and

(2) may include one or more:

(i) retrospective reexaminations of other forensic analyses conducted by the laboratory, facility, or entity that may involve the same kind of negligence or misconduct; and

(ii) follow-up evaluations of the laboratory, facility, or entity to review:

(A) the implementation of any corrective action required under clause (1), item (iii); or

(B) the conclusion of any retrospective reexamination under this clause, item (i).

Subd. 4. **Delegation of duties.** The commission by contract may delegate the duties described in subdivision 2, clauses (1) and (3), to any person or entity that the commission determines to be qualified to assume those duties.

Subd. 5. **Reviews and reports are public.** The commission shall make all investigation reports completed under subdivision 3, clause (1), available to the public. A report completed under subdivision 3, clause (1), in a subsequent civil or criminal proceeding is not prima facie evidence of the information or findings contained in the report.

Subd. 6. **Reports to legislature.** By January 15 of each year, the commission shall submit any report prepared under subdivision 3, clause (1), during the preceding calendar year to the governor and the legislature.

Subd. 7. **Forensic analysis processing time period requirements.** (a) By July 1, 2007, the commission shall adopt forensic analysis processing time period standards applicable to the Bureau of Criminal Apprehension and recommend forensic analysis processing time period standards applicable to other laboratories, facilities, and entities that conduct forensic analyses. When adopting and recommending these standards and when making other related decisions, the commission shall consider the goals and priorities identified by the presidential DNA initiative. The commission shall consider the feasibility of the Bureau of Criminal Apprehension completing the processing of forensic evidence submitted to it by sheriffs, chiefs of police, or state or local corrections authorities within the following time periods:

(1) for an alleged homicide, within no later than 72 hours of the time of submission;

(2) for an alleged violent crime other than an alleged homicide, within no later than seven days of the time of submission;

(3) for an alleged crime not specified in clause (1) or (2), including a violation under chapter 169A involving a driving while impaired blood test, within no later than three weeks of the time of submission; and

(4) for DNA analysis of inmates under section 609.117, subdivision 2, within no later than 60 days or the term of incarceration, whichever period occurs first.

(b) The bureau shall report to the commission in the time, form, and manner determined by the commission and keep it informed of the most up-to-date data on the actual forensic analysis processing turn around time periods. The commission shall compare the actual average turnaround times for the categories described in this subdivision to the standards adopted by the commission.

By January 15 of each year, the commission shall report to the legislature on these issues, including the specific efforts made by the commission to improve turnaround times.

Subd. 8. **Forensic evidence processing deadline.** The commission shall determine reasonable standards and deadlines for the Bureau of Criminal Apprehension to test and catalog forensic evidence samples relating to alleged crimes committed, including DNA analysis, in their control and possession.

Subd. 9. **Office space.** The commissioner of public safety shall provide adequate office space and administrative services to the commission.

Subd. 10. **Expiration, expenses.** Section 15.059 applies to the commission, except that it does not expire.

Subd. 11. **Definition.** As used in this section, "forensic analysis" means a medical, chemical, toxicologic, ballistic, or other expert examination or test performed on physical evidence, including DNA evidence, for the purpose of determining the connection of the evidence to a criminal action.

Sec. 2. APPROPRIATION.

\$...... is appropriated to the commissioner of public safety from the general fund for the fiscal year ending June 30, 2007, to implement section 1."

Amend the title accordingly

And when so amended the bill do pass and be re-referred to the Committee on State and Local Government Operations.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

Senator Foley from the Committee on Crime Prevention and Public Safety, to which was referred

S.F. No. 3078: A bill for an act relating to public safety; requiring deferred prosecution for certain drug offenders; modifying provisions governing suspension of driver's license without preliminary warning; modifying license reinstatement provisions; modifying provisions for conditional release of nonviolent offenders; classifying certain data as private arrest data; increasing monetary thresholds for certain property crimes to more accurately reflect inflationary economic increases; establishing classifications for nonconvictions and low-level offenses; prohibiting charging fees for local correctional inmates participating in work release programs; creating a committee to study and recommend adjusting collateral consequences of adult criminal convictions and juvenile adjudications; repealing the sunset on early release of qualified drug offenders; amending Minnesota Statutes 2004, sections 13.871, by adding subdivisions; 152.18, subdivision 1; 609.52, subdivision 3; 609.535, subdivision 2a; 609.595, subdivisions 1, 2; 631.425, subdivision 3; Minnesota Statutes 2005 Supplement, sections 171.18, subdivision 1; 171.29, subdivision 2; 244.055, subdivisions 2, 10; proposing coding for new law as Minnesota Statutes, chapter 609B; repealing Minnesota Statutes 2005 Supplement, section 244.055, subdivision 11.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. **COLLATERAL CONSEQUENCES COMMITTEE.**

Subdivision 1. **Establishment; duties.** A collateral consequences committee is established to study collateral consequences of adult convictions and juvenile adjudications. The committee shall identify the uses of collateral consequences of convictions and adjudications and recommend any proposed changes to the legislature on collateral consequences.

Subd. 2. **Resources.** The Department of Corrections shall provide technical assistance to the

committee on request, with the assistance of the commissioner of public safety and the Sentencing Guidelines Commission.

Subd. 3. **Membership.** The committee consists of:

(1) one representative from each of the following groups:

(i) crime victim advocates, appointed by the commissioner of public safety;

(ii) county attorneys, appointed by the Minnesota County Attorneys Association;

(iii) city attorneys, appointed by the League of Minnesota Cities;

(iv) district court judges, appointed by the Judicial Council;

(v) private criminal defense attorneys, appointed by the Minnesota Association of Criminal Defense Lawyers;

(vi) probation officers, appointed by the Minnesota Association of County Probation Officers;
and

(vii) the state public defender or a designee; and

(2) the commissioner of public safety, or a designee, who shall chair the group.

Subd. 4. **Report and recommendations.** The committee shall present the legislature with its report and recommendations no later than January 15, 2007. The report must be presented to the chairs of the senate Crime Prevention and Public Safety Committee and the house Public Safety and Finance Committee."

Amend the title accordingly

And when so amended the bill do pass and be re-referred to the Committee on State and Local Government Operations. Amendments adopted. Report adopted.

Senator Anderson from the Committee on Jobs, Energy and Community Development, to which was referred

S.F. No. 3319: A bill for an act relating to building officials; requiring competency criteria; proposing coding for new law in Minnesota Statutes, chapter 16B.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 11, after "codes" insert "as"

Page 1, line 17, delete "Effective date" and insert "Application" and delete "Effective January 1, 2008, all newly" and insert "All"

Page 1, after line 19, insert:

"Sec. 2. **BUILDING PERMIT STUDY.**

The Department of Labor and Industry must study the need for requiring building or similar permits for the replacement of simple fixtures and appliances, including, but not limited to, toilets, sinks, faucets, dishwashers, stoves, and refrigerators. The department shall report the results of its study to the legislature by January 15, 2007. As part of the report, the department shall recommend changes to rules and statutes that it finds necessary so that permits are not required when they are not needed for reasons of public health or safety. The construction codes and licensing division of the department shall conduct and manage the study.

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

Amend the title accordingly

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Betzold from the Committee on Judiciary, to which was referred

S.F. No. 3344: A bill for an act relating to data practices; modifying the manner of obtaining parental consent to genetic testing of children; providing for parental direction to destroy testing results; requiring legislative authorization to revise the kinds of tests to be administered; amending Minnesota Statutes 2004, sections 144.125, subdivisions 2, 3, by adding a subdivision; 144.128.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete section 1 and insert:

"Section 1. Minnesota Statutes 2004, section 144.125, subdivision 2, is amended to read:

Subd. 2. **Determination of tests to be administered.** The commissioner shall periodically revise the list of tests to be administered for determining the presence of a heritable or congenital disorder. Revisions to the list shall reflect advances in medical science, new and improved testing methods, or other factors that will improve the public health. In determining whether a test must be administered, the commissioner shall take into consideration the adequacy of laboratory methods to detect the heritable or congenital disorder, the ability to treat or prevent medical conditions caused by the heritable or congenital disorder, and the severity of the medical conditions caused by the heritable or congenital disorder. Tests to determine the presence of a genetic condition that is not a heritable or congenital disorder may be done only as authorized by law. The list of tests to be performed may be revised if the changes are recommended by the advisory committee established under section 144.1255, approved by the commissioner, and published in the State Register. The revision is exempt from the rulemaking requirements in chapter 14, and sections 14.385 and 14.386 do not apply."

Page 1, delete section 2

Page 3, after line 20, insert:

"Sec. 3. Minnesota Statutes 2004, section 144.125, is amended by adding a subdivision to read:

Subd. 5. **Newborn screening Web site.** The Department of Health newborn screening Web site shall contain a list of all tests currently being performed. By April 1 of each year the department shall post the total number of newborn screening results held by the department on the previous December 31 and shall provide the following information for the previous calendar year:

- (1) the number of screenings performed;
- (2) the number of individuals who opted out of screening;
- (3) the number of samples destroyed;
- (4) the number of individuals whose test results were destroyed; and
- (5) the number of samples released for research."

Renumber the sections in sequence

Amend the title accordingly

And when so amended the bill do pass and be re-referred to the Committee on Health and Family Security. Amendments adopted. Report adopted.

Senator Lourey from the Committee on Health and Family Security, to which was referred

S.F. No. 1640: A bill for an act relating to health; modifying expenditure reporting requirements; establishing a separate reporting procedure for expenditures over \$5,000,000; restricting certain medical referrals; appropriating money; amending Minnesota Statutes 2004, section 62J.17, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 62J.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. **[62J.18] PROVIDER REPORTING IN EXCESS OF \$5,000,000.**

Subdivision 1. **Applicability; definitions.** (a) For purposes of this section, the terms used have the meanings given in section 62J.17, subdivision 2, except that "major spending commitment" means an expenditure in excess of \$5,000,000.

(b) This section applies to providers and to persons who would become providers after making the expenditures described in subdivision 2. This section does not apply to hospital construction projects subject to the hospital construction moratorium under section 144.551 or to the public interest review under section 144.552.

Subd. 2. **Reporting requirement.** (a) A provider that intends to make a major spending commitment in excess of \$5,000,000 for an acquisition, by purchase or lease, of a unit of medical equipment or in excess of \$5,000,000 for a single capital project for the purposes of providing health care services must file a report with the commissioner at least 60 days before committing to make the expenditure. The report must contain the information described in section 62J.17, subdivision 4a, paragraphs (b) and (c).

(b) The commissioner shall maintain a database to track expenditures reported under this subdivision.

(c) The commissioner shall maintain a list of all persons who have registered with the commissioner for the purpose of receiving notice by electronic mail of a report filed under this subdivision. The commissioner shall, within 15 days of receiving an expenditure report, provide notice of such report by electronic mail to all persons on its list, and by publication in the State Register. The notice must include either a copy of the report or an easily understandable description of the proposed expenditure in the report. The notice in the State Register must include a copy of the report, along with an easily understandable description of the proposed expenditure in the report. In addition, the commissioner shall make reasonable efforts to notify persons or classes of persons who may be significantly affected by the proposed expenditure in the report. The commissioner may recover the reasonable costs incurred in providing notice as required in this paragraph through costs paid by third parties involved in proceedings described in this section.

(d) No provider may commit to making the expenditure until the procedures described in this section are completed.

Subd. 3. **Exceptions.** (a) This section does not apply to an expenditure:

(1) to replace existing equipment with comparable equipment used for direct patient care. Upgrades of equipment beyond the current model or comparable model are subject to this section;

(2) made by a research and teaching institution for purposes of conducting medical education, medical research supported or sponsored by a medical school or by a federal or foundation grant, or clinical trials;

(3) to repair, remodel, or replace existing buildings or fixtures if, in the judgment of the commissioner, the project does not involve a substantial expansion of the service capacity or a substantial change in the nature of health care services provided;

(4) for building maintenance, including heating, water, electricity, and other maintenance-related

expenditures;

(5) for activities not directly related to the delivery of patient care services, including food service, laundry, housekeeping, and other service-related activities; or

(6) for computer equipment or data systems not directly related to the delivery of patient care services, including computer equipment or data systems related to medical record automation.

(b) In addition to the exceptions listed in paragraph (a), this section does not apply to mergers, acquisitions, and other changes in ownership or control that, in the judgment of the commissioner, do not involve a substantial expansion of service capacity or a substantial change in the nature of health care services provided.

Subd. 4. **Public meeting.** (a) Within 30 days from the date the notice requirements of subdivision 2, paragraph (c), are satisfied, a third party may request a public meeting on expenditures that exceed \$5,000,000. The public meeting shall serve as an informational forum for the provider to answer inquiries of interested third parties.

(b) The commissioner shall arrange for and coordinate the meeting on an expedited basis. The party requesting the meeting shall pay the commissioner for the commissioner's cost of the meeting, as determined by the commissioner. Money received by the commissioner for reimbursement under this section is appropriated to the commissioner for the purpose of administering this section.

Subd. 5. **Information required.** If a public meeting is requested, the provider shall provide the following information to be presented at the meeting:

(1) need and access, including, but not limited to:

(i) the need of the population served or to be served by the proposed health services for those services;

(ii) the project's contribution to meeting the needs of the medically underserved, including persons in rural areas, low-income persons, racial and ethnic minorities, persons with disabilities, and the elderly, as well as the extent to which medically underserved residents in the provider's service area are likely to have access to the proposed health service; and

(iii) the distance, convenience, cost of transportation, and accessibility to health services for those to be served by the proposed health services;

(2) quality of health care, including, but not limited to:

(i) the impact of the proposed service on the quality of health services available to those proposed to be served by the project; and

(ii) the impact of the proposed service on the quality of health services offered by other providers;

(3) cost of health care, including, but not limited to:

(i) the financial feasibility of the proposal;

(ii) probable impact of the proposal on the costs of and charges for providing health services by the person proposing the service;

(iii) probable impact of the proposal on the costs of and charges for health services provided by other providers;

(iv) probable impact of the proposal on reimbursement for the proposed services; and

(v) the relationship, including the organizational relationship, of the proposed health services to ancillary or support services;

(4) alternatives available to the provider, including, but not limited to:

(i) the availability of alternative, less costly, or more effective methods of providing the proposed health services;

(ii) the relationship of the proposed project to the long-range development plan, if any, of the person or entity providing or proposing the services; and

(iii) possible sharing or cooperative arrangements among existing facilities and providers; and

(5) other considerations requested by the commissioner, including, but not limited to:

(i) the best interests of the patients, including conflicts of interest that may be present in influencing the utilization of the services, facility, or equipment relating to the expenditures;

(ii) special needs and circumstances of those entities that provide a substantial portion of their services or resources, or both, to individuals not residing in the immediate geographic area in which the entities are located, which entities may include, but are not limited to, medical and other health professional schools, multidisciplinary clinics, and specialty centers;

(iii) the special needs and circumstances of biomedical and behavioral research projects designed to meet a national need and for which local conditions offer special advantages; and

(iv) the impact of the proposed project on fostering competition between providers.

Subd. 6. **Enforcement.** The commissioner may enforce this section by denying or refusing to reissue the permit, license, registration, or certificate of a provider that does not comply with this section, according to section 144.99, subdivision 8.

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

Sec. 2. Minnesota Statutes 2004, section 144.698, is amended by adding a subdivision to read:

Subd. 6. **Reporting on uncompensated care.** (a) A report on the services provided to benefit the community, as required under subdivision 1, clause (5), must report charity care in compliance with the following requirements:

(1) For a facility to report amounts as charity care adjustments, the facility must:

(i) generate and record a charge;

(ii) have a policy on the provision of charity care that contains specific eligibility criteria and is communicated or made available to patients;

(iii) have made a reasonable effort to identify a third-party payer, encourage the patient to enroll in public programs, and, to the extent possible, aid the patient in the enrollment process; and

(iv) ensure that the patient meets the charity care criteria of this subdivision.

(2) In determining whether to classify care as charity care, the facility must consider the following:

(i) charity care may include services that the provider is obligated to render independently of the ability to collect;

(ii) charity care may include care provided to patients who meet the facility's charity care guidelines and have partial coverage, but who are unable to pay the remainder of their medical bills, but this does not apply to that portion of the bill that has been determined to be the patient's responsibility after a partial charity care classification by the facility;

(iii) charity care may include care provided to low-income patients who may qualify for a public

health insurance program and meet the facility's eligibility criteria for charity care, but who do not complete the application process for public insurance despite the facility's reasonable efforts;

(iv) charity care may include care to individuals whose eligibility for charity care was determined through third-party services for information gathering purposes only;

(v) charity care does not include contractual allowances, which is the difference between gross charges and payments received under contractual arrangements with insurance companies and payers;

(vi) charity care does not include bad debt;

(vii) charity care does not include what may be perceived as underpayments for operating public programs;

(viii) charity care does not include unreimbursed costs of basic or clinical research or professional education and training;

(ix) charity care does not include professional courtesy discounts;

(x) charity care does not include community service or outreach activities; and

(xi) charity care does not include services for patients against whom collection actions were taken that resulted in a financial obligation documented on a patient's credit report with credit bureaus.

(3) When reporting charity care adjustments, the facility must report total dollar amounts and the number of contacts between a patient and a health care provider during which a service is provided for the following categories:

(i) care to patients with family incomes at or below 275 percent of the federal poverty guideline;

(ii) care to patients with family incomes above 275 percent of the federal poverty guideline; and

(iii) care to patients when the facility, with reasonable effort, is unable to determine family incomes.

(b) For the report required under subdivision 1, clause (5), the facility must, in determining whether to classify care as a bad debt expense:

(1) presume that a patient is able and willing to pay until and unless the facility has reason to consider the care as a charity care case under its charity care policy and the facility classifies the care as a charity care case; and

(2) include as a bad debt expense any unpaid deductibles, coinsurance, co-payments, noncovered services, and other unpaid patient responsibilities.

EFFECTIVE DATE. This section is effective for facility fiscal years ending on or after December 31, 2006.

Sec. 3. Minnesota Statutes 2004, section 144.99, subdivision 1, is amended to read:

Subdivision 1. **Remedies available.** The provisions of chapters 103I and 157 and sections 62J.18; 115.71 to 115.77; 144.12, subdivision 1, paragraphs (1), (2), (5), (6), (10), (12), (13), (14), and (15); 144.1201 to 144.1204; 144.121; 144.1222; 144.35; 144.381 to 144.385; 144.411 to 144.417; 144.495; 144.71 to 144.74; 144.9501 to 144.9509; 144.992; 326.37 to 326.45; 326.57 to 326.785; 327.10 to 327.131; and 327.14 to 327.28 and all rules, orders, stipulation agreements, settlements, compliance agreements, licenses, registrations, certificates, and permits adopted or issued by the department or under any other law now in force or later enacted for the preservation of public health may, in addition to provisions in other statutes, be enforced under this section.

Sec. 4. Minnesota Statutes 2005 Supplement, section 214.071, is amended to read:

214.071 HEALTH BOARDS; DIRECTORY OF LICENSEES.

Each ~~health~~ health-related licensing board under chapters 147, 148, 148B, and 150A, as defined in section 214.01, subdivision 2, shall establish a directory of licensees that includes biographical data for each licensee.

Sec. 5. **214.121 PRICE DISCLOSURE REMINDER.**

Each health-related licensing board shall at least annually inform and remind its licensees of the price disclosure requirements of section 62J.052 or 151.214, as applicable, through the board's regular means of communicating with its licensees."

Amend the title accordingly

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Lourey from the Committee on Health and Family Security, to which was referred

S.F. No. 3173: A bill for an act relating to health; modifying provisions for health occupations and professionals; clarifying a definition for hearing instrument dispensing; granting the commissioner authority to contract with the health professionals services program to access diversion and monitoring services; amending Minnesota Statutes 2004, sections 148.515, subdivision 2; 148.5175; 148.518; 148.5193, subdivision 1; 148.5195, by adding a subdivision; 148.6440, subdivision 7; 148.6443, subdivisions 2, 3, 4; 148.6448, by adding a subdivision; 153A.13, subdivision 4; 153A.15, by adding a subdivision; Minnesota Statutes 2005 Supplement, section 148.515, subdivision 6.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2004, section 147.02, subdivision 1, is amended to read:

Subdivision 1. **United States or Canadian medical school graduates.** The board shall issue a license to practice medicine to a person who meets the requirements in paragraphs (a) to (h).

(a) An applicant for a license shall file a written application on forms provided by the board, showing to the board's satisfaction that the applicant is of good moral character and satisfies the requirements of this section.

(b) The applicant shall present evidence satisfactory to the board of being a graduate of a medical or osteopathic school located in the United States, its territories or Canada, and approved by the board based upon its faculty, curriculum, facilities, accreditation by a recognized national accrediting organization approved by the board, and other relevant data, or is currently enrolled in the final year of study at the school.

(c) The applicant must have passed an examination as described in clause (1) or (2).

(1) The applicant must have passed a comprehensive examination for initial licensure prepared and graded by the National Board of Medical Examiners or the Federation of State Medical Boards. The board shall by rule determine what constitutes a passing score in the examination.

(2) The applicant taking the United States Medical Licensing Examination (USMLE) must have passed steps one, two, and three ~~within a seven-year period. This seven-year period begins when the applicant first passes either step one or two, as applicable. Applicants actively enrolled in or graduated from accredited MD/PhD, MD/JD, MD/MBA, or MD/MPH dual degree programs~~

~~or osteopathic equivalents must have passed each of steps one, two, and three within three attempts in seven years plus the time taken to obtain the non-MD degree or ten years, whichever occurs first. Step three must be passed within five years of passing step two, or before the end of residency training.~~ The applicant must pass each of steps one, two, and three with passing scores as recommended by the USMLE program within three attempts. The applicant taking combinations of Federation of State Medical Boards, National Board of Medical Examiners, and USMLE may be accepted only if the combination is approved by the board as comparable to existing comparable examination sequences and all examinations are completed prior to the year 2000.

(d) The applicant shall present evidence satisfactory to the board of the completion of one year of graduate, clinical medical training in a program accredited by a national accrediting organization approved by the board or other graduate training approved in advance by the board as meeting standards similar to those of a national accrediting organization.

(e) The applicant shall make arrangements with the executive director to appear in person before the board or its designated representative to show that the applicant satisfies the requirements of this section. The board may establish as internal operating procedures the procedures or requirements for the applicant's personal presentation.

(f) The applicant shall pay a fee established by the board by rule. The fee may not be refunded. Upon application or notice of license renewal, the board must provide notice to the applicant and to the person whose license is scheduled to be issued or renewed of any additional fees, surcharges, or other costs which the person is obligated to pay as a condition of licensure. The notice must:

- (1) state the dollar amount of the additional costs; and
- (2) clearly identify to the applicant the payment schedule of additional costs.

(g) The applicant must not be under license suspension or revocation by the licensing board of the state or jurisdiction in which the conduct that caused the suspension or revocation occurred.

(h) The applicant must not have engaged in conduct warranting disciplinary action against a licensee, or have been subject to disciplinary action other than as specified in paragraph (g). If the applicant does not satisfy the requirements stated in this paragraph, the board may issue a license only on the applicant's showing that the public will be protected through issuance of a license with conditions and limitations the board considers appropriate.

Sec. 2. Minnesota Statutes 2004, section 147.037, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** The board shall issue a license to practice medicine to any person who satisfies the requirements in paragraphs (a) to (g).

(a) The applicant shall satisfy all the requirements established in section 147.02, subdivision 1, paragraphs (a), (e), (f), (g), and (h).

(b) The applicant shall present evidence satisfactory to the board that the applicant is a graduate of a medical or osteopathic school approved by the board as equivalent to accredited United States or Canadian schools based upon its faculty, curriculum, facilities, accreditation, or other relevant data. If the applicant is a graduate of a medical or osteopathic program that is not accredited by the Liaison Committee for Medical Education or the American Osteopathic Association, the applicant ~~must~~ may use the Federation of State Medical Boards' Federation Credentials Verification Service (FCVS) or its successor. If the applicant uses this service as ~~required~~ allowed under this paragraph, the physician application fee may be less than \$200 but must not exceed the cost of administering this paragraph.

(c) The applicant shall present evidence satisfactory to the board that the applicant has been awarded a certificate by the Educational Council for Foreign Medical Graduates, and the applicant has a working ability in the English language sufficient to communicate with patients and physicians and to engage in the practice of medicine.

(d) The applicant shall present evidence satisfactory to the board of the completion of two years of graduate, clinical medical training in a program located in the United States, its territories, or Canada and accredited by a national accrediting organization approved by the board. This requirement does not apply:

(1) to an applicant who is admitted as a permanent immigrant to the United States on or before October 1, 1991, as a person of exceptional ability in the sciences according to Code of Federal Regulations, title 20, section 656.22(d);

(2) to an applicant holding a valid license to practice medicine in another country and issued a permanent immigrant visa after October 1, 1991, as a person of extraordinary ability in the field of science or as an outstanding professor or researcher according to Code of Federal Regulations, title 8, section 204.5(h) and (i), or a temporary nonimmigrant visa as a person of extraordinary ability in the field of science according to Code of Federal Regulations, title 8, section 214.2(o),

provided that a person under clause (1) or (2) is admitted pursuant to rules of the United States Department of Labor; or

(3) to an applicant who is licensed in another state, has practiced five years without disciplinary action in the United States, its territories, or Canada, has completed one year of the graduate, clinical medical training required by this paragraph, and has passed the Special Purpose Examination of the Federation of State Medical Boards within three attempts in the 24 months before licensing.

(e) The applicant must:

(1) have passed an examination prepared and graded by the Federation of State Medical Boards, the United States Medical Licensing Examination program in accordance with section 147.02, subdivision 1, paragraph (c), clause (2), or the Medical Council of Canada; and

(2) have a current license from the equivalent licensing agency in another state or country and, if the examination in clause (1) was passed more than ten years ago, either:

(i) pass the Special Purpose Examination of the Federation of State Medical Boards with a score of 75 or better within three attempts; or

(ii) have a current certification by a specialty board of the American Board of Medical Specialties, of the American Osteopathic Association Bureau of Professional Education, of the Royal College of Physicians and Surgeons of Canada, or of the College of Family Physicians of Canada.

(f) The applicant must not be under license suspension or revocation by the licensing board of the state or jurisdiction in which the conduct that caused the suspension or revocation occurred.

(g) The applicant must not have engaged in conduct warranting disciplinary action against a licensee, or have been subject to disciplinary action other than as specified in paragraph (f). If an applicant does not satisfy the requirements stated in this paragraph, the board may issue a license only on the applicant's showing that the public will be protected through issuance of a license with conditions or limitations the board considers appropriate.

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

Sec. 3. Minnesota Statutes 2004, section 148.284, is amended to read:

148.284 CERTIFICATION OF ADVANCED PRACTICE REGISTERED NURSES.

(a) No person shall practice advanced practice registered nursing or use any title, abbreviation, or other designation tending to imply that the person is an advanced practice registered nurse, clinical nurse specialist, nurse anesthetist, nurse-midwife, or nurse practitioner unless the person is certified for such advanced practice registered nursing by a national nurse certification organization.

(b) Paragraphs (a) and (e) do not apply to an advanced practice registered nurse who is within six months after completion of an advanced practice registered nurse course of study and is awaiting certification, provided that the person has not previously failed the certification examination.

(c) An advanced practice registered nurse who has completed a formal course of study as an advanced practice registered nurse and has been certified by a national nurse certification organization prior to January 1, 1999, may continue to practice in the field of nursing in which the advanced practice registered nurse is practicing as of July 1, 1999, regardless of the type of certification held if the advanced practice registered nurse is not eligible for the proper certification.

(d) Prior to July 1, 2007, a clinical nurse specialist may petition the board for waiver from the certification requirement in paragraph (a) if the clinical nurse specialist is academically prepared as a clinical nurse specialist in a specialty area for which there is no certification within the clinical nurse specialist role and specialty or a related specialty. The board may determine that an available certification as a clinical nurse specialist in a related specialty must be obtained in lieu of the specific specialty or subspecialty. The petitioner must be academically prepared as a clinical nurse specialist in a specific field of clinical nurse specialist practice with a master's degree in nursing that included clinical experience in the clinical specialty and must have 1,000 hours of supervised clinical experience in the clinical specialty for which the individual was academically prepared with a minimum of 500 hours of supervised clinical practice after graduation. The board may grant a nonrenewable permit for no longer than 12 months for the supervised postgraduate clinical experience. The board may renew the waiver for three-year periods provided the clinical nurse specialist continues to be ineligible for certification as a clinical nurse specialist by an organization acceptable to the board.

(e)(1) ~~An advanced practice registered nurse who practices advanced practice registered nursing without current certification or current waiver of certification as a clinical nurse specialist, nurse midwife, nurse practitioner, or registered nurse anesthetist, or practices with current certification but fails to notify the board of current certification,~~ shall pay a penalty fee of \$200 for the first month or part of a month and an additional \$100 for each subsequent month or parts of months of practice.

(2) An advanced practice registered nurse who practices advanced practice registered nursing with current certification but fails to notify the board of current certification shall pay a penalty fee imposed by the board in an amount described in clause (1) up to a maximum amount of \$1,000.

(3) The amount of the penalty fee shall be calculated from the first day the advanced practice registered nurse practiced without current advanced practice registered nurse certification or current waiver of certification to the date of last practice or from the first day the advanced practice registered nurse practiced without the current status on file with the board until the day the current certification is filed with the board.

Sec. 4. Minnesota Statutes 2004, section 148.515, subdivision 2, is amended to read:

Subd. 2. **Master's or doctoral degree required.** (a) An applicant must possess a master's or doctoral degree that meets the requirements of paragraph (b). If completing a doctoral program in which a master's degree has not been conferred, an applicant must submit a transcript showing completion of course work equivalent to, or exceeding, a master's degree that meets the requirement of paragraph (b).

(b) All of the applicant's graduate coursework and clinical practicum required in the professional area for which licensure is sought must have been initiated and completed at an institution whose program meets the current requirements and was accredited by the Educational Standards Board of the Council on Academic Accreditation in Audiology and Speech-Language Pathology, a body recognized by the United States Department of Education, or an equivalent as determined by the commissioner, in the area for which licensure is sought.

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

Sec. 5. Minnesota Statutes 2005 Supplement, section 148.515, subdivision 6, is amended to read:

Subd. 6. **Dispensing audiologist examination requirements.** (a) Audiologists are exempt from the written examination requirement in section 153A.14, subdivision 2h, paragraph (a), clause (1).

(b) After July 31, 2005, all applicants for audiologist licensure under sections 148.512 to 148.5198 must achieve a passing score on the practical tests of proficiency described in section 153A.14, subdivision 2h, paragraph (a), clause (2), within the time period described in section 153A.14, subdivision 2h, paragraph (c).

(c) In order to dispense hearing aids as a sole proprietor, member of a partnership, or for a limited liability company, corporation, or any other entity organized for profit, a licensee who obtained audiologist licensure under sections 148.512 to 148.5198, before August 1, 2005, and who is not certified to dispense hearing aids under chapter 153A, must achieve a passing score on the practical tests of proficiency described in section 153A.14, subdivision 2h, paragraph (a), clause (2), within the time period described in section 153A.14, subdivision 2h, paragraph (c). All other audiologist licensees who obtained licensure before August 1, 2005, are exempt from the practical tests.

(d) An applicant for an audiology license who obtains a temporary license under section 148.5175 may dispense hearing aids only under supervision of a licensed audiologist who dispenses hearing aids.

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

Sec. 6. Minnesota Statutes 2004, section 148.5175, is amended to read:

148.5175 TEMPORARY LICENSURE.

(a) The commissioner shall issue temporary licensure as a speech-language pathologist, an audiologist, or both, to an applicant ~~who has applied for licensure under section 148.515, 148.516, 148.517, or 148.518 and who:~~

(1) submits a signed and dated affidavit stating that the applicant is not the subject of a disciplinary action or past disciplinary action in this or another jurisdiction and is not disqualified on the basis of section 148.5195, subdivision 3; and

(2) either:

(i) provides a copy of a current credential as a speech-language pathologist, an audiologist, or both, held in the District of Columbia or a state or territory of the United States; or

(ii) provides a copy of a current certificate of clinical competence issued by the American Speech-Language-Hearing Association or board certification in audiology by the American Board of Audiology.

(b) A temporary license issued to a person under this subdivision expires 90 days after it is issued or on the date the commissioner grants or denies licensure, whichever occurs first.

(c) Upon application, a temporary license shall be renewed once to a person who is able to demonstrate good cause for failure to meet the requirements for licensure within the initial temporary licensure period and who is not the subject of a disciplinary action or disqualified on the basis of section 148.5195, subdivision 3.

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

Sec. 7. Minnesota Statutes 2004, section 148.518, is amended to read:

148.518 LICENSURE FOLLOWING LAPSE OF LICENSURE STATUS.

For an applicant whose licensure status has lapsed, the applicant must:

(1) apply for licensure renewal according to section 148.5191 and document compliance with the continuing education requirements of section 148.5193 since the applicant's license lapsed;

(2) fulfill the requirements of section 148.517;

(3) apply for renewal according to section 148.5191, provide evidence to the commissioner that the applicant holds a current and unrestricted credential for the practice of speech-language pathology from the Minnesota Board of Teaching or for the practice of speech-language pathology or audiology in another jurisdiction that has requirements equivalent to or higher than those in effect for Minnesota, and provide evidence of compliance with Minnesota Board of Teaching or that jurisdiction's continuing education requirements; or

(4) apply for renewal according to section 148.5191 and submit verified documentation of successful completion of 160 hours of supervised practice approved by the commissioner. To participate in a supervised practice, the applicant shall first apply and obtain temporary licensing according to section 148.5161; or

(5) apply for renewal according to section 148.5191 and provide documentation of obtaining a qualifying score on the examination described in section 148.515, subdivision 4, within one year of the application date for license renewal.

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

Sec. 8. Minnesota Statutes 2004, section 148.5193, subdivision 1, is amended to read:

Subdivision 1. **Number of contact hours required.** (a) An applicant for licensure renewal must meet the requirements for continuing education stipulated by the American Speech-Language-Hearing Association or the American Board of Audiology, or satisfy the requirements described in paragraphs (b) to (e).

(b) Within one month following expiration of a license, an applicant for licensure renewal as either a speech-language pathologist or an audiologist must provide evidence to the commissioner of a minimum of 30 contact hours of continuing education obtained within the two years immediately preceding licensure expiration. A minimum of 20 contact hours of continuing education must be directly related to the licensee's area of licensure. Ten contact hours of continuing education may be in areas generally related to the licensee's area of licensure. Licensees who are issued licenses for a period of less than two years shall prorate the number of contact hours required for licensure renewal based on the number of months licensed during the biennial licensure period. Licensees shall receive contact hours for continuing education activities only for the biennial licensure period in which the continuing education activity was performed.

(c) An applicant for licensure renewal as both a speech-language pathologist and an audiologist must attest to and document completion of a minimum of 36 contact hours of continuing education offered by a continuing education sponsor within the two years immediately preceding licensure renewal. A minimum of 15 contact hours must be received in the area of speech-language pathology and a minimum of 15 contact hours must be received in the area of audiology. Six contact hours of continuing education may be in areas generally related to the licensee's areas of licensure. Licensees who are issued licenses for a period of less than two years shall prorate the number of contact hours required for licensure renewal based on the number of months licensed during the biennial licensure period. Licensees shall receive contact hours for continuing education activities only for the biennial licensure period in which the continuing education activity was performed.

(d) If the licensee is licensed by the Board of Teaching:

(1) activities that are approved in the categories of Minnesota Rules, part ~~8700.1000~~ 8710.7200, subpart 3, items A and B, and that relate to speech-language pathology, shall be considered:

(i) offered by a sponsor of continuing education; and

- (ii) directly related to speech-language pathology;
- (2) activities that are approved in the categories of Minnesota Rules, part ~~8700.1000~~ 8710.7200, subpart 3, shall be considered:
 - (i) offered by a sponsor of continuing education; and
 - (ii) generally related to speech-language pathology; and
- (3) one clock hour as defined in Minnesota Rules, part ~~8700.1000~~ 8710.7200, subpart 1, is equivalent to 1.0 contact hours of continuing education.
- (e) Contact hours may not be accumulated in advance and transferred to a future continuing education period.

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

Sec. 9. Minnesota Statutes 2004, section 148.5195, is amended by adding a subdivision to read:

Subd. 7. Authority to contract. The commissioner shall contract with the health professionals services program as authorized by sections 214.31 to 214.37 to provide these services to practitioners under this chapter. The health professionals services program does not affect the commissioner's authority to discipline violations of sections 148.511 to 148.5198.

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

Sec. 10. Minnesota Statutes 2004, section 148.6440, subdivision 7, is amended to read:

Subd. 7. Approval. (a) The advisory council shall appoint a committee to review documentation under subdivisions 2 to 6 to determine if established educational and clinical requirements are met. If, after review of course documentation, the committee verifies that a specific course meets the theoretical and clinical requirements in subdivisions 2 to 6, the commissioner may approve practitioner applications that include the required course documentation evidencing completion of the same course.

(b) Occupational therapists shall be advised of the status of their request for approval within 30 days. Occupational therapists must provide any additional information requested by the committee that is necessary to make a determination regarding approval or denial.

(c) A determination regarding a request for approval of training under this subdivision shall be made in writing to the occupational therapist. If denied, the reason for denial shall be provided.

(d) A licensee who was approved by the commissioner as a level two provider prior to July 1, 1999, shall remain on the roster maintained by the commissioner in accordance with subdivision 1, paragraph (c).

(e) To remain on the roster maintained by the commissioner, a licensee who was approved by the commissioner as a level one provider prior to July 1, 1999, must submit to the commissioner documentation of training and experience gained using physical agent modalities since the licensee's approval as a level one provider. The committee appointed under paragraph (a) shall review the documentation and make a recommendation to the commissioner regarding approval.

(f) An occupational therapist who received training in the use of physical agent modalities prior to July 1, 1999, but who has not been placed on the roster of approved providers may submit to the commissioner documentation of training and experience gained using physical agent modalities. The committee appointed under paragraph (a) shall review documentation and make a recommendation to the commissioner regarding approval.

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

Sec. 11. Minnesota Statutes 2004, section 148.6443, subdivision 2, is amended to read:

Subd. 2. **Standards for determining qualified continuing education activities.** Except as provided in subdivision 3, paragraph (f), in order to qualify as a continuing education activity, the activity must:

- (1) constitute an organized program of learning;
- (2) reasonably be expected to advance the knowledge and skills of the occupational therapy practitioner;
- (3) pertain to subjects that directly relate to the practice of occupational therapy;
- (4) be conducted by a sponsor approved by the American Occupational Therapy Association or by individuals who have education, training, and experience by reason of which the individuals should be considered experts on the subject matter of the activity; and
- (5) be presented by a sponsor who has a mechanism to verify participation and maintains attendance records for three years.

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

Sec. 12. Minnesota Statutes 2004, section 148.6443, subdivision 3, is amended to read:

Subd. 3. **Activities qualifying for continuing education contact hours.** (a) The activities in this subdivision qualify for continuing education contact hours if they meet all other requirements of this section.

(b) A minimum of one-half of the required contact hours must be directly related to the occupational therapy practice. The remaining contact hours may be related to occupational therapy practice, the delivery of occupational therapy services, or to the practitioner's current professional role.

(c) A licensee may obtain an unlimited number of contact hours in any two-year continuing education period through participation in the following:

- (1) attendance at educational programs of annual conferences, lectures, panel discussions, workshops, in-service training, seminars, and symposiums;
- (2) successful completion of college or university courses. The licensee must obtain a grade of at least a "C" or a pass in a pass or fail course in order to receive the following continuing education credits:
 - (i) one semester credit equals 14 contact hours;
 - (ii) one trimester credit equals 12 contact hours; and
 - (iii) one quarter credit equals ten contact hours; and
- (3) successful completion of home study courses that require the participant to demonstrate the participant's knowledge following completion of the course.

~~(e)~~ (d) A licensee may obtain a maximum of six contact hours in any two-year continuing education period for:

(1) teaching continuing education courses that meet the requirements of this section. A licensee is entitled to earn a maximum of two contact hours as preparation time for each contact hour of presentation time. Contact hours may be claimed only once for teaching the same course in any two-year continuing education period. A course schedule or brochure must be maintained for audit;

(2) supervising occupational therapist or occupational therapy assistant students. A licensee

may earn one contact hour for every eight hours of student supervision. Licensees must maintain a log indicating the name of each student supervised and the hours each student was supervised. Contact hours obtained by student supervision must be obtained by supervising students from an occupational therapy education program accredited by the Accreditation Council for Occupational Therapy Education;

(3) teaching or participating in courses related to leisure activities, recreational activities, or hobbies if the practitioner uses these interventions within the practitioner's current practice or employment; and

(4) engaging in research activities or outcome studies that are associated with grants, postgraduate studies, or publications in professional journals or books.

~~(d)~~ (e) A licensee may obtain a maximum of two contact hours in any two-year continuing education period for continuing education activities in the following areas:

(1) business-related topics: marketing, time management, administration, risk management, government regulations, techniques for training professionals, computer skills, payment systems, including covered services, coding, documentation, billing, and similar topics;

(2) personal skill topics: career burnout, communication skills, human relations, and similar topics; and

(3) training that is obtained in conjunction with a licensee's employment, occurs during a licensee's normal workday, and does not include subject matter specific to the fundamentals of occupational therapy.

~~(e) An occupational therapy practitioner that utilizes leisure activities, recreational activities, or hobbies as part of occupational therapy services in the practitioner's current work setting may obtain a maximum of six contact hours in any two-year continuing education period for participation in courses teaching these activities.~~

~~(f) A licensee may obtain a maximum of six contact hours in any two-year continuing education period for supervision of occupational therapist or occupational therapy assistant students. A licensee may earn one contact hour for every eight hours of student supervision. Licensees must maintain a log indicating the name of each student supervised and the hours each student was supervised. Contact hours obtained by student supervision must be obtained by supervising students from an occupational therapy education program accredited by the Accreditation Council for Occupational Therapy Education.~~

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

Sec. 13. Minnesota Statutes 2004, section 148.6443, subdivision 4, is amended to read:

Subd. 4. **Activities not qualifying for continuing education contact hours.** No credit shall be granted for the following activities: hospital rounds, entertainment or recreational activities, employment orientation sessions, holding an office or serving as an organizational delegate, meetings for the purpose of making policy, and noneducational association meetings, training related to payment systems, including covered services, coding, and billing.

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

Sec. 14. Minnesota Statutes 2004, section 148.6448, is amended by adding a subdivision to read:

Subd. 6. **Authority to contract.** The commissioner shall contract with the health professionals services program as authorized by sections 214.31 to 214.37 to provide these services to practitioners under this chapter. The health professionals services program does not affect the commissioner's authority to discipline violations of sections 148.6401 to 148.6450.

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

Sec. 15. Minnesota Statutes 2004, section 150A.06, subdivision 2d, is amended to read:

Subd. 2d. **Volunteer and retired dentists, dental hygienists, and registered dental assistants continuing education and professional development waiver.** (a) ~~The board shall grant a waiver to the continuing education requirements under this chapter for a licensed dentist, licensed dental hygienist, or registered dental assistant who documents to the satisfaction of the board that the dentist, dental hygienist, or registered dental assistant has retired from active practice in the state and limits the provision of dental care services to those offered without compensation in a public health, community, or tribal clinic or a nonprofit organization that provides services to the indigent or to recipients of medical assistance, general assistance medical care, or MinnesotaCare programs. The board shall grant a limited part-time practice authorization to a retired dentist, dental hygienist, or registered dental assistant who documents to the satisfaction of the board that the dentist, dental hygienist, or registered dental assistant has retired in good standing from active practice in the state and limits the provision of dental care services to those offered without compensation in a public health, community, or tribal clinic or a nonprofit organization that provides services to the indigent or to recipients of medical assistance, general assistance medical care, or MinnesotaCare programs.~~

(b) The board may require written documentation from the volunteer and retired dentist, dental hygienist, or registered dental assistant prior to granting this ~~waiver~~ authorization.

(c) The board shall require the volunteer and retired dentist, dental hygienist, or registered dental assistant to meet the following requirements:

(1) a licensee or registrant seeking ~~a waiver~~ an authorization under this subdivision must complete and document at least five hours of approved courses in infection control, medical emergencies, and medical management for the continuing education cycle; ~~and~~

(2) provide documentation of certification in advanced or basic cardiac life support recognized by the American Heart Association, the American Red Cross, or an equivalent entity;

(3) must work under the indirect supervision of a licensed dentist; and

(4) meet the requirements of this chapter that pertain to the dentistry performed with the exception of the licensing and continuing education requirements.

Sec. 16. Minnesota Statutes 2004, section 153A.13, subdivision 4, is amended to read:

Subd. 4. **Hearing instrument dispensing.** "Hearing instrument dispensing" means making ear mold impressions, prescribing, or recommending a hearing instrument, assisting the consumer in instrument selection, selling hearing instruments at retail, or testing human hearing in connection with these activities ~~when~~ regardless of whether the person conducting these activities has a monetary interest in the sale of hearing instruments to the consumer.

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

Sec. 17. Minnesota Statutes 2005 Supplement, section 153A.14, subdivision 4c, is amended to read:

Subd. 4c. **Reciprocity.** (a) ~~A person applying for certification as a hearing instrument dispenser under subdivision 4~~ who has dispensed hearing instruments in another jurisdiction may dispense hearing instruments as a trainee under indirect supervision if the person:

(1) satisfies the provisions of subdivision 4a, paragraph (a);

(2) submits a signed and dated affidavit stating that the applicant is not the subject of a disciplinary action or past disciplinary action in this or another jurisdiction and is not disqualified on the basis of section 153A.15, subdivision 1; and

(3) provides a copy of a current credential as a hearing instrument dispenser held in the District of Columbia or a state or territory of the United States.

(b) A person becoming a trainee under this subdivision who fails to take and pass the practical examination described in subdivision 2h, paragraph (a), clause (2), when next offered must cease dispensing hearing instruments unless under direct supervision.

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

Sec. 18. Minnesota Statutes 2004, section 153A.15, is amended by adding a subdivision to read:

Subd. 5. Authority to contract. The commissioner shall contract with the health professionals services program as authorized by sections 214.31 to 214.37 to provide these services to practitioners under this chapter. The health professionals services program does not affect the commissioner's authority to discipline violations of chapter 153A.

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

Sec. 19. **EXCEPTION TO SOCIAL WORK LICENSURE REQUIREMENTS.**

Notwithstanding the requirements of Minnesota Statutes, sections 148D.001 to 148D.290, the Board of Social Work shall issue a license to practice as a licensed social worker under Minnesota Statutes, chapter 148D, to an applicant who:

(1) meets the requirements described in Minnesota Statutes, section 148D.055, subdivision 2, paragraph (a), clauses (1), (3), (4), (5), and (6);

(2) is currently licensed as a school social worker by the Board of Teaching under Minnesota Statutes, chapter 122A; and

(3) has been engaged in the practice of social work in an elementary, middle, or secondary school, for the preceding 15 years.

The board must accept applications under this section until August 1, 2006.

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

Amend the title accordingly

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Lourey from the Committee on Health and Family Security, to which was referred

S.F. No. 3221: A bill for an act relating to health; providing for transfer of authority for the lead abatement program; amending Minnesota Statutes 2004, section 144.9501, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 2004, section 119A.46, subdivisions 4, 5, 6, 7, 9, 10; Minnesota Statutes 2005 Supplement, section 119A.46, subdivisions 1, 2, 3, 8.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2004, section 144.9501, subdivision 1, is amended to read:

Subdivision 1. **Citation.** Sections 144.9501 to 144.9509 144.9513 may be cited as the "Lead Poisoning Prevention Act."

Sec. 2. Minnesota Statutes 2004, section 144.9501, subdivision 2, is amended to read:

Subd. 2. **Applicability.** The definitions in this section apply to sections 144.9501 to 144.9509 144.9513.

Sec. 3. Minnesota Statutes 2004, section 144.9501, is amended by adding a subdivision to read:

Subd. 9a. Eligible organization. "Eligible organization" means a city, board of health, community health department, community action agency, nonprofit organization, or community development corporation.

Sec. 4. Minnesota Statutes 2004, section 144.9502, subdivision 1, is amended to read:

Subdivision 1. **Surveillance.** The commissioner of health shall establish a statewide lead surveillance system. The purpose of this system is to:

(a) monitor blood lead levels in children and adults to identify trends and populations at high risk for elevated blood lead levels;

(b) ensure that children are screened as required under section 144.9513;

~~(b)~~(c) ensure that screening services are provided to populations at high risk for elevated blood lead levels;

~~(c)~~(d) ensure that medical and environmental follow-up services for children with elevated blood lead levels are provided; and

~~(d)~~(e) provide accurate and complete data for planning and implementing primary prevention programs that focus on the populations at high risk for elevated blood lead levels.

Sec. 5. Minnesota Statutes 2004, section 144.9503, subdivision 3, is amended to read:

Subd. 3. **Primary prevention lead education strategy.** The commissioner of health shall develop and maintain a primary prevention lead education strategy to prevent lead exposure. The strategy includes:

(1) lead education materials that describe the health effects of lead exposure, safety measures, and methods to be used in the lead hazard reduction process;

(2) providing lead education materials to the general public including, but not limited to, information on the dangers and hazards of jewelry containing lead;

(3) providing lead education materials to property owners, landlords, and tenants by swab team workers and public health professionals, such as nurses, sanitarians, health educators, nonprofit organizations working on lead issues, and other public health professionals in areas at high risk for toxic lead exposure; and

(4) promoting awareness of community, legal, and housing resources.

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

Sec. 6. **[144.9512] LEAD ABATEMENT PROGRAM.**

Subdivision 1. Grants; administration. Within the limits of the available appropriation, the commissioner may make grants to eligible organizations to train workers to provide swab team services for residential property. Grants may be awarded to eligible organizations to provide technical assistance and training to ensure quality and consistency within the statewide program.

Subd. 2. Applicants. (a) Interested eligible organizations may apply to the commissioner for grants under this section. Two or more eligible organizations may jointly apply for a grant. Priority shall be given to community action agencies in greater Minnesota and to either community action agencies or neighborhood based nonprofit organizations in cities of the first class. Of the total annual appropriation, 12.5 percent may be used for administrative purposes. The commissioner may deviate from this percentage if a grantee can justify the need for a larger administrative allowance. Of this amount, up to five percent may be used by the commissioner for state administrative purposes. Applications must provide information requested by the commissioner, including at least the information required to assess the factors listed in paragraph (d).

(b) The commissioner must consult with boards of health to provide swab team services for purposes of secondary prevention. The priority for swab teams created by grants to eligible organizations under this section must be work assigned by the commissioner, or by a board of health if so designated by the commissioner, to provide secondary prevention swab team services to fulfill the requirements of section 144.9504, subdivision 6, in response to a lead order. Swab teams assigned work under this section by the commissioner, that are not engaged daily in fulfilling the requirements of section 144.9504, subdivision 6, must deliver swab team services in response to elevated blood lead levels as defined in section 144.9501, subdivision 9, where lead orders were not issued, and for purposes of primary prevention in census tracts known to be in areas at high risk for toxic lead exposure as described in section 144.9503, subdivision 2.

(c) Any additional money must be used for grants to establish swab teams for primary prevention under section 144.9503, in census tracts in areas at high risk for toxic lead exposure as determined under section 144.9503, subdivision 2.

(d) In evaluating grant applications, the commissioner must consider the following criteria:

(1) plans for the provision of swab team services for primary and secondary prevention;

(2) plans for resident and property owner education on lead safety;

(3) measures of program effectiveness;

(4) coordination of program activities with other federal, state, and local public health and housing renovation programs; and

(5) prior experience in providing swab team services.

Subd. 3. **Eligible grant activities.** An eligible organization receiving a grant under this section must ensure that all participating lead supervisors or certified firms are licensed and that all swab team workers are certified by the Department of Health under section 144.9505. Eligible organizations may participate in the program by:

(1) providing on-the-job training for swab team workers;

(2) providing swab team services to meet the requirements of sections 144.9503, subdivision 4, and 144.9504, subdivision 6;

(3) providing lead hazard reduction to meet the requirements of section 144.9501, subdivision 17;

(4) providing lead dust clean-up equipment and materials, as described in section 144.9503, subdivision 1, to residents; or

(5) having a swab team worker instruct residents and property owners on appropriate lead control techniques, including the lead-safe directives developed by the commissioner.

Subd. 4. **Swab team workers.** Each worker engaged in swab team services established under this section must have blood lead concentrations below 15 micrograms of lead per deciliter of whole blood as determined by a baseline blood lead screening. Any organization receiving a grant under this section is responsible for lead screening and must assure that all swab team workers meet the standards established in this subdivision. Grantees must use appropriate workplace procedures including following the lead-safe directives developed by the commissioner to reduce risk of elevated blood lead levels. Grantees and participating contractors must report all employee blood lead levels that exceed 15 micrograms of lead per deciliter of whole blood to the commissioner.

Subd. 5. **Program benefits.** As a condition of providing swab team services under this section, an organization may require a property owner to not increase rents on a property solely as a result of a substantial improvement made with public funds under the programs in this section.

Subd. 6. Requirements of organizations receiving grants. An eligible organization that is awarded a grant under this section must prepare and submit a quarterly progress report to the commissioner beginning three months after receipt of the grant.

Sec. 7. [144.9513] REQUIRED LEAD SCREENING OF CHILDREN.

A health care provider providing primary health care services to children shall screen, or refer for screening, all children at age 12 months and 24 months for elevated blood lead levels. If a child who is screened under this section has a blood lead level of at least ten micrograms per deciliter of whole blood, the health care provider shall follow the follow-up care guidelines for children with elevated blood lead levels established by the Centers for Disease Control and Prevention.

Sec. 8. Minnesota Statutes 2004, section 256B.0625, subdivision 14, is amended to read:

Subd. 14. Diagnostic, screening, and preventive services. (a) Medical assistance covers diagnostic, screening, and preventive services.

(b) "Preventive services" include services related to pregnancy, including:

(1) services for those conditions which may complicate a pregnancy and which may be available to a pregnant woman determined to be at risk of poor pregnancy outcome;

(2) prenatal HIV risk assessment, education, counseling, and testing; and

(3) alcohol abuse assessment, education, and counseling on the effects of alcohol usage while pregnant. Preventive services available to a woman at risk of poor pregnancy outcome may differ in an amount, duration, or scope from those available to other individuals eligible for medical assistance.

(c) "Screening services" include, but are not limited to, blood lead tests. Screening services also include, for children with blood lead levels equal to or greater than ten micrograms of lead per deciliter of whole blood, environmental investigations to determine the source of lead exposure. Reimbursement is limited to a health professional's time and activities during an on-site investigation of a child's home or primary residence.

Sec. 9. [325E.385] SALE OF JEWELRY CONTAINING LEAD PROHIBITED.

Subdivision 1. Definition. For the purposes of this section "jewelry" means: (1) an ornament worn by a person on the body or on clothing, including, but not limited to, a necklace, bracelet, anklet, earring, locket, pendant, charm bracelet, ring, pinky ring, chain, broach, pin, lapel pin, headband, watchband; or (2) any pendant, bead, chain, link, or other component of such an ornament.

Subd. 2. Sale prohibited. (a) On or after July 1, 2006, no person in this state shall sell, offer for sale, or distribute free of charge any jewelry that contains more than 600 parts per million of lead.

(b) On or after January 1, 2008, no person in this state shall sell, offer for sale, or distribute free of charge any jewelry that contains more than 200 parts per million of lead.

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

Sec. 10. REVISOR'S INSTRUCTION.

The revisor of statutes shall change the range reference "144.9501 to 144.9509" to "144.9501 to 144.9513" wherever the reference appears in Minnesota Statutes and Minnesota Rules.

Sec. 11. REPEALER.

Minnesota Statutes 2004, section 119A.46, subdivisions 4, 5, 6, 7, 9, and 10, and Minnesota Statutes 2005 Supplement, section 119A.46, subdivisions 1, 2, 3, and 8, are repealed."

Amend the title accordingly

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 3245, 3394, 3489, 3454, 3473, 3079, 3551, 3081, 3038, 2798, 1695, 2735, 2887, 2965, 2995, 3216, 3263, 3349, 3345, 3546, 3246, 3327, 2973, 2622, 2602, 3234, 3238, 1040, 2002, 2907, 1752, 3059, 3457, 3523, 3550, 3319 and 3173 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1480, 2994 and 2745 were read the second time.

MOTIONS AND RESOLUTIONS

Senator Murphy moved that the name of Senator Tomassoni be added as a co-author to S.F. No. 675. The motion prevailed.

Senator Vickerman moved that the name of Senator LeClair be added as a co-author to S.F. No. 2689. The motion prevailed.

Senator Hann moved that his name be stricken as a co-author to S.F. No. 2953. The motion prevailed.

Senator Higgins moved that the name of Senator Marty be added as a co-author to S.F. No. 3039. The motion prevailed.

Senator Kelley moved that the name of Senator Senjem be added as a co-author to S.F. No. 3298. The motion prevailed.

Senator Murphy moved that the name of Senator Wiger be added as a co-author to S.F. No. 3450. The motion prevailed.

Senator Cohen moved that the name of Senator Kelley be added as a co-author to S.F. No. 3513. The motion prevailed.

Senator Cohen moved that his name be stricken as chief author, shown as a co-author, and the name of Senator Dibble be added as chief author to S.F. No. 3513. The motion prevailed.

Senator Bachmann moved that the name of Senator Rest be added as a co-author to S.F. No. 3526. The motion prevailed.

Senator Fischbach introduced –

Senate Resolution No. 173: A Senate resolution congratulating Joshua Stern for receiving the Eagle Award.

Referred to the Committee on Rules and Administration.

Senator Kelley moved that S.F. No. 1553 be withdrawn from the Committee on Jobs, Energy and Community Development and re-referred to the Committee on State and Local Government Operations. The motion prevailed.

Senator Rest moved that S.F. No. 3490 be withdrawn from the Committee on Crime Prevention and Public Safety and re-referred to the Committee on Finance. The motion prevailed.

Senator Sams moved that S.F. No. 2630, No. 29 on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senator Kiscaden introduced—

S.F. No. 3680: A bill for an act relating to education; authorizing school board to annually increase operating levy by rate of inflation; amending Minnesota Statutes 2005 Supplement, section 126C.17, subdivision 9.

Referred to the Committee on Finance.

Senators Hann, Olson, Michel and Bonoff introduced—

S.F. No. 3681: A bill for an act relating to education finance; extending the funding for certain early literacy activities conducted by ServeMinnesota; appropriating money; amending Laws 2005, First Special Session chapter 5, article 2, section 84, subdivision 16.

Referred to the Committee on Finance.

Senator Skoglund, by request, introduced—

S.F. No. 3682: A bill for an act relating to civil actions; providing punitive damages if news media violates a promise to protect a confidential source; proposing coding for new law in Minnesota Statutes, chapter 595.

Referred to the Committee on Judiciary.

Senators Koch and Pariseau introduced—

S.F. No. 3683: A bill for an act relating to elections; exempting on a onetime basis municipalities in a county that filed a county plan pursuant to Laws 2005, chapter 162, section 35, from the requirements of Minnesota Statutes, section 206.82; implementing in law the requirements of a federal court order regarding the use of tribal identification; providing for a registration deadline for special elections; providing for a uniform and consistent oath to be signed by voters in an election; amending Minnesota Statutes 2004, section 201.061, subdivision 1; Minnesota Statutes 2005 Supplement, sections 201.061, subdivision 3; 204C.10; 206.82, subdivision 2.

Referred to the Committee on Elections.

Senators Limmer and Pariseau introduced—

S.F. No. 3684: A bill for an act relating to elections; permitting the transcription by election judges of machine-unreadable ballot cards under certain circumstances; amending Minnesota Statutes 2005 Supplement, section 206.90, subdivision 8.

Referred to the Committee on Elections.

Senators Pariseau and Koch introduced—

S.F. No. 3685: A bill for an act relating to elections; prohibiting any changes in polling places between primary and general elections for the same offices; providing an exception; amending Minnesota Statutes 2004, section 205A.11, subdivision 2.

Referred to the Committee on Elections.

Senator Frederickson introduced—

S.F. No. 3686: A bill for an act relating to education finance; authorizing a fund transfer for Independent School District No. 635, Milroy.

Referred to the Committee on Finance.

Senator Pogemiller introduced—

S.F. No. 3687: A bill for an act relating to public safety; public safety plan disabilitant health care coverage; authorizing review by a police officer/firefighter disability review panel of a pre-2005 disability involving a city of Richfield firefighter.

Referred to the Committee on State and Local Government Operations.

Senator Berglin introduced—

S.F. No. 3688: A bill for an act relating to employment; establishing a pilot project to encourage the licensure of foreign-trained physicians in Minnesota; appropriating money for a pilot program to encourage the licensure of foreign-trained physicians.

Referred to the Committee on Jobs, Energy and Community Development.

Senator Skoglund introduced—

S.F. No. 3689: A bill for an act relating to public safety; requiring certain level II and III predatory offenders to wear GPS tracking system devices; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 244.

Referred to the Committee on Crime Prevention and Public Safety.

Senator Pogemiller introduced—

S.F. No. 3690: A bill for an act relating to taxation; exempting certain vending machine products from sales tax; amending Minnesota Statutes 2005 Supplement, section 297A.61, subdivision 3.

Referred to the Committee on Taxes.

Senator Pogemiller introduced—

S.F. No. 3691: A bill for an act relating to veterans; providing for assistance to certain members of the National Guard and other veterans in obtaining health screening and health services relating to depleted uranium exposure; proposing coding for new law in Minnesota Statutes, chapter 192.

Referred to the Committee on Agriculture, Veterans and Gaming.

Senator Stumpf introduced—

S.F. No. 3692: A bill for an act relating to education; establishing a parent-school partnership pilot program to assist children with autism spectrum disorders; appropriating money.

Referred to the Committee on Finance.

Senator Skoglund introduced—

S.F. No. 3693: A bill for an act relating to state employees; providing a gift certificate option for recognition for years of service.

Referred to the Committee on State and Local Government Operations.

Senator Neuville introduced—

S.F. No. 3694: A bill for an act relating to public safety; establishing predatory offender registration requirements for certain predatory offenders who reside on Indian reservations; amending Minnesota Statutes 2005 Supplement, section 243.166, by adding subdivisions.

Referred to the Committee on Crime Prevention and Public Safety.

Senator Larson, by request, introduced—

S.F. No. 3695: A bill for an act relating to taxes; authorizing Independent School District No. 544, Fergus Falls, to impose a local sales and use tax and a motor vehicle excise tax.

Referred to the Committee on Taxes.

Senator Larson introduced—

S.F. No. 3696: A bill for an act relating to environment; providing for reimbursement of cleanup costs for certain petroleum tank releases; amending Minnesota Statutes 2005 Supplement, section 115C.09, subdivision 3h.

Referred to the Committee on Environment and Natural Resources.

Senator Betzold introduced—

S.F. No. 3697: A bill for an act relating to capital investment; appropriating money for trunk highway improvements; authorizing sale of trunk highway bonds.

Referred to the Committee on Finance.

Senators Wiger, Tomassoni, Nienow and Vickerman introduced—

S.F. No. 3698: A bill for an act relating to property taxation; restoring 2006 market value credit reimbursement cuts; repealing Laws 2005, First Special Session chapter 3, article 2, section 5.

Referred to the Committee on Taxes.

Senator Johnson, D.E. introduced—

S.F. No. 3699: A bill for an act relating to capital improvements; appropriating money for the Minnesota Poultry Testing Laboratory in Willmar; authorizing the sale and issuance of state bonds.

Referred to the Committee on Finance.

Senators Sams, Vickerman and Frederickson introduced—

S.F. No. 3700: A bill for an act relating to appropriations; appropriating money for reimbursement grants to persons who install E85 pumps.

Referred to the Committee on Finance.

Senator Hann introduced—

S.F. No. 3701: A bill for an act relating to education; providing teacher training for qualified professionals; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 122A; repealing Minnesota Statutes 2004, section 122A.24.

Referred to the Committee on Education.

Senator LeClair introduced—

S.F. No. 3702: A bill for an act relating to local sales and use taxes; requiring revenue sharing; proposing coding for new law in Minnesota Statutes, chapter 297A.

Referred to the Committee on Taxes.

Senators Koch and Dille introduced—

S.F. No. 3703: A bill for an act relating to public safety; imposing license reinstatement fee and surcharge for certain driving offenses; appropriating money; amending Minnesota Statutes 2004, section 171.29, subdivision 1; Minnesota Statutes 2005 Supplement, sections 171.20, subdivision 4; 171.26, subdivision 1; 171.29, subdivision 2.

Referred to the Committee on Transportation.

Senators Clark, Fischbach and Higgins introduced—

S.F. No. 3704: A bill for an act relating to health; changing the operating payment rates of certain nursing facilities; amending Minnesota Statutes 2004, section 256B.431, by adding a subdivision.

Referred to the Committee on Finance.

Senators Bakk, Rosen, Sams, Kubly and Vickerman introduced—

S.F. No. 3705: A bill for an act relating to occupations; registration required for hair braiding; proposing coding for new law in Minnesota Statutes, chapter 155A.

Referred to the Committee on Commerce.

Senator Anderson introduced—

S.F. No. 3706: A bill for an act relating to energy; requiring study to investigate building codes and standards for various hydrogen-related technologies.

Referred to the Committee on Jobs, Energy and Community Development.

Senator Skoe introduced–

S.F. No. 3707: A bill for an act relating to veterans; appropriating money to the commissioner of veterans affairs to make grants to counties for the operation of county veteran service offices.

Referred to the Committee on Finance.

Senator Higgins introduced–

S.F. No. 3708: A bill for an act relating to elections; requiring notice of voting rights to certain felons; proposing coding for new law in Minnesota Statutes, chapter 244.

Referred to the Committee on Elections.

Senators Clark and Stumpf introduced–

S.F. No. 3709: A bill for an act relating to education finance; converting the pension adjustment to an annual allowance; amending Minnesota Statutes 2004, section 127A.50, subdivision 1.

Referred to the Committee on Finance.

Senator Marty introduced–

S.F. No. 3710: A bill for an act relating to energy; funding a study of potential for the use of geothermal heat pumps in Minnesota.

Referred to the Committee on Jobs, Energy and Community Development.

Senator Marty introduced–

S.F. No. 3711: A bill for an act relating to employment; prohibiting mandatory retirement; amending Minnesota Statutes 2004, section 181.81, subdivision 1; repealing Minnesota Statutes 2004, section 363A.20, subdivision 9.

Referred to the Committee on Jobs, Energy and Community Development.

Senators Marty and Higgins introduced–

S.F. No. 3712: A bill for an act relating to health; requiring a warning label on certain items containing lead; prohibiting the sale of lead-containing items to minors; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health and Family Security.

Senator Vickerman introduced–

S.F. No. 3713: A bill for an act relating to rural public water and sewer systems; conforming the maturity date for bonds issued for rural public water or sewer systems to the maturity date for bonds issued for municipal water and wastewater treatment systems; amending Minnesota Statutes 2004, section 116A.20, subdivision 3.

Referred to the Committee on Taxes.

Senator Pappas introduced–

S.F. No. 3714: A bill for an act relating to public safety; enhancing penalties for crimes motivated

by bias; amending Minnesota Statutes 2004, sections 609.2231, subdivision 4; 609.595, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 609.

Referred to the Committee on Crime Prevention and Public Safety.

Senator Larson introduced—

S.F. No. 3715: A bill for an act relating to higher education; requiring clear English pronunciation as a condition of instructing certain students at public postsecondary institutions; proposing coding for new law in Minnesota Statutes, chapter 135A.

Referred to the Committee on Finance.

Senator Pogemiller introduced—

S.F. No. 3716: A bill for an act relating to taxation; modifying the treatment of certain income from foreign operations; amending Minnesota Statutes 2004, section 290.34, subdivision 1; Minnesota Statutes 2005 Supplement, section 290.01, subdivisions 6b, 19c, 19d.

Referred to the Committee on Taxes.

Senator Neuville introduced—

S.F. No. 3717: A bill for an act relating to civil actions; providing certain remedies for neglect, abuse, and other actions against incapacitated and vulnerable adults; proposing coding for new law in Minnesota Statutes, chapter 524.

Referred to the Committee on Judiciary.

RECESS

Senator Rest moved that the Senate do now recess until 12:00 noon. The motion prevailed.

The hour of 12:00 noon having arrived, the President called the Senate to order.

CALL OF THE SENATE

Senator Betzold imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 26, Senator Johnson, D.E., Chair of the Committee on Rules and Administration, designated S.F. No. 2734 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 2734: A bill for an act relating to natural and cultural resources; proposing an amendment to the Minnesota Constitution, article XI; increasing the sales tax rate by three-eighths of one percent and dedicating the receipts for natural and cultural resource purposes; creating an arts, humanities, museum, and public broadcasting fund; creating a heritage enhancement fund; creating a parks and trails fund; creating a clean water fund; establishing a Heritage Enhancement Council; establishing a Clean Water Council; amending Minnesota Statutes 2004, sections

297A.62, subdivision 1; 297A.94; 297B.02, subdivision 1; Minnesota Statutes 2005 Supplement, section 10A.01, subdivision 35; proposing coding for new law in Minnesota Statutes, chapters 85; 97A; 103F; 129D.

Senator Pariseau moved to amend S.F. No. 2734 as follows:

Delete everything after the enacting clause and insert:

"Section 1. **CONSTITUTIONAL AMENDMENT.**

An amendment to the Minnesota Constitution is proposed to the people. If the amendment is adopted, a section will be added to article XI, to read:

Sec. 15. Beginning July 1, 2007, until June 30, 2032, the sales and use tax receipts equal to the sales and use tax of one-fourth of one percent on sales and uses taxable under the general state sales and use tax law, plus penalties and interest and reduced by any refunds, are dedicated as follows: 61 percent of the receipts shall be deposited in the heritage enhancement fund and may be spent only to improve, enhance, or protect the state's fish, wildlife, habitat, and fish and wildlife tourism; and 39 percent of the receipts shall be deposited in the clean water fund and may be spent only on protection and restoration of the state's lakes, rivers, streams, wetlands, and groundwater. A heritage enhancement fund; and a clean water fund are created in the state treasury. The money dedicated under this section shall be appropriated by law. The money dedicated under this section shall not be used as a substitute for traditional funding sources for the purposes specified, but the dedicated money shall supplement traditional sources of funding for those purposes. Land acquired by fee with money deposited in the heritage enhancement fund under this section must be open to public taking of fish and game during the open season unless otherwise provided by law.

Sec. 2. **SUBMISSION TO VOTERS.**

The proposed amendment shall be submitted to the people at the 2006 general election. The question submitted shall be:

"Shall the Minnesota Constitution be amended to provide funding beginning July 1, 2007, to improve, enhance, or protect the state's fish, wildlife, habitat, and fish and wildlife tourism, and its lakes, rivers, streams, wetlands, and groundwater, by dedicating the sales and use tax receipts equal to the state sales and use tax of one-fourth of one percent on taxable sales until the year 2032?"

Yes

No"

Sec. 3. Minnesota Statutes 2005 Supplement, section 10A.01, subdivision 35, is amended to read:

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

- (1) member of the legislature;
- (2) individual employed by the legislature as secretary of the senate, legislative auditor, chief clerk of the house, revisor of statutes, or researcher, legislative analyst, or attorney in the Office of Senate Counsel and Research or House Research;
- (3) constitutional officer in the executive branch and the officer's chief administrative deputy;
- (4) solicitor general or deputy, assistant, or special assistant attorney general;
- (5) commissioner, deputy commissioner, or assistant commissioner of any state department or agency as listed in section 15.01 or 15.06, or the state chief information officer;
- (6) member, chief administrative officer, or deputy chief administrative officer of a state board

or commission that has either the power to adopt, amend, or repeal rules under chapter 14, or the power to adjudicate contested cases or appeals under chapter 14;

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

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

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

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

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

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

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

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

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

(16) member of the board of directors or president of Minnesota Technology, Inc.; ~~or~~

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

(18) member of the Heritage Enhancement Council.

EFFECTIVE DATE. This section is effective November 15, 2006, if the constitutional amendment proposed in section 1 is adopted by the voters.

Sec. 4. [97A.056] HERITAGE ENHANCEMENT FUND; HERITAGE ENHANCEMENT COUNCIL.

Subdivision 1. Heritage enhancement fund. The heritage enhancement fund is established in the Minnesota Constitution, article XI, section 15. All money earned by the heritage enhancement fund must be credited to the fund. At least 97 percent of the money appropriated from the fund must be spent on specific fish, wildlife, habitat, and fish and wildlife tourism projects.

Subd. 2. Heritage Enhancement Council. (a) A Heritage Enhancement Council of 11 members is created, on November 15, 2006, consisting of:

(1) two members of the senate appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration;

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

(3) two public members representing hunting, fishing, and wildlife interests appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration;

(4) two public members representing hunting, fishing, and wildlife interests appointed by the speaker of the house; and

(5) three public members representing hunting, fishing, and wildlife interests appointed by the governor.

(b) One member from the senate and one member from the house of representatives must be from

the minority caucus. Legislative members are entitled to reimbursement for per diem expenses plus travel expenses incurred in the services of the council. The removal and, beginning July 1, 2007, the compensation of public members are as provided in section 15.0575.

(c) Members shall elect a chair, vice chair, secretary, and other officers as determined by the council. The chair may convene meetings as necessary to conduct the duties prescribed by this section.

(d) Membership terms are two years, except that members shall serve on the council until their successors are appointed.

(e) Vacancies occurring on the council do not affect the authority of the remaining members of the council to carry out their duties. Vacancies shall be filled in the same manner as under paragraph (a).

Subd. 3. **Duties of council.** (a) The council, in consultation with statewide and local fishing, forestry, hunting, and wildlife groups, shall develop a biennial budget plan for expenditures from the heritage enhancement fund. The biennial budget plan may include grants to statewide and local fishing, forestry, hunting, and wildlife groups to improve, enhance, or protect fish and wildlife resources.

(b) In the biennial budget submitted to the legislature, the governor shall submit separate budget detail for planned expenditures from the heritage enhancement fund as recommended by the council.

(c) As a condition of acceptance of an appropriation from the heritage enhancement fund, an agency or entity receiving an appropriation shall submit a work program and quarterly progress reports for appropriations from the heritage enhancement fund to the members of the Heritage Enhancement Council in the form determined by the council.

Subd. 4. **Council administration.** (a) The council may employ personnel and contract with consultants as necessary to carry out functions and duties of the council. Permanent employees shall be in the unclassified service. The council may request staff assistance, legal opinion, and data from agencies of state government as needed for the execution of the responsibilities of the council.

(b) Beginning July 1, 2007, the administrative expenses of the council shall be paid from the heritage enhancement fund.

(c) A council member or an employee of the council may not participate in or vote on a decision of the council relating to an organization in which the member or employee has either a direct or indirect personal financial interest. While serving on or employed by the council, a person shall avoid any potential conflict of interest.

Subd. 5. **Council meetings.** Meetings of the council and other groups the council may establish must be conducted in accordance with chapter 13D. Except where prohibited by law, the council shall establish additional processes to broaden public involvement in all aspects of its deliberations.

EFFECTIVE DATE. This section is effective November 15, 2006, if the constitutional amendment proposed in section 1 is adopted by the voters.

Sec. 5. **[103F.765] CLEAN WATER FUND; CLEAN WATER COUNCIL; EXPENDITURES.**

Subdivision 1. **Fund.** The clean water fund is established in the Minnesota Constitution, article XI, section 15. All money earned by the clean water fund must be credited to the fund.

Subd. 2. **Expenditures.** Subject to appropriation, money in the clean water fund may be spent only on:

(1) monitoring, investigations, and analysis of the quality of Minnesota's water resources;

(2) state and local activities to protect, preserve, and improve the quality of Minnesota's water resources; and

(3) assistance to individuals and organizations for water quality improvement projects.

Subd. 3. **Clean Water Council; membership; appointment.** A Clean Water Council of 21 members is created. The members of the council shall elect a chair from the nonagency members of the council. The commissioners of natural resources, agriculture, and the Pollution Control Agency, and the executive director of the Board of Water and Soil Resources, shall appoint one person from their respective agency to serve as a member of the council. Seventeen additional nonagency members of the council shall be appointed as follows:

(1) two members representing statewide farm organizations, appointed by the governor;

(2) one member representing business organizations, appointed by the governor;

(3) one member representing environmental organizations, appointed by the governor;

(4) one member representing soil and water conservation districts, appointed by the governor;

(5) one member representing watershed districts, appointed by the governor;

(6) one member representing organizations focused on improvement of Minnesota lakes or streams, appointed by the governor;

(7) two members representing an organization of county governments, one member representing the interests of rural counties, and one member representing the interests of counties in the seven-county metropolitan area, appointed by the governor;

(8) two members representing organizations of city governments, appointed by the governor;

(9) one member representing the Metropolitan Council established under section 473.123, appointed by the governor;

(10) one township officer, appointed by the governor;

(11) one member of the house of representatives, appointed by the speaker;

(12) one member of the senate, appointed by the majority leader;

(13) one member representing the University of Minnesota or a Minnesota state university, appointed by the governor; and

(14) one member representing the interests of tribal governments, appointed by the governor.

The members of the council appointed by the governor are subject to the advice and consent of the senate. At least six of the members appointed by the governor must reside in the seven-county metropolitan area. In making appointments, the governor must attempt to provide for geographic balance.

Subd. 4. **Terms; compensation; removal.** The terms of members representing the state agencies and the Metropolitan Council are four years and are coterminous with the governor. The terms of other members of the council shall be as provided in section 15.059, subdivision 2. Members may serve until their successors are appointed and qualify. Compensation and removal of council members is as provided in section 15.059, subdivisions 3 and 4. A vacancy on the council may be filled by the appointing authorities, as provided in subdivision 3, for the remainder of the unexpired term.

Subd. 5. **Recommendations on appropriation of funds.** The Clean Water Council shall recommend to the governor the manner in which money from the clean water fund should be appropriated for the purposes identified in subdivision 2.

Subd. 6. **Biennial report to legislature.** By December 1 of each even-numbered year, the council shall submit a report to the legislature on the activities for which money from the clean water fund has been or will be spent for the current biennium, and the activities for which money from the account is recommended to be spent in the next biennium.

Subd. 7. **Council meetings.** Meetings of the council and other groups the council may establish must be conducted in accordance with chapter 13D. Except where prohibited by law, the council shall establish additional processes to broaden public involvement in all aspects of its deliberations.

EFFECTIVE DATE. This section is effective July 1, 2007, if the constitutional amendment proposed in section 1 is adopted by the voters.

Sec. 6. Minnesota Statutes 2004, section 297A.94, is amended to read:

297A.94 DEPOSIT OF REVENUES.

(a) Except as provided in this section and the Minnesota Constitution, article XI, section 15, the commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed by this chapter in the state treasury and credit them to the general fund.

(b) The commissioner shall deposit taxes in the Minnesota agricultural and economic account in the special revenue fund if:

(1) the taxes are derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project; and

(2) the purchase was made on or after the date on which a conditional commitment was made for a loan guaranty for the project under section 41A.04, subdivision 3.

The commissioner of finance shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty account must be reduced by any refunds and by the costs incurred by the Department of Revenue to administer and enforce the assessment and collection of the taxes.

(c) The commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed on sales and purchases included in section 297A.61, subdivision 3, paragraph (g), clauses (1) and (4), in the state treasury, and credit them as follows:

(1) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 16A.661, subdivision 3, paragraph (b); and

(2) after the requirements of clause (1) have been met, the balance to the general fund.

(d) The commissioner shall deposit the revenues, including interest and penalties, collected under section 297A.64, subdivision 5, in the state treasury and credit them to the general fund. By July 15 of each year the commissioner shall transfer to the highway user tax distribution fund an amount equal to the excess fees collected under section 297A.64, subdivision 5, for the previous calendar year.

(e) For fiscal year 2001, 97 percent; for fiscal years 2002 and 2003, 87 percent; and for fiscal year 2004 and thereafter, 72.43 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65, must be deposited by the commissioner in the state treasury as follows:

(1) 50 percent of the receipts must be deposited in the heritage enhancement account in the game and fish fund, and may be spent only on activities that improve, enhance, or protect fish and wildlife resources, including conservation, restoration, and enhancement of land, water, and other natural resources of the state;

(2) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent

only for state parks and trails;

(3) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only on metropolitan park and trail grants;

(4) three percent of the receipts must be deposited in the natural resources fund, and may be spent only on local trail grants; and

(5) two percent of the receipts must be deposited in the natural resources fund, and may be spent only for the Minnesota Zoological Garden, the Como Park Zoo and Conservatory, and the Duluth Zoo.

(f) The revenue dedicated under paragraph (e) may not be used as a substitute for traditional sources of funding for the purposes specified, but the dedicated revenue shall supplement traditional sources of funding for those purposes. Land acquired with money deposited in the game and fish fund under paragraph (e) must be open to public hunting and fishing during the open season, except that in aquatic management areas or on lands where angling easements have been acquired, fishing may be prohibited during certain times of the year and hunting may be prohibited. At least 87 percent of the money deposited in the game and fish fund for improvement, enhancement, or protection of fish and wildlife resources under paragraph (e) must be allocated for field operations.

EFFECTIVE DATE. This section is effective July 1, 2007, if the constitutional amendment proposed in section 1 is adopted by the voters."

Amend the title accordingly

CALL OF THE SENATE

Senator Pariseau imposed a call of the Senate for the balance of the proceedings on S.F. No. 2734. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Pariseau amendment.

The roll was called, and there were yeas 25 and nays 40, as follows:

Those who voted in the affirmative were:

Bachmann	Hann	Larson	Nienow	Robling
Belanger	Jungbauer	LeClair	Olson	Rosen
Day	Kierlin	Limmer	Ortman	Ruud
Fischbach	Koch	McGinn	Pariseau	Senjem
Gerlach	Koering	Neuville	Reiter	Wergin

Those who voted in the negative were:

Anderson	Dibble	Kiscaden	Murphy	Skoe
Bakk	Dille	Kubly	Pappas	Skoglund
Berglin	Foley	Langseth	Pogemiller	Solon
Betzold	Frederickson	Lourey	Ranum	Sparks
Bonoff	Higgins	Marko	Rest	Stumpf
Chaudhary	Hottinger	Marty	Sams	Tomassoni
Clark	Johnson, D.E.	Metzen	Saxhaug	Vickerman
Cohen	Kelley	Michel	Scheid	Wiger

The motion did not prevail. So the amendment was not adopted.

Senator Robling moved to amend S.F. No. 2734 as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

NATURAL RESOURCES

Section 1. **CONSTITUTIONAL AMENDMENT.**

An amendment to the Minnesota Constitution is proposed to the people. If the amendment is adopted, a section will be added to article XI, to read:

Sec. 15. Beginning July 1, 2007, until June 30, 2032, the sales and use tax rate shall be increased by 5/16 of one percent on sales and uses taxable under the general state sales and use tax law. Receipts from the increase, plus penalties and interest and reduced by any refunds, are dedicated as follows: 44 percent of the receipts shall be deposited in the heritage enhancement fund and may be spent only to improve, enhance, or protect the state's fish, wildlife, habitat, and fish and wildlife tourism; 28 percent of the receipts shall be deposited in the parks and trails fund and may be spent only on parks, trails, and zoos in the state; and 28 percent of the receipts shall be deposited in the clean water fund and may be spent only on protection and restoration of the state's lakes, rivers, streams, wetlands, and groundwater. A heritage enhancement fund; a parks and trails fund; and a clean water fund are created in the state treasury. The money dedicated under this section shall be appropriated by law. The money dedicated under this section shall not be used as a substitute for traditional funding sources for the purposes specified, but the dedicated money shall supplement traditional sources of funding for those purposes. Land acquired by fee with money deposited in the heritage enhancement fund under this section must be open to public taking of fish and game during the open season unless otherwise provided by law.

Sec. 2. **SUBMISSION TO VOTERS.**

The proposed amendment shall be submitted to the people at the 2006 general election. The question submitted shall be:

"Shall the Minnesota Constitution be amended to provide funding beginning July 1, 2007, to improve, enhance, or protect the state's fish, wildlife, habitat, and fish and wildlife tourism; its parks, trails, and zoos; and its lakes, rivers, streams, wetlands, and groundwater by increasing the sales and use tax rate by 5/16 of one percent on taxable sales until the year 2032?"

Yes

No"

Sec. 3. Minnesota Statutes 2005 Supplement, section 10A.01, subdivision 35, is amended to read:

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

- (1) member of the legislature;
- (2) individual employed by the legislature as secretary of the senate, legislative auditor, chief clerk of the house, revisor of statutes, or researcher, legislative analyst, or attorney in the Office of Senate Counsel and Research or House Research;
- (3) constitutional officer in the executive branch and the officer's chief administrative deputy;
- (4) solicitor general or deputy, assistant, or special assistant attorney general;
- (5) commissioner, deputy commissioner, or assistant commissioner of any state department or agency as listed in section 15.01 or 15.06, or the state chief information officer;
- (6) member, chief administrative officer, or deputy chief administrative officer of a state board or commission that has either the power to adopt, amend, or repeal rules under chapter 14, or the power to adjudicate contested cases or appeals under chapter 14;
- (7) individual employed in the executive branch who is authorized to adopt, amend, or repeal

rules under chapter 14 or adjudicate contested cases under chapter 14;

- (8) executive director of the State Board of Investment;
- (9) deputy of any official listed in clauses (7) and (8);
- (10) judge of the Workers' Compensation Court of Appeals;
- (11) administrative law judge or compensation judge in the State Office of Administrative Hearings or referee in the Department of Employment and Economic Development;
- (12) member, regional administrator, division director, general counsel, or operations manager of the Metropolitan Council;
- (13) member or chief administrator of a metropolitan agency;
- (14) director of the Division of Alcohol and Gambling Enforcement in the Department of Public Safety;
- (15) member or executive director of the Higher Education Facilities Authority;
- (16) member of the board of directors or president of Minnesota Technology, Inc.; or
- (17) member of the board of directors or executive director of the Minnesota State High School League; or
- (18) member of the Heritage Enhancement Council.

EFFECTIVE DATE. This section is effective November 15, 2006, if the constitutional amendment proposed in section 1 is adopted by the voters.

Sec. 4. [85.0195] PARKS AND TRAILS FUND; EXPENDITURES.

Subdivision 1. Fund. The parks and trails fund is established in the Minnesota Constitution, article XI, section 15. All money earned by the parks and trails fund must be credited to the fund.

Subd. 2. Expenditures. Money in the parks and trails fund may be spent only on state and regional parks, trails, and zoos. Subject to the appropriation by law, receipts to the fund must be allocated in separate accounts as follows:

- (1) 38 percent of the receipts may be spent only for state park and recreation area purposes;
- (2) 11 percent of the receipts may be spent only for state trail purposes;
- (3) 36 percent of the receipts may be spent only for metropolitan area, as defined in section 473.121, regional park and trail grants;
- (4) 12 percent of the receipts may be spent only for nonmetropolitan regional parks and trails, outdoor recreation grants, natural and scenic area grants, trail connection grants, regional trail grants, and grant-in-aid trails; and
- (5) three percent of the receipts may be spent only for the Minnesota Zoological Garden, the Como Park Zoo and Conservatory, and the Duluth Zoo.

EFFECTIVE DATE. This section is effective July 1, 2007, if the constitutional amendment proposed in section 1 is adopted by the voters.

Sec. 5. [97A.056] HERITAGE ENHANCEMENT FUND; HERITAGE ENHANCEMENT COUNCIL.

Subdivision 1. Heritage enhancement fund. The heritage enhancement fund is established in the Minnesota Constitution, article XI, section 15. All money earned by the heritage enhancement

fund must be credited to the fund. At least 97 percent of the money appropriated from the fund must be spent on specific fish, wildlife, habitat, and fish and wildlife tourism projects.

Subd. 2. **Heritage Enhancement Council.** (a) A Heritage Enhancement Council of 11 members is created, on November 15, 2006, consisting of:

(1) two members of the senate appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration;

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

(3) two public members representing hunting, fishing, and wildlife interests appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration;

(4) two public members representing hunting, fishing, and wildlife interests appointed by the speaker of the house; and

(5) three public members representing hunting, fishing, and wildlife interests appointed by the governor.

(b) One member from the senate and one member from the house of representatives must be from the minority caucus. Legislative members are entitled to reimbursement for per diem expenses plus travel expenses incurred in the services of the council. The removal and, beginning July 1, 2007, the compensation of public members are as provided in section 15.0575.

(c) Members shall elect a chair, vice chair, secretary, and other officers as determined by the council. The chair may convene meetings as necessary to conduct the duties prescribed by this section.

(d) Membership terms are two years, except that members shall serve on the council until their successors are appointed.

(e) Vacancies occurring on the council do not affect the authority of the remaining members of the council to carry out their duties. Vacancies shall be filled in the same manner as under paragraph (a).

Subd. 3. **Duties of council.** (a) The council, in consultation with statewide and local fishing, forestry, hunting, and wildlife groups, shall develop a biennial budget plan for expenditures from the heritage enhancement fund. The biennial budget plan may include grants to statewide and local fishing, forestry, hunting, and wildlife groups to improve, enhance, or protect fish and wildlife resources.

(b) In the biennial budget submitted to the legislature, the governor shall submit separate budget detail for planned expenditures from the heritage enhancement fund as recommended by the council.

(c) As a condition of acceptance of an appropriation from the heritage enhancement fund, an agency or entity receiving an appropriation shall submit a work program and quarterly progress reports for appropriations from the heritage enhancement fund to the members of the Heritage Enhancement Council in the form determined by the council.

Subd. 4. **Council administration.** (a) The council may employ personnel and contract with consultants as necessary to carry out functions and duties of the council. Permanent employees shall be in the unclassified service. The council may request staff assistance, legal opinion, and data from agencies of state government as needed for the execution of the responsibilities of the council.

(b) Beginning July 1, 2007, the administrative expenses of the council shall be paid from the heritage enhancement fund.

(c) A council member or an employee of the council may not participate in or vote on a decision of the council relating to an organization in which the member or employee has either a direct or

indirect personal financial interest. While serving on or employed by the council, a person shall avoid any potential conflict of interest.

Subd. 5. **Council meetings.** Meetings of the council and other groups the council may establish must be conducted in accordance with chapter 13D. Except where prohibited by law, the council shall establish additional processes to broaden public involvement in all aspects of its deliberations.

EFFECTIVE DATE. This section is effective November 15, 2006, if the constitutional amendment proposed in section 1 is adopted by the voters.

Sec. 6. **[103F.765] CLEAN WATER FUND; CLEAN WATER COUNCIL; EXPENDITURES.**

Subdivision 1. **Fund.** The clean water fund is established in the Minnesota Constitution, article XI, section 15. All money earned by the clean water fund must be credited to the fund.

Subd. 2. **Expenditures.** Subject to appropriation, money in the clean water fund may be spent only on:

- (1) monitoring, investigations, and analysis of the quality of Minnesota's water resources;
- (2) state and local activities to protect, preserve, and improve the quality of Minnesota's water resources; and
- (3) assistance to individuals and organizations for water quality improvement projects.

Subd. 3. **Clean Water Council; membership; appointment.** A Clean Water Council of 21 members is created. The members of the council shall elect a chair from the nonagency members of the council. The commissioners of natural resources, agriculture, and the Pollution Control Agency, and the executive director of the Board of Water and Soil Resources, shall appoint one person from their respective agency to serve as a member of the council. Seventeen additional nonagency members of the council shall be appointed as follows:

- (1) two members representing statewide farm organizations, appointed by the governor;
- (2) one member representing business organizations, appointed by the governor;
- (3) one member representing environmental organizations, appointed by the governor;
- (4) one member representing soil and water conservation districts, appointed by the governor;
- (5) one member representing watershed districts, appointed by the governor;
- (6) one member representing organizations focused on improvement of Minnesota lakes or streams, appointed by the governor;
- (7) two members representing an organization of county governments, one member representing the interests of rural counties, and one member representing the interests of counties in the seven-county metropolitan area, appointed by the governor;
- (8) two members representing organizations of city governments, appointed by the governor;
- (9) one member representing the Metropolitan Council established under section 473.123, appointed by the governor;
- (10) one township officer, appointed by the governor;
- (11) one member of the house of representatives, appointed by the speaker;
- (12) one member of the senate, appointed by the majority leader;
- (13) one member representing the University of Minnesota or a Minnesota state university,

appointed by the governor; and

(14) one member representing the interests of tribal governments, appointed by the governor.

The members of the council appointed by the governor are subject to the advice and consent of the senate. At least six of the members appointed by the governor must reside in the seven-county metropolitan area. In making appointments, the governor must attempt to provide for geographic balance.

Subd. 4. **Terms; compensation; removal.** The terms of members representing the state agencies and the Metropolitan Council are four years and are coterminous with the governor. The terms of other members of the council shall be as provided in section 15.059, subdivision 2. Members may serve until their successors are appointed and qualify. Compensation and removal of council members is as provided in section 15.059, subdivisions 3 and 4. A vacancy on the council may be filled by the appointing authorities, as provided in subdivision 3, for the remainder of the unexpired term.

Subd. 5. **Recommendations on appropriation of funds.** The Clean Water Council shall recommend to the governor the manner in which money from the clean water fund should be appropriated for the purposes identified in subdivision 2.

Subd. 6. **Biennial report to legislature.** By December 1 of each even-numbered year, the council shall submit a report to the legislature on the activities for which money from the clean water fund has been or will be spent for the current biennium, and the activities for which money from the account is recommended to be spent in the next biennium.

Subd. 7. **Council meetings.** Meetings of the council and other groups the council may establish must be conducted in accordance with chapter 13D. Except where prohibited by law, the council shall establish additional processes to broaden public involvement in all aspects of its deliberations.

EFFECTIVE DATE. This section is effective July 1, 2007, if the constitutional amendment proposed in section 1 is adopted by the voters.

Sec. 7. Minnesota Statutes 2004, section 297A.62, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) Except as otherwise provided in subdivision 2 or 3 or in this chapter, a sales tax of 6.5 percent is imposed on the gross receipts from retail sales as defined in section 297A.61, subdivision 4, made in this state or to a destination in this state by a person who is required to have or voluntarily obtains a permit under section 297A.83, subdivision 1.

(b) The increased rate required under the Minnesota Constitution, article XI, section 15, shall be added to the rate imposed under paragraph (a).

EFFECTIVE DATE. This section is effective July 1, 2007, if the constitutional amendment proposed in section 1 is adopted by the voters.

Sec. 8. Minnesota Statutes 2004, section 297A.94, is amended to read:

297A.94 DEPOSIT OF REVENUES.

(a) Except as provided in this section and the Minnesota Constitution, article XI, section 15, the commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed by this chapter in the state treasury and credit them to the general fund.

(b) The commissioner shall deposit taxes in the Minnesota agricultural and economic account in the special revenue fund if:

(1) the taxes are derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project; and

(2) the purchase was made on or after the date on which a conditional commitment was made

for a loan guaranty for the project under section 41A.04, subdivision 3.

The commissioner of finance shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty account must be reduced by any refunds and by the costs incurred by the Department of Revenue to administer and enforce the assessment and collection of the taxes.

(c) The commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed on sales and purchases included in section 297A.61, subdivision 3, paragraph (g), clauses (1) and (4), in the state treasury, and credit them as follows:

(1) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 16A.661, subdivision 3, paragraph (b); and

(2) after the requirements of clause (1) have been met, the balance to the general fund.

(d) The commissioner shall deposit the revenues, including interest and penalties, collected under section 297A.64, subdivision 5, in the state treasury and credit them to the general fund. By July 15 of each year the commissioner shall transfer to the highway user tax distribution fund an amount equal to the excess fees collected under section 297A.64, subdivision 5, for the previous calendar year.

(e) For fiscal year 2001, 97 percent; for fiscal years 2002 and 2003, 87 percent; and for fiscal year 2004 and thereafter, 72.43 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65, must be deposited by the commissioner in the state treasury as follows:

(1) 50 percent of the receipts must be deposited in the heritage enhancement account in the game and fish fund, and may be spent only on activities that improve, enhance, or protect fish and wildlife resources, including conservation, restoration, and enhancement of land, water, and other natural resources of the state;

(2) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only for state parks and trails;

(3) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only on metropolitan park and trail grants;

(4) three percent of the receipts must be deposited in the natural resources fund, and may be spent only on local trail grants; and

(5) two percent of the receipts must be deposited in the natural resources fund, and may be spent only for the Minnesota Zoological Garden, the Como Park Zoo and Conservatory, and the Duluth Zoo.

(f) The revenue dedicated under paragraph (e) may not be used as a substitute for traditional sources of funding for the purposes specified, but the dedicated revenue shall supplement traditional sources of funding for those purposes. Land acquired with money deposited in the game and fish fund under paragraph (e) must be open to public hunting and fishing during the open season, except that in aquatic management areas or on lands where angling easements have been acquired, fishing may be prohibited during certain times of the year and hunting may be prohibited. At least 87 percent of the money deposited in the game and fish fund for improvement, enhancement, or protection of fish and wildlife resources under paragraph (e) must be allocated for field operations.

EFFECTIVE DATE. This section is effective July 1, 2007, if the constitutional amendment proposed in section 1 is adopted by the voters.

Sec. 9. Minnesota Statutes 2004, section 297B.02, subdivision 1, is amended to read:

Subdivision 1. **Rate.** There is imposed an excise tax at the rate provided in ~~chapter 297A~~ section 297A.62, subdivision 1, paragraph (a), on the purchase price of any motor vehicle purchased or acquired, either in or outside of the state of Minnesota, which is required to be registered under the laws of this state.

The excise tax is also imposed on the purchase price of motor vehicles purchased or acquired on Indian reservations when the tribal council has entered into a sales tax on motor vehicles refund agreement with the state of Minnesota.

EFFECTIVE DATE. This section is effective July 1, 2007, if the constitutional amendment proposed in section 1 is adopted by the voters.

ARTICLE 2 CULTURAL RESOURCES

Section 1. **CONSTITUTIONAL AMENDMENT.**

An amendment to the Minnesota Constitution is proposed to the people. If the amendment is adopted, a section will be added to article XI, to read:

Sec. 16. Beginning July 1, 2007, until June 30, 2032, the sales and use tax rate shall be increased by 1/16 of one percent on sales and uses taxable under the general state sales and use tax law. Receipts from the increase, plus penalties and interest and reduced by any refunds shall be deposited in the arts, humanities, museum, and public broadcasting fund and may be spent only on arts, humanities, history, museums, and public broadcasting. An arts, humanities, museum, and public broadcasting fund is created in the state treasury. The money dedicated under this section shall be appropriated by law. The money dedicated under this section for arts and history shall not be used as a substitute for traditional funding sources for the purposes specified, but the dedicated money shall supplement traditional sources of funding for those purposes.

Sec. 2. **SUBMISSION TO VOTERS.**

The proposed amendment shall be submitted to the people at the 2006 general election. The question submitted shall be:

"Shall the Minnesota Constitution be amended to provide funding beginning July 1, 2007, to improve, enhance, or protect arts, humanities, history, museums, and public broadcasting by increasing the sales and use tax rate by 1/16 of one percent on taxable sales until the year 2032?"

Yes

No"

Sec. 3. **[129D.17] ARTS, HUMANITIES, MUSEUM, AND PUBLIC BROADCASTING FUND; EXPENDITURES.**

Subdivision 1. **Fund.** The arts, humanities, museum, and public broadcasting fund is established in the Minnesota Constitution, article XI, section 16. All money earned by the fund must be credited to the fund.

Subd. 2. **Expenditures.** Subject to appropriation, receipts in the fund must be allocated by the commissioner of finance as follows:

- (1) 43 percent to the Minnesota State Arts Board;
- (2) 23 percent to the Minnesota Historical Society;
- (3) 23 percent to public broadcasting;
- (4) four percent to the Science Museum of Minnesota;

(5) 3.5 percent to the Humanities Commission;

(6) 2.5 percent to the Minnesota Film Board; and

(7) one percent to the Minnesota Children's Museum and the Duluth Children's Museum.

Money allocated to the Minnesota State Arts Board may not be used for administrative purposes. If one of the above entities ceases to exist, then the appropriated money must be allocated proportionally among the remaining entities.

EFFECTIVE DATE. This section is effective July 1, 2007, if the constitutional amendment proposed in section 1 is adopted by the voters.

Sec. 4. Minnesota Statutes 2004, section 297A.62, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) Except as otherwise provided in subdivision 2 or 3 or in this chapter, a sales tax of 6.5 percent is imposed on the gross receipts from retail sales as defined in section 297A.61, subdivision 4, made in this state or to a destination in this state by a person who is required to have or voluntarily obtains a permit under section 297A.83, subdivision 1.

(b) The increased rate required under the Minnesota Constitution, article XI, section 16, shall be added to the rate imposed under paragraph (a).

EFFECTIVE DATE. This section is effective July 1, 2007, if the constitutional amendment proposed in section 1 is adopted by the voters.

Sec. 5. Minnesota Statutes 2004, section 297A.94, is amended to read:

297A.94 DEPOSIT OF REVENUES.

(a) Except as provided in this section and the Minnesota Constitution, article XI, section 16, the commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed by this chapter in the state treasury and credit them to the general fund.

(b) The commissioner shall deposit taxes in the Minnesota agricultural and economic account in the special revenue fund if:

(1) the taxes are derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project; and

(2) the purchase was made on or after the date on which a conditional commitment was made for a loan guaranty for the project under section 41A.04, subdivision 3.

The commissioner of finance shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty account must be reduced by any refunds and by the costs incurred by the Department of Revenue to administer and enforce the assessment and collection of the taxes.

(c) The commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed on sales and purchases included in section 297A.61, subdivision 3, paragraph (g), clauses (1) and (4), in the state treasury, and credit them as follows:

(1) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 16A.661, subdivision 3, paragraph (b); and

(2) after the requirements of clause (1) have been met, the balance to the general fund.

(d) The commissioner shall deposit the revenues, including interest and penalties, collected under section 297A.64, subdivision 5, in the state treasury and credit them to the general fund. By July 15 of each year the commissioner shall transfer to the highway user tax distribution fund

an amount equal to the excess fees collected under section 297A.64, subdivision 5, for the previous calendar year.

(e) For fiscal year 2001, 97 percent; for fiscal years 2002 and 2003, 87 percent; and for fiscal year 2004 and thereafter, 72.43 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65, must be deposited by the commissioner in the state treasury as follows:

(1) 50 percent of the receipts must be deposited in the heritage enhancement account in the game and fish fund, and may be spent only on activities that improve, enhance, or protect fish and wildlife resources, including conservation, restoration, and enhancement of land, water, and other natural resources of the state;

(2) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only for state parks and trails;

(3) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only on metropolitan park and trail grants;

(4) three percent of the receipts must be deposited in the natural resources fund, and may be spent only on local trail grants; and

(5) two percent of the receipts must be deposited in the natural resources fund, and may be spent only for the Minnesota Zoological Garden, the Como Park Zoo and Conservatory, and the Duluth Zoo.

(f) The revenue dedicated under paragraph (e) may not be used as a substitute for traditional sources of funding for the purposes specified, but the dedicated revenue shall supplement traditional sources of funding for those purposes. Land acquired with money deposited in the game and fish fund under paragraph (e) must be open to public hunting and fishing during the open season, except that in aquatic management areas or on lands where angling easements have been acquired, fishing may be prohibited during certain times of the year and hunting may be prohibited. At least 87 percent of the money deposited in the game and fish fund for improvement, enhancement, or protection of fish and wildlife resources under paragraph (e) must be allocated for field operations.

EFFECTIVE DATE. This section is effective July 1, 2007, if the constitutional amendment proposed in section 1 is adopted by the voters.

Sec. 6. Minnesota Statutes 2004, section 297B.02, subdivision 1, is amended to read:

Subdivision 1. **Rate.** There is imposed an excise tax at the rate provided in ~~chapter 297A~~ section 297A.62, subdivision 1, paragraph (a), on the purchase price of any motor vehicle purchased or acquired, either in or outside of the state of Minnesota, which is required to be registered under the laws of this state.

The excise tax is also imposed on the purchase price of motor vehicles purchased or acquired on Indian reservations when the tribal council has entered into a sales tax on motor vehicles refund agreement with the state of Minnesota.

EFFECTIVE DATE. This section is effective July 1, 2007, if the constitutional amendment proposed in section 1 is adopted by the voters."

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 23 and nays 42, as follows:

Those who voted in the affirmative were:

Belanger	Hann	Larson	Olson	Ruud
Day	Jungbauer	Limmer	Ortman	Senjem
Dille	Kierlin	McGinn	Pariseau	Wergin
Fischbach	Koch	Neuville	Robling	
Gerlach	Koering	Nienow	Rosen	

Those who voted in the negative were:

Anderson	Dibble	Langseth	Pogemiller	Solon
Bachmann	Foley	LeClair	Ranum	Sparks
Bakk	Frederickson	Lourey	Reiter	Stumpf
Berglin	Higgins	Marko	Rest	Tomassoni
Betzold	Hottinger	Marty	Sams	Vickerman
Bonoff	Johnson, D.E.	Metzen	Saxhaug	Wiger
Chaudhary	Kelley	Michel	Scheid	
Clark	Kiscaden	Murphy	Skoe	
Cohen	Kubly	Pappas	Skoglund	

The motion did not prevail. So the amendment was not adopted.

S.F. No. 2734 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 42 and nays 22, as follows:

Those who voted in the affirmative were:

Anderson	Foley	Lourey	Ranum	Sparks
Belanger	Frederickson	Marty	Rest	Stumpf
Berglin	Higgins	Metzen	Ruud	Tomassoni
Betzold	Johnson, D.E.	Michel	Sams	Vickerman
Bonoff	Kelley	Murphy	Saxhaug	Wergin
Chaudhary	Kiscaden	Nienow	Scheid	Wiger
Clark	Koering	Olson	Senjem	
Cohen	Kubly	Pappas	Skoe	
Dibble	Langseth	Pogemiller	Solon	

Those who voted in the negative were:

Bachmann	Gerlach	Koch	McGinn	Robling
Bakk	Hann	Larson	Neuville	Rosen
Day	Hottinger	LeClair	Ortman	
Dille	Jungbauer	Limmer	Pariseau	
Fischbach	Kierlin	Marko	Reiter	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Koering moved that S.F. No. 3219 be withdrawn from the Committee on Environment and Natural Resources and re-referred to the Committee on State and Local Government Operations. The motion prevailed.

MEMBERS EXCUSED

Senator Moua was excused from the Session of today. Senator Johnson, D.J. was excused from the Session of today at 12:00 noon. Senator Skoglund was excused from the Session of today at 1:25 p.m.

ADJOURNMENT

Senator Johnson, D.E. moved that the Senate do now adjourn until 8:45 a.m., Wednesday, April 5, 2006. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

