

EIGHTY-SIXTH DAY

St. Paul, Minnesota, Thursday, April 6, 2006

The Senate met at 9:00 a.m. and was called to order by the President.

CALL OF THE SENATE

Senator Johnson, D.E. 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. David Keippela.

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

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

The President declared a quorum present.

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

REPORTS OF COMMITTEES

Senator Johnson, D.E. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 3609, 3619, 3667 and 3706. The motion prevailed.

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

S.F. No. 1217: A bill for an act relating to landlord and tenant; clarifying provisions relating to utility metering and billing; amending Minnesota Statutes 2004, section 504B.215, subdivisions 1, 2, 2a.

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 504B.215, is amended by adding a subdivision to read:

Subd. 2b. **De minimis exception.** Any tariff approved by the Public Utilities Commission regarding a violation of subdivision 2 shall include a de minimis exception. The de minimis exception shall provide that electrical service in a common area that does not exceed an aggregate 1,752 kilowatt hours per year, which service is measured through a meter serving an individual residential unit, shall not cause a building to be a "single-metered residential building" as used in this section. The amount of common area usage may be determined by actual measurement or, when such measurement is not possible, it may be determined not likely to exceed 1,752 kilowatt hours per year by a licensed tradesperson or a housing inspector. The landlord shall bear the burden and cost associated with proving an exception.

If a tariff is not adopted this subdivision shall have no effect."

Amend the title accordingly

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

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

S.F. No. 2696: A bill for an act relating to economic development; providing eligibility for inclusion in a JOBZ zone for certain businesses; 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. 2706: A bill for an act relating to vocational rehabilitation; providing for affirmative-business enterprise employment; proposing coding for new law in Minnesota Statutes, chapter 268A.

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

Delete everything after the enacting clause and insert:

"Section 1. Laws 2004, chapter 188, section 1, as amended by Laws 2005, chapter 134, section 3, is amended to read:

Section 1. **PILOT PROJECT.**

The commissioner of employment and economic development shall conduct an extended employment pilot project to study an industrial model for employment for individuals with severe disabilities in Thief River Falls, Minnesota.

Employment is to be provided by Custom Products, a division of Occupational Development Center. During the pilot, employment outcomes for individuals with severe disabilities will be assumed to be community employment as defined under Minnesota Rules, part 3300.2005. The pilot project will begin July 1, 2004, and end June 30, ~~2006~~ 2007. Evaluation of the pilot project must be completed by October 1, 2006, by the commissioner.

The pilot project must maintain a minimum ratio of 60 percent of nondisabled persons, must pay minimum wages or better to all employees with severe disabilities, and must provide them a level

of benefits equal to those provided to nondisabled employees. All work teams must be integrated.

The pilot project must provide the extended employment program with useful information to clarify the distinction between center-based and community employment subprograms. The commissioner shall consider the findings of the pilot project in adopting rules."

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. 2847: A bill for an act relating to vocational rehabilitation; modifying the definition of "supported employment"; amending Minnesota Statutes 2004, section 268A.01, subdivision 13.

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 re-referred

S.F. No. 3011: A bill for an act relating to human services; awarding a grant; appropriating money for the Commission Serving Deaf and Hard-of-Hearing People.

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

Delete everything after the enacting clause and insert:

"Section 1. APPROPRIATION FOR THE COMMISSION SERVING DEAF AND HARD-OF-HEARING PEOPLE.

\$240,000 is appropriated from the Department of Commerce telecommunications access Minnesota fund to the commissioner of human services for the fiscal year beginning July 1, 2006, to supplement the ongoing operational expenses of the Minnesota Commission Serving Deaf and Hard-of-Hearing People. This appropriation shall become part of base level funding for the commission for the biennium beginning 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 Anderson from the Committee on Jobs, Energy and Community Development, to which was referred

S.F. No. 3166: A bill for an act relating to employment; redefining the base appropriation for extended employment services for persons with severe disabilities; appropriating money; amending Laws 2005, First Special Session chapter 1, article 3, section 2, subdivision 4.

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. 3409: A bill for an act relating to economic development; establishing the Office

of Entrepreneurship; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116J.

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. 3488: A bill for an act relating to economic development; modifying the purpose of the Minnesota Investment Fund; adding a new condition for the evaluation of Minnesota Investment Fund projects; amending Minnesota Statutes 2004, section 116J.8731, subdivisions 1, 4.

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

Page 2, line 3, delete "manufacturing" and after "safe" insert "manufacturing processes or the production of environmentally safe products"

Page 2, line 4, delete "products"

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. 3609: A bill for an act relating to energy; extending eligibility to receive renewable energy production incentive under certain circumstances; amending Minnesota Statutes 2004, section 216C.41, subdivision 4; Minnesota Statutes 2005 Supplement, section 216C.41, subdivision 3.

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

Page 1, line 14, strike "2007" and insert "2008"

Page 1, line 21, strike "2017" and insert "2018"

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

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

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

S.F. No. 3619: A bill for an act relating to the city of Hibbing; dissolving the Hibbing Area Redevelopment Agency; transferring the assets of the Hibbing Area Redevelopment Agency to the Hibbing Economic Development Authority; providing for the assumption of debts and obligations.

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

S.F. No. 3667: A bill for an act relating to taxes; extending the eligibility period for the commencement of construction of biomass electric generation facilities that qualify for property tax exemptions; amending Minnesota Statutes 2004, section 272.02, subdivision 45.

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 216B.2424, subdivision 5, is amended to read:

Subd. 5. **Mandate.** (a) A public utility, as defined in section 216B.02, subdivision 4, that operates a nuclear-powered electric generating plant within this state must construct and operate, purchase, or contract to construct and operate (1) by December 31, 1998, 50 megawatts of electric energy installed capacity generated by farm-grown closed-loop biomass scheduled to be operational by December 31, 2001; and (2) by December 31, 1998, an additional 75 megawatts of installed capacity so generated scheduled to be operational by December 31, 2002.

(b) Of the 125 megawatts of biomass electricity installed capacity required under this subdivision, no more than 55 megawatts of this capacity may be provided by a facility that uses poultry litter as its primary fuel source and any such facility:

(1) need not use biomass that complies with the definition in subdivision 1;

(2) must enter into a contract with the public utility for such capacity, that has an average purchase price per megawatt hour over the life of the contract that is equal to or less than the average purchase price per megawatt hour over the life of the contract in contracts approved by the Public Utilities Commission before April 1, 2000, to satisfy the mandate of this section, and file that contract with the Public Utilities Commission prior to September 1, 2000; and

(3) must schedule such capacity to be operational by December 31, 2002.

(c) Of the total 125 megawatts of biomass electric energy installed capacity required under this section, no more than 75 megawatts may be provided by a single project.

(d) Of the 75 megawatts of biomass electric energy installed capacity required under paragraph (a), clause (2), no more than 33 megawatts of this capacity may be provided by a St. Paul district heating and cooling system cogeneration facility utilizing waste wood as a primary fuel source. The St. Paul district heating and cooling system cogeneration facility need not use biomass that complies with the definition in subdivision 1.

(e) The public utility must accept and consider on an equal basis with other biomass proposals:

(1) a proposal to satisfy the requirements of this section that includes a project that exceeds the megawatt capacity requirements of either paragraph (a), clause (1) or (2), and that proposes to sell the excess capacity to the public utility or to other purchasers; and

(2) a proposal for a new facility to satisfy more than ten but not more than 20 megawatts of the electrical generation requirements by a small business-sponsored independent power producer facility to be located within the northern quarter of the state, which means the area located north of Constitutional Route No. 8 as described in section 161.114, subdivision 2, and that utilizes biomass residue wood, sawdust, bark, chipped wood, or brush to generate electricity. A facility described in this clause is not required to utilize biomass complying with the definition in subdivision 1, but must be under construction by December 31, 2005.

(f) If a public utility files a contract with the commission for electric energy installed capacity that uses poultry litter as its primary fuel source, the commission must do a preliminary review of the contract to determine if it meets the purchase price criteria provided in paragraph (b), clause (2), of this subdivision. The commission shall perform its review and advise the parties of its determination within 30 days of filing of such a contract by a public utility. A public utility may submit by September 1, 2000, a revised contract to address the commission's preliminary determination.

(g) The commission shall finally approve, modify, or disapprove no later than July 1, 2001, all

contracts submitted by a public utility as of September 1, 2000, to meet the mandate set forth in this subdivision.

(h) If a public utility subject to this section exercises an option to increase the generating capacity of a project in a contract approved by the commission prior to April 25, 2000, to satisfy the mandate in this subdivision, the public utility must notify the commission by September 1, 2000, that it has exercised the option and include in the notice the amount of additional megawatts to be generated under the option exercised. Any review by the commission of the project after exercise of such an option shall be based on the same criteria used to review the existing contract.

(i) A facility specified in this subdivision qualifies for exemption from property taxation under section 272.02, subdivision 43 ~~45~~.

Sec. 2. Minnesota Statutes 2004, section 272.02, subdivision 45, is amended to read:

Subd. 45. **Biomass electrical generation facility; personal property.** Notwithstanding subdivision 9, clause (a), attached machinery and other personal property which is part of an electrical generating facility that meets the requirements of this subdivision is exempt. At the time of construction, the facility must:

(1) be designed to utilize biomass as established in section 216B.2424 as a primary fuel source; and

(2) be constructed for the purpose of generating power at the facility that will be sold pursuant to a contract approved by the Public Utilities Commission in accordance with the biomass mandate imposed under section 216B.2424.

Construction of the facility must be commenced after January 1, 2000, and before December 31, ~~2002~~ 2005. Property eligible for this exemption does not include electric transmission lines and interconnections or gas pipelines and interconnections appurtenant to the property or facility.

Sec. 3. Minnesota Statutes 2004, section 272.02, subdivision 54, is amended to read:

Subd. 54. **Small biomass electric generation facility; personal property.** Notwithstanding subdivision 9, clause (a), attached machinery and other personal property which is part of an electrical generating facility that meets the requirements of this subdivision is exempt. At the time of construction the facility must:

(1) have a generation capacity of less than 25 megawatts;

(2) provide process heating needs in addition to electrical generation; and

(3) utilize agricultural by-products from the malting process and other biomass fuels as its primary fuel source.

Construction of the facility must be commenced after January 1, 2002, and before ~~January 1, 2006~~ June 30, 2007. Property eligible for this exemption does not include electric transmission lines and interconnections or gas pipelines and interconnections appurtenant to the property or facility.

EFFECTIVE DATE. This section is effective for taxes levied in 2008, payable in 2009, and thereafter.

Sec. 4. **EFFECTIVE DATE.**

Sections 1 and 2 are effective for taxes levied in 2006, payable in 2007, and thereafter."

Amend the title accordingly

And when so amended the bill do pass and be re-referred to the Committee on Taxes.

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

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

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.

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

Page 1, line 10, delete "December 31, 2006" and insert "January 15, 2007"

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

S.F. No. 3109: A bill for an act relating to unemployment insurance; making various policy, housekeeping, and style changes to the Minnesota Unemployment Insurance Law; incorporating certain administrative rules into Minnesota Statutes; modifying fraud penalties; amending Minnesota Statutes 2004, sections 268.001; 268.03, subdivision 2; 268.035, subdivisions 1, 4, 10, 11, 12, 15, 17, 21a, 23, 23a, 24, 29, 30, by adding a subdivision; 268.042, subdivisions 3, 4; 268.044, subdivisions 1a, 4; 268.047, subdivisions 1, 2, 3, 5; 268.051, subdivisions 1a, 2, 3, 5, 8, 9; 268.052, subdivisions 1, 3, 4, 5; 268.0525; 268.053, subdivisions 2, 3; 268.057, subdivisions 1, 2, 3, 4, 5, 6, 10; 268.058; 268.059; 268.0625, subdivisions 4, 5; 268.063; 268.064; 268.065, subdivisions 1, 3; 268.066; 268.067; 268.0675; 268.068; 268.069, subdivisions 2, 3; 268.07, subdivisions 1, 2, 3a; 268.084; 268.085, subdivisions 3a, 4, 6, 7, 9, 11, 13, 13a, 13b, 16; 268.086, subdivisions 1, 5, 6, 7, 8, 9; 268.087; 268.095, subdivisions 2, 3, 5, 6, 6a; 268.101, as amended; 268.103, subdivision 1; 268.115; 268.125, subdivisions 3, 4, 5; 268.131, subdivision 1; 268.135; 268.145, subdivisions 2, 3; 268.155; 268.18, subdivisions 4, 5, 6; 268.182, subdivision 1; 268.186; 268.188; 268.19, subdivisions 1a, 2; 268.192; 268.194, subdivisions 1, 2, 3, 4, 5, 6; 268.196, subdivisions 1, 3; 268.20; 268.21; 268.22; 268.23; Minnesota Statutes 2005 Supplement, sections 268.03, subdivision 1; 268.035, subdivisions 9, 13, 14, 20, 26; 268.042, subdivision 1; 268.043; 268.0435; 268.044, subdivisions 1, 2, 3; 268.045, subdivision 1; 268.046; 268.051, subdivisions 1, 4, 4a, 6, 7; 268.052, subdivision 2; 268.053, subdivision 1; 268.057, subdivision 7; 268.069, subdivision 1; 268.07, subdivision 3b; 268.085, subdivisions 1, 2, 3, 5, 8, 12, 13c; 268.086, subdivisions 2, 3; 268.095, subdivisions 1, 4, 7, 10, 11; 268.103, subdivision 2; 268.105, subdivisions 1, 2, 3, 3a, 4, 5, 6, 7, by adding a subdivision; 268.145, subdivision 1; 268.18, subdivisions 1, 2, 2b; 268.182, subdivision 2; 268.184, subdivisions 1, 1a; 268.19, subdivision 1; Laws 2003, First Special Session chapter 3, article 1, section 9; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 2004, sections 268.0511; 268.085, subdivision 10; 268.103, subdivision 4; Minnesota Rules, parts 3315.0210; 3315.0220; 3315.0515; 3315.0520; 3315.0525; 3315.0530; 3315.0540; 3315.0550; 3315.0910; 3315.1005; 3315.1315, subpart 4; 3315.2010; 3315.2810.

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

Page 4, line 24, delete "60" and insert "600"

Page 21, line 10, delete "20" and insert "30"

Page 27, delete lines 16 to 19 and insert "applicant's wages paid in covered employment in another state only if the applicant is combining Minnesota wage credits with the wages paid in covered employment from another state or states."

Page 27, line 20, delete "(2) the applicant" and insert "(c) Regardless of section 268.23, only if the United States Secretary of Labor, after conducting a hearing under Code of Federal Regulations, title 20, part 601.5(d), holds that paragraph (b) does not conform to the requirements of federal law, is the commissioner then authorized to pay unemployment benefits to an applicant who"

Page 27, line 21, delete ", but" and insert ". This paragraph applies"

Page 27, line 23, delete "(c)" and insert "(d)"

Page 27, line 28, delete everything after "effective" and insert "the day following final enactment."

Page 27, delete line 29

Page 33, line 19, strike "on" and insert "during the payroll period that includes"

Page 47, after line 20, insert:

"(e) The revisor of statutes shall change the term "electronic mail address" to "electronic mail address or telephone number" in Minnesota Statutes, section 268.086."

Page 68, line 8, strike "preceding" and insert "prior"

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 re-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 be amended as follows:

Page 2, line 4, delete "comprised" and insert "composed"

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. 3254: A bill for an act relating to local government; prohibiting units of local government from imposing certain fees related to students at postsecondary institutions; proposing coding for new law in Minnesota Statutes, chapter 471.

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

Page 1, after line 12, insert:

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

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

Senator Cohen from the Committee on Finance, to which was re-referred

S.F. No. 930: A bill for an act relating to gambling; appropriating money for compulsive gambling prevention and education.

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

Page 1, line 6, delete "\$150,000 in fiscal year 2006" and insert "\$25,000 in fiscal year 2006"

Page 1, line 15, delete "in each year of the biennium" and insert "in fiscal year 2007"

Page 1, line 16, delete "demonstration" and insert "contribution"

Page 1, line 17, delete "in kind" and insert "in-kind contributions"

Page 1, after line 20, insert:

"Sec. 2. **EFFECTIVE DATE.**

Section 1 is effective the day following final enactment."

Amend the title accordingly

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

Senator Cohen from the Committee on Finance, to which was referred

S.F. No. 3615: A bill for an act relating to human services; modifying child care assistance parent fees; amending Minnesota Statutes 2004, section 119B.12, subdivision 2.

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

Page 1, after line 19, insert:

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

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

Senator Cohen from the Committee on Finance, to which was re-referred

S.F. No. 2883: A bill for an act relating to human services; modifying child care licensing provisions; amending Minnesota Statutes 2005 Supplement, section 245A.14, subdivision 4.

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

Page 2, after line 21, insert:

"Sec. 2. Minnesota Statutes 2005 Supplement, section 245A.14, subdivision 12, is amended to read:

Subd. 12. **First aid training requirements.** Notwithstanding Minnesota Rules, part 9503.0035, subpart 2, when children are present in a family child care home governed by Minnesota Rules, parts 9502.0315 to 9502.0445, or a child care center governed by Minnesota Rules, parts 9503.0005 to 9503.0170, at least one staff person must be present in the center or home who has been trained in first aid. The first aid training must have been provided by an individual approved to provide first aid instruction. First aid training may be less than eight hours and persons qualified to provide first aid training shall include individuals approved as first aid instructors. A family child care provider is exempt from the first aid training requirements under this subdivision related to any substitute caregiver who provides less than 30 hours of care during any 12-month period. Video training reviewed and approved by the county licensing agency may be used to satisfy the family child care training requirement of this subdivision.

Sec. 3. Minnesota Statutes 2005 Supplement, section 245A.14, subdivision 13, is amended to read:

Subd. 13. **Cardiopulmonary resuscitation training.** (a) When children are present in a child care center governed by Minnesota Rules, parts 9503.0005 to 9503.0170, or in a family child care home governed by Minnesota Rules, parts 9502.0315 to 9502.0445, at least one staff person must be present in the center or home who has been trained in cardiopulmonary resuscitation (CPR) and in the treatment of obstructed airways. The CPR training must have been provided by an individual approved to provide CPR instruction, must be repeated at least once every three years, and must be documented in the staff person's records.

(b) Notwithstanding Minnesota Rules, part 9503.0035, subpart 3, item A, cardiopulmonary resuscitation training may be provided for less than four hours.

(c) Notwithstanding Minnesota Rules, part 9503.0035, subpart 3, item C, persons qualified to provide cardiopulmonary resuscitation training shall include individuals approved as cardiopulmonary resuscitation instructors.

(d) A family child care provider is exempt from the CPR training requirement in this subdivision related to any substitute caregiver who provides less than 30 hours of care during any 12-month period.

(e) Video training reviewed and approved by the county licensing agency satisfies the family child care training requirement of this subdivision."

Page 2, line 23, delete "Section 1" and insert "This act"

Renumber the sections in sequence

Amend the title accordingly

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

Senator Cohen from the Committee on Finance, to which was referred

S.F. No. 2697: A bill for an act relating to economic development; providing a grant to the city of Hallock; appropriating money.

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

Delete everything after the enacting clause and insert:

"Section 1. **QUALIFIED BUSINESS; SMALL DECLINING POPULATION COUNTY.**

Notwithstanding Minnesota Statutes, section 469.310, subdivision 11, paragraph (f), a qualified business for purposes of Minnesota Statutes, section 469.310, subdivision 11, includes a food service business if the business is located solely in a qualified county, and if the business began operations in January 2004, with employment of between 15 and 20 part-time and full-time employees. For the purpose of this section, a "qualified county" is a county having an estimated population of less than 5,000 in 2004 and that experienced a reduction in population of at least 7.5 percent between 2000 and 2004, according to the state demographer.

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

Amend the title accordingly

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

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

S.F. No. 3480: A bill for an act relating to insurance; regulating certain form approvals, coverages, filings, utilization reviews, and claims; amending Minnesota Statutes 2004, sections 60C.02, subdivision 1; 61A.02, subdivision 3; 61A.092, subdivisions 1, 3; 62A.095, subdivision 1; 62A.17, subdivisions 1, 2, 5; 62A.27; 62A.3093; 62C.14, subdivisions 9, 10; 62L.02, subdivision 24; 62M.01, subdivision 2; 62M.09, subdivision 9; 72C.10, subdivision 1; 79.01, by adding subdivisions; 79.251, by adding a subdivision; 79.252, by adding subdivisions; 79A.23, subdivision 3; Minnesota Statutes 2005 Supplement, sections 59B.01; 62A.316; 62Q.75, subdivision 3; 65B.49, subdivision 5a; 79A.04, subdivision 2; repealing Minnesota Statutes 2004, section 79.251, subdivision 2; Minnesota Rules, parts 2781.0400; 2781.0500; 2781.0600.

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

Pages 1 to 2, delete sections 1 and 2 and insert:

"Section 1. Minnesota Statutes 2005 Supplement, section 45.22, is amended to read:

45.22 LICENSE EDUCATION APPROVAL.

(a) License education courses must be approved in advance by the commissioner. Each sponsor who offers a license education course must ~~have at least one coordinator, approved by the commissioner, be approved by the commissioner.~~ Each approved sponsor must have at least one coordinator who meets the criteria specified in Minnesota Rules, chapter 2809, and who is responsible for supervising the educational program and assuring compliance with all laws and rules. "Sponsor" means any person or entity offering approved education.

~~(b) For coordinators with an initial approval date before August 1, 2005, approval will expire on December 31, 2005. For courses with an initial approval date on or before December 31, 2000, approval will expire on April 30, 2006. For courses with an initial approval date after January 1, 2001, but before August 1, 2005, approval will expire on April 30, 2007.~~

Sec. 2. Minnesota Statutes 2005 Supplement, section 45.23, is amended to read:

45.23 LICENSE EDUCATION FEES.

The following fees must be paid to the commissioner:

(1) initial course approval, \$10 for each hour or fraction of one hour of education course approval sought. Initial course approval expires on the last day of the 24th month after the course is approved;

(2) renewal of course approval, \$10 per course. Renewal of course approval expires on the last day of the 24th month after the course is renewed;

~~(3) initial coordinator sponsor approval, \$100. Initial coordinator approval expires on the last day of the 24th month after the coordinator is approved; Initial sponsor approval issued under this section is valid for a period not to exceed 24 months and expires on January 31 of the renewal year assigned by the commissioner. Active sponsors who have at least one approved coordinator as of the effective date of this section are deemed to be approved sponsors and are not required to submit an initial application for sponsor approval; and~~

~~(4) renewal of coordinator sponsor approval, \$10. Renewal of coordinator approval expires on the last day of the 24th month after the coordinator is renewed. Each renewal of sponsor approval is valid for a period of 24 months. Active sponsors who have at least one approved coordinator as of the effective date of this section will have an expiration date of January 31, 2008.~~

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

Page 3, delete section 4

Page 4, after line 23, insert:

"Sec. 5. Minnesota Statutes 2004, section 62A.02, subdivision 3, is amended to read:

Subd. 3. **Standards for disapproval.** (a) The commissioner shall, within 60 days after the filing of any form or rate, disapprove the form or rate:

(1) if the benefits provided are not reasonable in relation to the premium charged;

(2) if it contains a provision or provisions which are unjust, unfair, inequitable, misleading, deceptive or encourage misrepresentation of the health plan form, or otherwise does not comply with this chapter, chapter 62L, or chapter 72A;

- (3) if the proposed premium rate is excessive or not adequate; or
- (4) the actuarial reasons and data submitted do not justify the rate.

The party proposing a rate has the burden of proving by a preponderance of the evidence that it does not violate this subdivision.

In determining the reasonableness of a rate, the commissioner shall also review all administrative contracts, service contracts, and other agreements to determine the reasonableness of the cost of the contracts or agreement and effect of the contracts on the rate. If the commissioner determines that a contract or agreement is not reasonable, the commissioner shall disapprove any rate that reflects any unreasonable cost arising out of the contract or agreement. The commissioner may require any information that the commissioner deems necessary to determine the reasonableness of the cost.

For the purposes of this subdivision, the commissioner shall establish by rule a schedule of minimum anticipated loss ratios which shall be based on (i) the type or types of coverage provided, (ii) whether the policy is for group or individual coverage, and (iii) the size of the group for group policies. Except for individual policies of disability or income protection insurance, the minimum anticipated loss ratio shall not be less than 50 percent after the first year that a policy is in force. All applicants for a policy shall be informed in writing at the time of application of the anticipated loss ratio of the policy. "Anticipated loss ratio" means the ratio at the time of filing, at the time of notice of withdrawal under subdivision 4a, or at the time of subsequent rate revision of the present value of all expected future benefits, excluding dividends, to the present value of all expected future premiums.

If the commissioner notifies a health carrier that has filed any form or rate that it does not comply with this chapter, chapter 62L, or chapter 72A, it shall be unlawful for the health carrier to issue or use the form or rate. In the notice the commissioner shall specify the reasons for disapproval and state that a hearing will be granted within 20 days after request in writing by the health carrier.

The 60-day period within which the commissioner is to approve or disapprove the form or rate does not begin to run until a complete filing of all data and materials required by statute or requested by the commissioner has been submitted.

However, if the supporting data is not filed within 30 days after a request by the commissioner, the rate is not effective and is presumed to be an excessive rate.

(b) When an insurer or the Minnesota Comprehensive Health Association fails to respond to an objection or inquiry within 60 days, the filing is automatically disapproved. A resubmission is required if action by the Department of Commerce is subsequently requested. An additional filing fee is required for the resubmission."

Page 6, delete section 9

Pages 8 to 11, delete section 12 and insert:

"Sec. 11. [62A.3161] MEDICARE SUPPLEMENT PLAN WITH 50 PERCENT COVERAGE.

The Medicare supplement plan with 50 percent coverage must have a level of coverage that will provide:

- (1) 100 percent of Medicare Part A hospitalization coinsurance plus coverage for 365 days after Medicare benefits end;
- (2) coverage for 50 percent of the Medicare Part A inpatient hospital deductible amount per benefit period until the out-of-pocket limitation is met as described in clause (8);
- (3) coverage for 50 percent of the coinsurance amount for each day used from the 21st through

the 100th day in a Medicare benefit period for posthospital skilled nursing care eligible under Medicare Part A until the out-of-pocket limitation is met as described in clause (8);

(4) coverage for 50 percent of cost sharing for all Medicare Part A eligible expenses and respite care until the out-of-pocket limitation is met as described in clause (8);

(5) coverage for 50 percent, under Medicare Part A or B, of the reasonable cost of the first three pints of blood, or equivalent quantities of packed red blood cells, as defined under federal regulations, unless replaced according to federal regulations, until the out-of-pocket limitation is met as described in clause (8);

(6) except for coverage provided in this clause, coverage for 50 percent of the cost sharing otherwise applicable under Medicare Part B, after the policyholder pays the Medicare Part B deductible, until the out-of-pocket limitation is met as described in clause (8);

(7) coverage of 100 percent of the cost sharing for Medicare Part B preventive services and diagnostic procedures for cancer screening described in section 62A.30 after the policyholder pays the Medicare Part B deductible; and

(8) coverage of 100 percent of all cost sharing under Medicare Parts A and B for the balance of the calendar year after the individual has reached the out-of-pocket limitation on annual expenditures under Medicare Parts A and B of \$4,000 in 2006, indexed each year by the appropriate inflation adjustment by the secretary of the United States Department of Health and Human Services.

Sec. 12. [62A.3162] MEDICARE SUPPLEMENT PLAN WITH 75 PERCENT COVERAGE.

The basic Medicare supplement plan with 75 percent coverage must have a level of coverage that will provide:

(1) 100 percent of Medicare Part A hospitalization coinsurance plus coverage for 365 days after Medicare benefits end;

(2) coverage for 75 percent of the Medicare Part A inpatient hospital deductible amount per benefit period until the out-of-pocket limitation is met as described in clause (8);

(3) coverage for 75 percent of the coinsurance amount for each day used from the 21st through the 100th day in a Medicare benefit period for posthospital skilled nursing care eligible under Medicare Part A until the out-of-pocket limitation is met as described in clause (8);

(4) coverage for 75 percent of cost sharing for all Medicare Part A eligible expenses and respite care until the out-of-pocket limitation is met as described in clause (8);

(5) coverage for 75 percent, under Medicare Part A or B, of the reasonable cost of the first three pints of blood, or equivalent quantities of packed red blood cells, as defined under federal regulations, unless replaced according to federal regulations until the out-of-pocket limitation is met as described in clause (8);

(6) except for coverage provided in this clause, coverage for 75 percent of the cost sharing otherwise applicable under Medicare Part B after the policyholder pays the Medicare Part B deductible until the out-of-pocket limitation is met as described in clause (8);

(7) coverage of 100 percent of the cost sharing for Medicare Part B preventive services and diagnostic procedures for cancer screening described in section 62A.30 after the policyholder pays the Medicare Part B deductible; and

(8) coverage of 100 percent of all cost sharing under Medicare Parts A and B for the balance of the calendar year after the individual has reached the out-of-pocket limitation on annual expenditures under Medicare Parts A and B of \$2,000 in 2006, indexed each year by the appropriate inflation

adjustment by the Secretary of the United States Department of Health and Human Services."

Page 12, after line 14, insert:

"Sec. 15. Minnesota Statutes 2004, section 62E.13, subdivision 3, is amended to read:

Subd. 3. **Duties of writing carrier.** The writing carrier shall perform all administrative and claims payment functions required by this section. The writing carrier shall provide these services for a period of ~~three~~ five years, unless a request to terminate is approved by the commissioner. The commissioner shall approve or deny a request to terminate within 90 days of its receipt. A failure to make a final decision on a request to terminate within the specified period shall be deemed to be an approval. Six months prior to the expiration of each ~~three-year~~ five-year period, the association shall invite submissions of policy forms from members of the association, including the writing carrier. The association shall follow the provisions of subdivision 2 in selecting a writing carrier for the subsequent ~~three-year~~ five-year period.

Sec. 16. Minnesota Statutes 2004, section 62E.14, subdivision 5, is amended to read:

Subd. 5. **Terminated employees.** An employee who is voluntarily or involuntarily terminated or laid off from employment and unable to exercise the option to continue coverage under section 62A.17, and who is a Minnesota resident and who is otherwise eligible, may enroll in the comprehensive health insurance plan, by submitting an application that is received by the writing carrier no later than 90 days after termination or layoff, with a waiver of the preexisting condition limitation set forth in subdivision 3 ~~and a waiver of the evidence of rejection set forth in subdivision 1, paragraph (c).~~

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

Sec. 17. Minnesota Statutes 2004, section 62J.60, subdivision 2, is amended to read:

Subd. 2. **General characteristics.** (a) The Minnesota uniform health care identification card must be a preprinted card constructed of plastic, paper, or any other medium that conforms with ANSI and ISO 7810 physical characteristics standards. The card dimensions must also conform to ANSI and ISO 7810 physical characteristics standard. The use of a signature panel is optional. The uniform prescription drug information contained on the card must conform with the format adopted by the NCPDP and, except as provided in subdivision 3, paragraph (a), clause (2), must include all of the fields required to submit a claim in conformance with the most recent pharmacy identification card implementation guide produced by the NCPDP. All information required to submit a prescription drug claim, exclusive of information provided on a prescription that is required by law, must be included on the card in a clear, readable, and understandable manner. If a health benefit plan requires a conditional or situational field, as defined by the NCPDP, the conditional or situational field must conform to the most recent pharmacy information card implementation guide produced by the NCPDP.

(b) The Minnesota uniform health care identification card must have an essential information window on the front side with the following data elements ~~left justified in the following top to bottom sequence:~~ card issuer name, electronic transaction routing information, card issuer identification number, cardholder (insured) identification number, and cardholder (insured) identification name. No optional data may be interspersed between these data elements. ~~The window must be left justified.~~

(c) Standardized labels are required next to human readable data elements ~~and must come before the human readable data elements.~~

Sec. 18. Minnesota Statutes 2004, section 62J.60, subdivision 3, is amended to read:

Subd. 3. **Human readable data elements.** (a) The following are the minimum human readable data elements that must be present on the front side of the Minnesota uniform health care identification card:

(1) card issuer name or logo, which is the name or logo that identifies the card issuer. The card issuer name or logo may be located at the top of the card. No standard label is required for this data element;

(2) complete electronic transaction routing information including, at a minimum, the international identification number. The standardized label of this data element is "RxBIN." Processor control numbers and group numbers are required if needed to electronically process a prescription drug claim. The standardized label for the process control numbers data element is "RxPCN" and the standardized label for the group numbers data element is "RxGrp," except that if the group number data element is a universal element to be used by all health care providers, the standardized label may be "Grp." To conserve vertical space on the card, the international identification number and the processor control number may be printed on the same line;

~~(3) card issuer identification number. The standardized label for this element is "Issuer";~~

~~(4) cardholder (insured) identification number, which is the unique identification number of the individual card holder established and defined under this section. The standardized label for the data element is "ID";~~

~~(5) (4) cardholder (insured) identification name, which is the name of the individual card holder. The identification name must be formatted as follows: first name, space, optional middle initial, space, last name, optional space and name suffix. The standardized label for this data element is "Name";~~

~~(6) (5) care type, which is the description of the group purchaser's plan product under which the beneficiary is covered. The description shall include the health plan company name and the plan or product name. The standardized label for this data element is "Care Type";~~

~~(7) (6) service type, which is the description of coverage provided such as hospital, dental, vision, prescription, or mental health. The standard label for this data element is "Svc Type"; and~~

~~(8) (7) provider/clinic name, which is the name of the primary care clinic the card holder is assigned to by the health plan company. The standard label for this field is "PCP." This information is mandatory only if the health plan company assigns a specific primary care provider to the card holder.~~

(b) The following human readable data elements shall be present on the back side of the Minnesota uniform health care identification card. These elements must be left justified, and no optional data elements may be interspersed between them:

(1) claims submission names and addresses, which are the names and addresses of the entity or entities to which claims should be submitted. If different destinations are required for different types of claims, this must be labeled;

(2) telephone numbers and names that pharmacies and other health care providers may call for assistance. These telephone numbers and names are required on the back side of the card only if one of the contacts listed in clause (3) cannot provide pharmacies or other providers with assistance or with the telephone numbers and names of contacts for assistance; and

(3) telephone numbers and names; which are the telephone numbers and names of the following contacts with a standardized label describing the service function as applicable:

- (i) eligibility and benefit information;
- (ii) utilization review;
- (iii) precertification; or
- (iv) customer services.

(c) The following human readable data elements are mandatory on the back side of the Minnesota uniform health care identification card for health maintenance organizations:

(1) emergency care authorization telephone number or instruction on how to receive authorization for emergency care. There is no standard label required for this information; and

(2) one of the following:

(i) telephone number to call to appeal to or file a complaint with the commissioner of health; or

(ii) for persons enrolled under section 256B.69, 256D.03, or 256L.12, the telephone number to call to file a complaint with the ombudsperson designated by the commissioner of human services under section 256B.69 and the address to appeal to the commissioner of human services. There is no standard label required for this information.

(d) All human readable data elements not required under paragraphs (a) to (c) are optional and may be used at the issuer's discretion."

Page 14, line 19, after the period, insert "This section may be implemented as the contracts for health care providers and facilities renew as long as it is fully implemented by January 1, 2008."

Pages 14 to 17, delete section 19 and insert:

"Sec. 23. Minnesota Statutes 2005 Supplement, section 65B.49, subdivision 5a, is amended to read:

Subd. 5a. **Rental vehicles.** (a) Every plan of reparation security, wherever issued, insuring a natural person as named insured, covering private passenger vehicles as defined under section 65B.001, subdivision 3, and pickup trucks and vans as defined under section 168.011 must: (1) provide that all of the obligation for damage and loss of use to a rented private passenger vehicle, including pickup trucks and vans as defined under section 168.011, and rented trucks with a registered gross vehicle weight of 26,000 pounds or less would be covered by the property damage liability portion of the plan; and (2) extend the plan's basic economic loss benefits, residual liability insurance, and uninsured and underinsured motorist coverages to the operation or use of the rented motor vehicle. This subdivision does not apply to plans of reparation security covering only motor vehicles registered under section 168.10, subdivision 1a, 1b, 1c, or 1d, or recreational equipment as defined under section 168.011. The obligation of the plan must not be contingent on fault or negligence. In all cases where the plan's property damage liability coverage is less than \$35,000, the coverage available under the subdivision must be \$35,000. Other than as described in this paragraph ~~or in~~; paragraph (i), clause (2); or paragraph (j), nothing in this section amends or alters the provisions of the plan of reparation security as to primacy of the coverages in this section.

(b) A vehicle is rented for purposes of this subdivision:

(1) if the rate for the use of the vehicle is determined on a monthly, weekly, or daily basis; or

(2) during the time that a vehicle is loaned as a replacement for a vehicle being serviced or repaired regardless of whether the customer is charged a fee for the use of the vehicle.

A vehicle is not rented for the purposes of this subdivision if the rate for the vehicle's use is determined on a period longer than one month or if the term of the rental agreement is longer than one month. A vehicle is not rented for purposes of this subdivision if the rental agreement has a purchase or buyout option or otherwise functions as a substitute for purchase of the vehicle.

(c) The policy or certificate issued by the plan must inform the insured of the application of the plan to private passenger rental vehicles, including pickup trucks and vans as defined under section 168.011, and that the insured may not need to purchase additional coverage from the rental company.

(d) Where an insured has two or more vehicles covered by a plan or plans of reparation security

containing the rented motor vehicle coverage required under paragraph (a), the insured may select the plan the insured wishes to collect from and that plan is entitled to a pro rata contribution from the other plan or plans based upon the property damage limits of liability. If the person renting the motor vehicle is also covered by the person's employer's insurance policy or the employer's automobile self-insurance plan, the reparation obligor under the employer's policy or self-insurance plan has primary responsibility to pay claims arising from use of the rented vehicle.

(e) A notice advising the insured of rental vehicle coverage must be given by the reparation obligor to each current insured with the first renewal notice after January 1, 1989. The notice must be approved by the commissioner of commerce. The commissioner may specify the form of the notice.

(f) When a motor vehicle is rented in this state, ~~there must be attached to the rental contract a separate form containing~~ must contain a written notice in at least 10-point bold type, if printed, or in capital letters, if typewritten, which states:

Under Minnesota law, a personal automobile insurance policy issued in Minnesota must: (1) cover the rental of this motor vehicle against damage to the vehicle and against loss of use of the vehicle; and (2) extend the policy's basic economic loss benefits, residual liability insurance, and uninsured and underinsured motorist coverages to the operation or use of a rented motor vehicle. Therefore, purchase of any collision damage waiver or similar insurance affected in this rental contract is not necessary if your policy was issued in Minnesota. In addition, purchase of any additional liability insurance is not necessary if your policy was issued in Minnesota unless you wish to have coverage for liability that exceeds the amount specified in your personal automobile insurance policy.

No collision damage waiver or other insurance offered as part of or in conjunction with a rental of a motor vehicle may be sold unless the person renting the vehicle provides a written acknowledgment that the above consumer protection notice has been read and understood.

(g) When damage to a rented vehicle is covered by a plan of reparation security as provided under paragraph (a), the rental contract must state that payment by the reparation obligor within the time limits of section 72A.201 is acceptable, and prior payment by the renter is not required.

(h) Compensation for the loss of use of a damaged rented motor vehicle is limited to a period no longer than 14 days.

(i)(1) For purposes of this ~~paragraph subdivision~~, "rented motor vehicle" means a rented vehicle described in paragraph (a), using the definition of "rented" provided in paragraph (b).

(2) Notwithstanding section 169.09, subdivision 5a, an owner of a rented motor vehicle is not vicariously liable for legal damages resulting from the operation of the rented motor vehicle in an amount greater than \$100,000 because of bodily injury to one person in any one accident and, subject to the limit for one person, \$300,000 because of injury to two or more persons in any one accident, and \$50,000 because of injury to or destruction of property of others in any one accident, if the owner of the rented motor vehicle has in effect, at the time of the accident, a policy of insurance or self-insurance, as provided in section 65B.48, subdivision 3, covering losses up to at least the amounts set forth in this paragraph. Nothing in this paragraph alters or affects the obligations of an owner of a rented motor vehicle to comply with the requirements of compulsory insurance through a policy of insurance as provided in section 65B.48, subdivision 2, or through self-insurance as provided in section 65B.48, subdivision 3, which policy of insurance or self-insurance must apply whenever the operator is not covered by a plan of reparation security as provided under paragraph (a); or with the obligations arising from section 72A.125 for products sold in conjunction with the rental of a motor vehicle. Nothing in this paragraph alters or affects liability, other than vicarious liability, of an owner of a rented motor vehicle.

(3) The dollar amounts stated in this paragraph shall be adjusted for inflation based upon the Consumer Price Index for all urban consumers, known as the CPI-U, published by the United States

Bureau of Labor Statistics. The dollar amounts stated in this paragraph are based upon the value of that index for July 1995, which is the reference base index for purposes of this paragraph. The dollar amounts in this paragraph shall change effective January 1 of each odd-numbered year based upon the percentage difference between the index for July of the preceding year and the reference base index, calculated to the nearest whole percentage point. The commissioner shall announce and publish, on or before September 30 of the preceding year, the changes in the dollar amounts required by this paragraph to take effect on January 1 of each odd-numbered year. The commissioner shall use the most recent revision of the July index available as of September 1. Changes in the dollar amounts must be in increments of \$5,000, and no change shall be made in a dollar amount until the change in the index requires at least a \$5,000 change. If the United States Bureau of Labor Statistics changes the base year upon which the CPI-U is based, the commissioner shall make the calculations necessary to convert from the old base year to the new base year. If the CPI-U is discontinued, the commissioner shall use the available index that is most similar to the CPI-U.

(j) The plan of reparation security covering the owner of a rented motor vehicle is excess of any residual liability coverage insuring an operator of a rented motor vehicle ~~if the vehicle is loaned as a replacement for a vehicle being serviced or repaired, regardless of whether a fee is charged for use of the vehicle, provided that the vehicle so loaned is owned by the service or repair business.~~

(k) Notwithstanding any other law to the contrary, the owner of a rented private passenger vehicle is responsible for all damages and loss of use to a rented private passenger vehicle, which is caused directly by weather-related natural phenomena.

Sec. 24. Minnesota Statutes 2004, section 70A.07, is amended to read:

70A.07 RATES AND FORMS OPEN TO INSPECTION.

All rates, supplementary rate information, and forms furnished to the commissioner under this chapter shall, ~~as soon as the commissioner's review has been completed~~ within ten days of their effective date, be open to public inspection at any reasonable time.

Sec. 25. Minnesota Statutes 2005 Supplement, section 72A.201, subdivision 6, is amended to read:

Subd. 6. **Standards for automobile insurance claims handling, settlement offers, and agreements.** In addition to the acts specified in subdivisions 4, 5, 7, 8, and 9, the following acts by an insurer, adjuster, or a self-insured or self-insurance administrator constitute unfair settlement practices:

(1) if an automobile insurance policy provides for the adjustment and settlement of an automobile total loss on the basis of actual cash value or replacement with like kind and quality and the insured is not an automobile dealer, failing to offer one of the following methods of settlement:

(a) comparable and available replacement automobile, with all applicable taxes, license fees, at least pro rata for the unexpired term of the replaced automobile's license, and other fees incident to the transfer or evidence of ownership of the automobile paid, at no cost to the insured other than the deductible amount as provided in the policy;

(b) a cash settlement based upon the actual cost of purchase of a comparable automobile, including all applicable taxes, license fees, at least pro rata for the unexpired term of the replaced automobile's license, and other fees incident to transfer of evidence of ownership, less the deductible amount as provided in the policy. The costs must be determined by:

(i) the cost of a comparable automobile, adjusted for mileage, condition, and options, in the local market area of the insured, if such an automobile is available in that area; or

(ii) one of two or more quotations obtained from two or more qualified sources located within the local market area when a comparable automobile is not available in the local market area. The insured shall be provided the information contained in all quotations prior to settlement; or

(iii) any settlement or offer of settlement which deviates from the procedure above must be documented and justified in detail. The basis for the settlement or offer of settlement must be explained to the insured;

(2) if an automobile insurance policy provides for the adjustment and settlement of an automobile partial loss on the basis of repair or replacement with like kind and quality and the insured is not an automobile dealer, failing to offer one of the following methods of settlement:

(a) to assume all costs, including reasonable towing costs, for the satisfactory repair of the motor vehicle. Satisfactory repair includes repair of both obvious and hidden damage as caused by the claim incident. This assumption of cost may be reduced by applicable policy provision; or

(b) to offer a cash settlement sufficient to pay for satisfactory repair of the vehicle. Satisfactory repair includes repair of obvious and hidden damage caused by the claim incident, and includes reasonable towing costs;

(3) regardless of whether the loss was total or partial, in the event that a damaged vehicle of an insured cannot be safely driven, failing to exercise the right to inspect automobile damage prior to repair within five business days following receipt of notification of claim. In other cases the inspection must be made in 15 days;

(4) regardless of whether the loss was total or partial, requiring unreasonable travel of a claimant or insured to inspect a replacement automobile, to obtain a repair estimate, to allow an insurer to inspect a repair estimate, to allow an insurer to inspect repairs made pursuant to policy requirements, or to have the automobile repaired;

(5) regardless of whether the loss was total or partial, if loss of use coverage exists under the insurance policy, failing to notify an insured at the time of the insurer's acknowledgment of claim, or sooner if inquiry is made, of the fact of the coverage, including the policy terms and conditions affecting the coverage and the manner in which the insured can apply for this coverage;

(6) regardless of whether the loss was total or partial, failing to include the insured's deductible in the insurer's demands under its subrogation rights. Subrogation recovery must be shared at least on a proportionate basis with the insured, unless the deductible amount has been otherwise recovered by the insured, except that when an insurer is recovering directly from an uninsured third party by means of installments, the insured must receive the full deductible share as soon as that amount is collected and before any part of the total recovery is applied to any other use. No deduction for expenses may be made from the deductible recovery unless an attorney is retained to collect the recovery, in which case deduction may be made only for a pro rata share of the cost of retaining the attorney. An insured is not bound by any settlement of its insurer's subrogation claim with respect to the deductible amount, unless the insured receives, as a result of the subrogation settlement, the full amount of the deductible. Recovery by the insurer and receipt by the insured of less than all of the insured's deductible amount does not affect the insured's rights to recover any unreimbursed portion of the deductible from parties liable for the loss;

(7) requiring as a condition of payment of a claim that repairs to any damaged vehicle must be made by a particular contractor or repair shop or that parts, other than window glass, must be replaced with parts other than original equipment parts or engaging in any act or practice of intimidation, coercion, threat, incentive, or inducement for or against an insured to use a particular contractor or repair shop. Consumer benefits included within preferred vendor programs must not be considered an incentive or inducement. At the time a claim is reported, the insurer must provide the following advisory to the insured or claimant:

"~~Minnesota law gives~~ You have the legal right to choose a repair shop to fix your vehicle. Your policy will cover the reasonable costs of repairing your vehicle to its pre-accident condition no matter where you have repairs made. Have you selected a repair shop or would you like a referral?"

After an insured has indicated that the insured has selected a repair shop, the insurer must cease

all efforts to influence the insured's or claimant's choice of repair shop;

(8) where liability is reasonably clear, failing to inform the claimant in an automobile property damage liability claim that the claimant may have a claim for loss of use of the vehicle;

(9) failing to make a good faith assignment of comparative negligence percentages in ascertaining the issue of liability;

(10) failing to pay any interest required by statute on overdue payment for an automobile personal injury protection claim;

(11) if an automobile insurance policy contains either or both of the time limitation provisions as permitted by section 65B.55, subdivisions 1 and 2, failing to notify the insured in writing of those limitations at least 60 days prior to the expiration of that time limitation;

(12) if an insurer chooses to have an insured examined as permitted by section 65B.56, subdivision 1, failing to notify the insured of all of the insured's rights and obligations under that statute, including the right to request, in writing, and to receive a copy of the report of the examination;

(13) failing to provide, to an insured who has submitted a claim for benefits described in section 65B.44, a complete copy of the insurer's claim file on the insured, excluding internal company memoranda, all materials that relate to any insurance fraud investigation, materials that constitute attorney work-product or that qualify for the attorney-client privilege, and medical reviews that are subject to section 145.64, within ten business days of receiving a written request from the insured. The insurer may charge the insured a reasonable copying fee. This clause supersedes any inconsistent provisions of sections 72A.49 to 72A.505;

(14) if an automobile policy provides for the adjustment or settlement of an automobile loss due to damaged window glass, failing to provide payment to the insured's chosen vendor based on a competitive price that is fair and reasonable within the local industry at large.

Where facts establish that a different rate in a specific geographic area actually served by the vendor is required by that market, that geographic area must be considered. This clause does not prohibit an insurer from recommending a vendor to the insured or from agreeing with a vendor to perform work at an agreed-upon price, provided, however, that before recommending a vendor, the insurer shall offer its insured the opportunity to choose the vendor. If the insurer recommends a vendor, the insurer must also provide the following advisory:

"Minnesota law gives you the right to go to any glass vendor you choose, and prohibits me from pressuring you to choose a particular vendor.";

(15) requiring that the repair or replacement of motor vehicle glass and related products and services be made in a particular place or shop or by a particular entity, or by otherwise limiting the ability of the insured to select the place, shop, or entity to repair or replace the motor vehicle glass and related products and services; or

(16) engaging in any act or practice of intimidation, coercion, threat, incentive, or inducement for or against an insured to use a particular company or location to provide the motor vehicle glass repair or replacement services or products. For purposes of this section, a warranty shall not be considered an inducement or incentive."

Page 18, delete section 23 and insert:

"Sec. 29. Minnesota Statutes 2004, section 79.251, subdivision 1, is amended to read:

Subdivision 1. General duties of commissioner. (a)(1) The commissioner shall have all the usual powers and authorities necessary for the discharge of the commissioner's duties under this section and may contract with individuals in discharge of those duties. The commissioner shall audit

the reserves established (a) for individual cases arising under policies and contracts of coverage issued under subdivision 4 and (b) for the total book of business issued under subdivision 4. If the commissioner determines on the basis of an audit that there is an excess surplus in the assigned risk plan, the commissioner must notify the commissioner of finance who shall transfer assets of the plan equal to the excess surplus to the budget reserve account in the general fund.

(2) The commissioner shall monitor the operations of section 79.252 and this section and shall periodically make recommendations to the governor and legislature when appropriate, for improvement in the operation of those sections.

(3) All insurers and self-insurance administrators issuing policies or contracts under subdivision 4 shall pay to the commissioner a .25 percent assessment on premiums for policies and contracts of coverage issued under subdivision 4 for the purpose of defraying the costs of performing the duties under clauses (1) and (2). Proceeds of the assessment shall be deposited in the state treasury and credited to the general fund.

(4) The assigned risk plan shall not be deemed a state agency.

(5) The commissioner shall monitor and have jurisdiction over all reserves maintained for assigned risk plan losses.

(b) As used in this subdivision, "excess surplus" means the amount of assigned risk plan assets in excess of the amount needed to pay all current liabilities of the plan, including, but not limited to:

(1) administrative expenses;

(2) benefit claims; and

(3) if the assigned risk plan is dissolved under subdivision 8, the amounts that would be due insurers who have paid assessments to the plan.

Sec. 30. Minnesota Statutes 2004, section 79.251, is amended by adding a subdivision to read:

Subd. 2a. **Assigned risk rating plan.** (a) Employers insured through the assigned risk plan are subject to paragraphs (b) and (c).

(b) Classifications must be assigned according to a uniform classification system approved by the commissioner.

(c) Rates must be modified according to an experience rating plan approved by the commissioner. Any experience rating plan is subject to Minnesota Rules, parts 2700.2800 and 2700.2900."

Page 19, line 18, delete "30" and insert "60"

Page 19, delete line 19 and insert "notice to the employer pursuant to section 176.185, subdivision 1."

Page 22, after line 12, insert:

"Sec. 36. Minnesota Statutes 2004, section 79A.32, is amended to read:

~~79A.32 REPORTING TO MINNESOTA WORKERS' COMPENSATION INSURERS' ASSOCIATION LICENSED DATA SERVICE ORGANIZATIONS.~~

~~Subdivision 1. **Required activity.** Each self-insurer shall perform the following activities:~~

~~(1) maintain membership in and report loss experience data to the Minnesota Workers' Compensation Insurers Association, or a licensed data service organization, in accordance with the statistical plan and rules of the organization as approved by the commissioner;~~

~~(2) establish a plan for merit rating which shall be consistently applied to all insureds, provided~~

~~that members of a data service organization may use merit rating plans developed by that data service organization;~~

~~(3) provide an annual report to the commissioner containing the information and prepared in the form required by the commissioner; and~~

~~(4) keep a record of the losses paid by the self-insurers and premiums for the group self-insurers.~~

Subd. 2. **Permitted activity.** ~~In addition to any other activities not prohibited by this chapter, self-insurers may~~ Through data service organizations licensed under chapter 79, self-insurers may:

~~(1) through licensed data service organizations, individually, or with self-insurers commonly owned, managed, or controlled, conduct research and collect statistics to investigate, identify, and classify information relating to causes or prevention of losses; and~~

~~(2) at the request of a private self-insurer or self-insurer group, submit and collect data, including payroll and loss data; and perform calculations, including calculations of experience modifications of individual self-insured employers.~~

~~(2) develop and use classification plans and rates based upon any reasonable factors; and~~

~~(3) develop rules for the assignment of risks to classifications.~~

Subd. 3. **Delayed reporting.** ~~Private self-insurers established under sections 79A.01 to 79A.18 prior to August 1, 1995, need not begin filing the reports required under subdivision 1 until January 1, 1998."~~

Page 22, delete lines 14 and 15 and insert:

"Minnesota Rules, parts 2781.0100; 2781.0200; 2781.0300; 2781.0400; 2781.0500; and 2781.0600, are repealed."

Re-number 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. 2828: A bill for an act relating to human services; requiring an ICF/MR plan to develop a plan for future services.

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

Page 1, line 10, delete "January 15" and insert "December 1"

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. 2890: A bill for an act relating to human services; allowing nursing facilities to receive reimbursement for building projects related to sprinkler systems or compliance with Life Safety Code Standards; amending Minnesota Statutes 2005 Supplement, section 256B.434, subdivision 4.

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. 3169: A bill for an act relating to health; requiring the delay of annual mass flu vaccination clinics in the event of a flu vaccine shortage; imposing 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. **[144.063] ANNUAL FLU VACCINATIONS DURING A SHORTAGE.**

Annual mass flu vaccination clinics for individuals who are not in a high-risk priority group according to the guidelines established by the National Advisory Committee on Immunization Practices shall be delayed until November 1 of each year, unless the commissioner of health has determined that there will be a sufficient supply of the vaccine and has posted a notice of this determination on the Department of Health's Web site. This section does not apply to live attenuated influenza vaccine.

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. 3292: A bill for an act relating to health; providing an exception to the nursing home moratorium for a replacement facility in Cass County; amending Minnesota Statutes 2004, section 144A.071, subdivision 4a.

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 144A.071, subdivision 4c, is amended to read:

Subd. 4c. **Exceptions for replacement beds after June 30, 2003.** (a) The commissioner of health, in coordination with the commissioner of human services, may approve the renovation, replacement, upgrading, or relocation of a nursing home or boarding care home, under the following conditions:

(1) to license and certify an 80-bed city-owned facility in Nicollet County to be constructed on the site of a new city-owned hospital to replace an existing 85-bed facility attached to a hospital that is also being replaced. The threshold allowed for this project under section 144A.073 shall be the maximum amount available to pay the additional medical assistance costs of the new facility;

(2) to license and certify 29 beds to be added to an existing 69-bed facility in St. Louis County, provided that the 29 beds must be transferred from active or layaway status at an existing facility in St. Louis County that had 235 beds on April 1, 2003.

The licensed capacity at the 235-bed facility must be reduced to 206 beds, but the payment rate at that facility shall not be adjusted as a result of this transfer. The operating payment rate of the facility adding beds after completion of this project shall be the same as it was on the day prior to the day the beds are licensed and certified. This project shall not proceed unless it is approved and financed under the provisions of section 144A.073; and

(3) to license and certify a new 60-bed facility in Austin, provided that: (i) 45 of the new beds are transferred from a 45-bed facility in Austin under common ownership that is closed and 15 of the new beds are transferred from a 182-bed facility in Albert Lea under common ownership; (ii) the

commissioner of human services is authorized by the 2004 legislature to negotiate budget-neutral planned nursing facility closures; and (iii) money is available from planned closures of facilities under common ownership to make implementation of this clause budget-neutral to the state. The bed capacity of the Albert Lea facility shall be reduced to 167 beds following the transfer. Of the 60 beds at the new facility, 20 beds shall be used for a special care unit for persons with Alzheimer's disease or related dementias; and

(4) to license and certify up to 80 beds transferred from an existing state-owned nursing facility in Cass County to a new facility located on the grounds of the Ah-Gwah-Ching campus. The operating cost payment rates for the new facility shall be determined based on the interim and settle-up payment provisions of Minnesota Rules, part 9549.0057, and the reimbursement provisions of section 256B.431. The property payment rate for the first three years of operation shall be \$35 per day. For subsequent years, the property payment rate of \$35 per day shall be adjusted for inflation as provided in section 256B.434, subdivision 4, paragraph (c), as long as the facility has a contract under section 256B.434.

(b) Projects approved under this subdivision shall be treated in a manner equivalent to projects approved under subdivision 4a."

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. 3318: A bill for an act relating to human services; requiring quarterly resident assessments; modifying case mix indices for nursing facility reimbursement; providing certain facilities with rate adjustments; amending Minnesota Statutes 2004, sections 144.0724, subdivision 4; 256B.438, subdivision 4, by adding a subdivision.

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. 2635: A bill for an act relating to local government; repealing the authority for Aitkin County regulation of certain public land interests; repealing Laws 1988, chapter 658, section 1.

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

Page 1, after line 4, insert:

"Section 1. **LOCAL PUBLIC LAND ORDINANCES.**

Subdivision 1. **Regulation.** Any town or city within Aitkin County may regulate by ordinance the use of lands within its boundaries that are adjacent to public waters and dedicated to the public or for public use but not owned by the state or held in the corporate name of a home rule charter or statutory city or other political subdivision. The ordinance may regulate the times and types of uses of the lands, including the placement of structures, the parking of vehicles or trailers, and the placement of docks and boats on the lands or in waters adjacent to them. The ordinance may make different provisions for times and types of uses for each separate parcel of land affected by the ordinance. The ordinance may provide penalties permitted by Minnesota Statutes, section 368.01, subdivision 22, or section 412.231. The ordinance is not required to include every parcel of land possibly subject to this section.

The enactment of an ordinance pursuant to this section shall not be construed to be the acquisition

of any affected parcel of land by the town. The exercise of regulatory authority under the ordinance shall not be construed as the adoption of any affected parcel for maintenance, supervision, or any other proprietary purpose by the town.

Subd. 2. **Local approval.** This section takes effect as to each town or city the day after the governing body of that town or city complies with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 2. **COUNTY LAND ORDINANCE.**

Subdivision 1. **Regulation.** If a town or city notifies the Aitkin County Board of Commissioners that the town or city does not intend to adopt ordinances under section 1, or if a town or city has not adopted ordinances under section 1 within two years from the effective date of this act, the Aitkin County Board of Commissioners may regulate, within the boundaries of the town or city, the lands described in the manner described in section 1.

Subd. 2. **Local approval.** This section takes effect the day after the Aitkin County Board of Commissioners complies with Minnesota Statutes, section 645.021, subdivision 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. 3587: A bill for an act relating to state government; modifying procurement provisions; amending Minnesota Statutes 2004, sections 16C.02, subdivisions 4, 12, 14, by adding subdivisions; 16C.03, subdivisions 3, 4, 8, 13, 16; 16C.05, subdivisions 1, 2; 16C.08, subdivision 2, by adding a subdivision; Minnesota Statutes 2005 Supplement, sections 16C.09; 16C.10, subdivision 7.

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

Page 3, line 4, delete the new language and insert "Contract awards for all systems integration projects that exceed \$500,000 in cost shall be based on the proposal that provides best value to the state's requirements, as determined by the evaluation criteria contained in the solicitation document. Evaluation criteria for the acquisition of such information technology services shall provide for the selection of a contractor on an objective basis not limited to cost alone."

Page 3, lines 5 to 6, delete the new language

Page 3, line 21, delete "The commissioner may" and insert "The commissioner must involve agency staff and agency staff must"

Page 3, line 22, delete "require that agency staff"

Page 5, line 31, reinstate the stricken language and delete the new language

Page 6, line 33, delete "\$10,000" and insert "\$5,000"

Page 7, line 32, after "services" insert "or architectural services"

Page 8, after line 3, insert:

"Sec. 18. **REPORT.**

By January 15, 2008, the commissioner of administration must report to the chairs of the legislative committees with jurisdiction over state procurement regarding the impact of the changes

in sections 1 to 17 and the use of strategic sourcing techniques on Minnesota businesses, including an analysis of the size of contracts and award recipients."

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 re-referred

S.F. No. 3513: A bill for an act relating to economic development; establishing flexible-fuel vehicle targets; establishing a plug-in hybrid electric vehicle task force; requiring a public utilities commission proceeding; requiring an independent study; proposing coding for new law in Minnesota Statutes, chapter 80E.

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

Page 3, after line 24, insert:

"Subd. 10. **Expiration.** The task force expires upon submission of the report required by subdivision 8."

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. 3440: A bill for an act relating to transportation; requiring language that the state will purchase plug-in hybrid electric vehicles when commercially available to be inserted in certain bid documents; appropriating money for the retrofitting of flexible fuel vehicles to operate as plug-in hybrid electric vehicles.

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

Page 1, line 16, before "All" insert "(a)"

Page 1, delete line 17 and insert "documents for the purchase of a passenger automobile, as defined in Minnesota Statutes, section 168.011, subdivision 7; pickup truck, as defined in Minnesota Statutes, section 168.011, subdivision 29; or van, as defined in Minnesota Statutes, section 168.011, subdivision 28, issued under the jurisdiction of the Department of Administration"

Page 1, delete lines 22 to 24 and insert "intention of the state to purchase plug-in hybrid electric vehicles whenever practicable after these conditions have been met, and as fleet needs dictate for at least five years after"

Page 1, after line 25, insert:

"(b) For information purposes, state agencies purchase approximately 800 of the vehicles identified in paragraph (a) per year."

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. 3219: A bill for an act relating to state lands; authorizing sale or transfer of surplus land at the Brainerd Regional Treatment Center.

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

Page 1, line 11, after "study" insert "or as approved by the Crow Wing County Board"

Page 1, after line 20, insert:

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

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 re-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 8, delete "17" and insert "15"

Page 1, line 23, after the semicolon, insert "and"

Page 1, line 24, delete the semicolon and insert a period

Page 2, delete lines 1 and 2

Page 2, after line 17, insert:

"Subd. 4. Expiration. The task force expires after submission of the report required by subdivision 3."

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. 2297: A bill for an act relating to state and local government operations; providing a process for developing a new baseball stadium; establishing a metropolitan stadium authority; providing for the membership and powers of the authority; authorizing the Metropolitan Council to issue bonds; providing powers of the host communities; proposing coding for new law in Minnesota Statutes, chapter 473; repealing Minnesota Statutes 2004, sections 473I.01; 473I.02; 473I.03; 473I.04; 473I.05; 473I.06; 473I.07; 473I.08; 473I.09; 473I.10; 473I.11; 473I.12; 473I.13.

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 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 Minnesota Ballpark Authority established in section 4.

Sec. 2. Minnesota Statutes 2004, section 297A.71, is amended by adding a subdivision to read:

Subd. 37. **Building materials exemption.** Materials, supplies, and equipment used or consumed in, and incorporated into the construction or improvement of the ballpark, and public infrastructure constructed pursuant to sections 3 to 12, are exempt.

Sec. 3. CONSTRUCTION AND FINANCING OF MAJOR LEAGUE BALLPARK.

Subdivision 1. **Purpose; findings.** The purpose of this act is to provide for the construction, financing, and long-term use of a ballpark primarily as a venue for major league baseball. It is hereby found and declared that the expenditure of public funds for this purpose is necessary and serves a public purpose. It is further found and declared that any provision in a lease or use agreement with a major league team, that requires the team to play its home games in a publicly funded ballpark for the duration of the lease or use agreement, serves a unique public purpose for which the remedies of specific performance and injunctive relief are essential to its enforcement. It is further found and declared that government assistance to facilitate the presence of major league baseball provides to Hennepin County, the state of Minnesota, and its citizens highly valued intangible benefits that are virtually impossible to quantify and, therefore, not recoverable even if the government receives monetary damages in the event of a team's breach of contract. Minnesota courts are, therefore, charged with protecting those benefits through the use of specific performance and injunctive relief as provided herein and in the lease and use agreements.

Subd. 2. **Location.** The ballpark must be located in the city of Minneapolis at a site within the

development area.

Subd. 3. **Definitions.** As used in this act, the following terms have the meanings given in this subdivision:

(a) "Authority" means the Minnesota Ballpark Authority established under section 4.

(b) "Ballpark" means the stadium suitable for major league baseball to be constructed and financed under this act.

(c) "Ballpark costs" means, unless the context otherwise indicates, the cost of designing, constructing, and equipping a ballpark suitable for major league baseball. "Ballpark cost" excludes the cost of land acquisition, site improvements, utilities, site demolition, environmental remediation, railroad crash wall, site furnishings, landscaping, railroad right-of-way development, district energy, site graphics and artwork and other site improvements identified by the authority, public infrastructure, capital improvement reserves, bond reserves, capitalized interest, and financing costs.

(d) "County" means Hennepin County.

(e) "Development area" means the area in the city of Minneapolis bounded by marked Interstate Highway 394, vacated Holden Street, the Burlington Northern right-of-way, Seventh Street North, Sixth Avenue North, and Fifth Street North.

(f) "Public infrastructure" means all property, facilities, and improvements determined by the authority or the county to facilitate the development and use of the ballpark, including but not limited to property and improvements for drainage, environmental remediation, parking, roadways, walkways, skyways, pedestrian bridges, bicycle paths, and transit improvements to facilitate public access to the ballpark, lighting, landscaping, utilities, streets, and land acquired and prepared for private redevelopment in a manner related to the use of the ballpark.

(g) "Team" means the owner and operator of the baseball team currently known as the Minnesota Twins.

Sec. 4. MINNESOTA BALLPARK AUTHORITY.

Subdivision 1. **Establishment.** To achieve the purposes of this act, the Minnesota Ballpark Authority is established as a public body, corporate and politic, and political subdivision of the state. The authority is not a joint powers entity or an agency or instrumentality of the county. The authority may acquire title to all land, air rights, and other interests in real property needed for construction and operation of the ballpark and related facilities. The authority may enter into contracts for and take all actions necessary or desirable to design, construct, furnish, equip, and provide for the operation, maintenance, and improvement of the ballpark and related facilities, and has all powers necessary or incidental to those actions.

Subd. 2. **Composition.** (a) The Minnesota Ballpark Authority shall be governed by a commission consisting of:

(1) two members appointed by the governor;

(2) two members, including the chair, appointed by the county board; and

(3) one member appointed by the governing body of the city of Minneapolis.

(b) All members appointed under paragraph (a), clause (1), serve at the pleasure of the governor. All members appointed under paragraph (a), clause (2), serve at the pleasure of the county board. The member appointed under paragraph (a), clause (3), serves at the pleasure of the governing body of the city of Minneapolis.

(c) Compensation of members appointed under paragraph (a) is governed by Minnesota Statutes,

section 15.0575.

(d) One member appointed under paragraph (a), clause (1), must be a resident of a county other than Hennepin. All other members appointed under paragraph (a) must be residents of Hennepin County.

Subd. 3. **Chair.** The chair shall preside at all meetings of the commission, if present, and shall perform all other assigned duties and functions. The commission may appoint from among its members a vice-chair to act for the chair during the temporary absence or disability of the chair.

Subd. 4. **Bylaws.** The authority shall adopt bylaws to establish rules of procedure, the powers and duties of its officers, and other matters relating to the governance of the authority and the exercise of its powers. The bylaws adopted under this subdivision shall be similar in form and substance to bylaws adopted by the Metropolitan Sports Facilities Commission pursuant to Minnesota Statutes, section 473.553.

Subd. 5. **Web site.** The authority shall establish a Web site for purposes of providing information to the public concerning all actions taken by the authority. At a minimum, the Web site must contain a current version of the authority's bylaws, notices of upcoming meetings, minutes of the authority's meetings, and contact telephone and fax numbers for public comments.

Sec. 5. **POWERS OF AUTHORITY.**

Subdivision 1. **Actions.** The authority may sue and be sued. The authority is a public body and the ballpark and public infrastructure are public improvements within the meaning of Minnesota Statutes, chapter 562. The authority is a municipality within the meaning of Minnesota Statutes, chapter 466.

Subd. 2. **Acquisition of property.** The authority may acquire from any public or private entity by lease, purchase, gift, or devise all necessary right, title, and interest in and to real or personal property deemed necessary to the purposes contemplated by this act.

Subd. 3. **Property tax exemption; special assessments.** Any real or personal property acquired, owned, leased, controlled, used, or occupied by the authority or county for any of the purposes of this act is declared to be acquired, owned, leased, controlled, used, and occupied for public, governmental, and municipal purposes, and is exempt from ad valorem taxation by the state or any political subdivision of the state; provided that the properties are subject to special assessments levied by a political subdivision for a local improvement in amounts proportionate to and not exceeding the special benefit received by the properties from the improvement. No possible use of any of the properties in any manner different from their use under this act at the time may be considered in determining the special benefit received by the properties. Notwithstanding Minnesota Statutes, section 272.01, subdivision 2, or section 273.19, real or personal property leased by the authority or county to another person for uses related to the purposes of this act, including the operation of the ballpark and related parking facilities, is exempt from taxation regardless of the length of the lease. This subdivision, insofar as it provides an exemption or special treatment, does not apply to any real property that is leased for residential, business, or commercial development or other purposes different from those contemplated in this act.

Subd. 4. **Data practices; open meetings.** Except as otherwise provided in this act, the authority is subject to Minnesota Statutes, chapters 13 and 13D.

Subd. 5. **Facility operation.** The authority may equip, improve, operate, manage, maintain, and control the ballpark and related facilities constructed, remodeled, or acquired under this act, subject to the rights and obligations transferred to and assumed by the team or other user under the terms of a lease or use agreement.

Subd. 6. **Disposition of property.** The authority may sell, lease, or otherwise dispose of any real or personal property acquired by it that is no longer required for accomplishment of its purposes. The property may be sold in accordance with the procedures provided by Minnesota Statutes, section 469.065, except subdivisions 6 and 7, to the extent the authority deems to be practical and consistent

with this act. Title to the ballpark shall not otherwise be transferred or sold without approval by the legislature.

Subd. 7. **Employees; contracts for services.** The authority may employ persons and contract for services necessary to carry out its functions, including the utilization of employees and consultants retained by other governmental entities. The authority may employ on the terms it deems advisable persons or firms to provide peace officers to direct traffic on property under the control of the authority and on the city streets in the general area of the property controlled by the authority.

Subd. 8. **Gifts and grants.** The authority may accept monetary contributions, property, services, and grants or loans of money or other property from the United States, the state, any subdivision of the state, any agency of those entities, or any person for any of its purposes, and may enter into any agreement required in connection with them. The authority shall hold, use, and dispose of the money, property, or services according to the terms of the monetary contributions, grant, loan, or agreement.

Subd. 9. **Research.** The authority may conduct research studies and programs; collect and analyze data; prepare reports, maps, charts, and tables; and conduct all necessary hearings and investigations in connection with its functions.

Subd. 10. **Use agreements.** The authority may lease, license, or enter into use agreements and may fix, alter, charge, and collect rentals, fees, and charges for the use, occupation, and availability of part or all of any premises, property, or facilities under its ownership, operation, or control for purposes that will provide athletic, educational, cultural, commercial, or other entertainment, instruction, or activity for the citizens of Minnesota and visitors. Any such use agreement may provide that the other contracting party has exclusive use of the premises at the times agreed upon, as well as the right to retain all revenues from ticket sales, suite licenses, concessions, advertising, naming rights, and other revenues derived from the ballpark. The lease or use agreement with a team shall provide for the payment by the team of operating and maintenance costs and expenses and provide other terms the authority and team agree to.

Subd. 11. **Insurance.** The authority may require any employee to obtain and file with it an individual bond or fidelity insurance policy. It may procure insurance in the amounts it considers necessary against liability of the authority or its officers and employees for personal injury or death and property damage or destruction, consistent with Minnesota Statutes, chapter 466, and against risks of damage to or destruction of any of its facilities, equipment, or other property.

Subd. 12. **Exemption from council review; business subsidy act.** The acquisition and betterment of a ballpark by the authority must be conducted pursuant to this act and are not subject to Minnesota Statutes, sections 473.165 and 473.173. Minnesota Statutes, section 116J.994, does not apply to any transactions of the county, the authority, or other governmental entity related to the ballpark or public infrastructure, or to any tenant or other users of them.

Subd. 13. **Local government action; environmental review.** Local governmental units shall take action promptly and within project design and construction timetables on applications for building permits and certificates of occupancy. The county shall be the responsible governmental unit for any environmental impact statement prepared under Minnesota Statutes, section 116D.04. Governmental units granted authority under this act may make decisions and take actions to acquire land, obtain financing, and impose the tax under section 7, prior to completion of environmental review.

Subd. 14. **Contracts.** The authority may enter into a development agreement with the team, the county, or any other entity relating to the construction, financing, and use of the ballpark and related facilities and public infrastructure. The authority may contract for materials, supplies, and equipment in accordance with Minnesota Statutes, section 471.345, except that the authority, with the consent of the county, may employ or contract with persons, firms, or corporations to perform one or more or all of the functions of architect, engineer, or construction manager with respect to all or any part of the ballpark and public infrastructure. Alternatively, at the request of the team and with the consent of the county, the authority shall authorize the team to provide for the design and

construction of the ballpark, subject to terms of this act. The construction manager may enter into contracts with contractors for labor, materials, supplies, and equipment for the construction of the ballpark through the process of public bidding, except that the construction manager may, with the consent of the authority or the team:

(1) narrow the listing of eligible bidders to those which the construction manager determines to possess sufficient expertise to perform the intended functions;

(2) award contracts to the contractors that the construction manager determines provide the best value, which are not required to be the lowest responsible bidder; and

(3) for work the construction manager determines to be critical to the completion schedule, award contracts on the basis of competitive proposals or perform work with its own forces without soliciting competitive bids if the construction manager provides evidence of competitive pricing.

The authority may require that the construction manager shall certify, before the contract is finally signed, a certified, fixed, and stipulated construction price and completion date to the authority and shall post a bond in an amount at least equal to 100 percent of the certified price, to cover any costs, which may be incurred in excess of the certified price, including but not limited to costs incurred by the authority or loss of revenues resulting from incomplete construction on the completion date. The authority may secure surety bonds as provided in Minnesota Statutes, section 574.26, securing payment of just claims in connection with all public work undertaken by it. Persons entitled to the protection of the bonds may enforce them as provided in Minnesota Statutes, sections 574.28 to 574.32, and shall not be entitled to a lien on any property of the authority under the provisions of Minnesota Statutes, sections 514.01 to 514.16. Contracts for construction and operation of the ballpark must include programs to provide for participation by small, local, women, and minority businesses, and the inclusion of women and people of color in the workforces of contractors and ballpark operators.

Subd. 15. Zoning and planning. It is hereby found and declared that the construction of a ballpark within the development area is consistent with the adopted area plan, is the preferred ballpark location, and is a permitted land use. Local units of government may not impose restrictions or conditions on ballpark and public infrastructure land use approvals except those which are based on reasonable land use grounds and criteria which are within their jurisdiction to apply. This subdivision applies to establish a procedure for all land use reviews and approvals by local governments for the ballpark and related public infrastructure and supersedes all land use rules and restrictions and procedures imposed by other law, charter, or ordinance. Minnesota Statutes, section 15.99, subdivision 3, paragraphs (f) and (g), shall not apply. Within 60 days of enactment, the city of Minneapolis and the county shall establish a ballpark implementation committee with equal representation from the city of Minneapolis and county to make recommendations on street vacation, parking, roadways, walkways, skyways, pedestrian bridges, bicycle paths, transit improvements to facilitate public street access to the ballpark, and integration into the transportation plan for downtown and the region, lighting, landscaping, utilities, streets, drainage, environmental remediation, and land acquired and prepared for private redevelopment in a manner related to the use of the ballpark. The recommendations of the committee shall be forwarded to the city of Minneapolis Planning Commission for an advisory recommendation and then to the city council for action in a single resolution.

Sec. 6. **CRITERIA AND CONDITIONS.**

Subdivision 1. Binding and enforceable. In developing the ballpark and entering into related contracts, the authority must follow and enforce the criteria and conditions in subdivisions 2 to 14, provided that a determination by the authority that those criteria or conditions have been met under any agreement or otherwise shall be conclusive.

Subd. 2. Team contributions. The team must agree to contribute \$125,000,000 toward ballpark costs, less a proportionate share of any amount by which actual ballpark costs may be less than a budgeted amount of \$360,000,000. The team contributions must be funded in cash during the

construction period. In addition to any other team contribution, the team must agree to assume and pay when due all cost overruns for the ballpark costs that exceed the budget, excluding land, site improvements, and public infrastructure.

Subd. 3. **Reserve for capital improvements.** The authority shall require that a reserve fund for capital improvements to the stadium be established and funded with annual team payments of \$600,000 and annual payments from other sources of \$1,400,000, which annual payments shall increase according to an inflation index determined by the authority. The authority may accept contributions from the county or other source for the portion of the funding not required to be provided by the team.

Subd. 4. **Lease or use agreements.** The authority and team must agree to a long-term lease or use agreement with the team for its use of the ballpark. The team must agree to play all regularly scheduled and postseason home games at the ballpark. Preseason games may also be scheduled and played at the ballpark. The lease or use agreement must be for a term of at least 30 years from the date of ballpark completion. The lease or use agreement must include terms for default, termination, and breach of the agreement. Recognizing that the presence of major league baseball provides to Hennepin County, the state of Minnesota, and its citizens highly valued, intangible benefits that are virtually impossible to quantify and, therefore, not recoverable in the event of a team owner's breach of contract, the lease and use agreements must provide for specific performance and injunctive relief to enforce provisions relating to use of the ballpark for major league baseball and must not include escape clauses or buyout provisions.

Subd. 5. **Notice requirement for certain events.** Until 30 years from the date of ballpark completion, the team must provide written notice to the authority not less than 90 days prior to any action, including any action imposed upon the team by Major League Baseball, which would result in a breach or default of provisions of the lease or use agreements required to be included under subdivision 4. If this notice provision is violated and the team has already breached or been in default under the required provisions, the authority, the county, or the state of Minnesota is authorized to specifically enforce the lease or use agreement, and Minnesota courts are authorized and directed to fashion equitable remedies so that the team may fulfill the conditions of the lease and use agreements, including, but not limited to, remedies against Major League Baseball.

Subd. 6. **Enforceable financial commitments.** The authority must determine before ballpark construction begins that all public and private funding sources for construction and operation of the ballpark are included in written agreements. The committed funds must be adequate to design, construct, furnish, and equip the ballpark.

Subd. 7. **Community ownership option.** (a) The lease or use agreement for the baseball facility must provide that if the owner of the baseball franchise seeks to sell the franchise during the term of the agreement, the franchise must first be offered for sale to the entity formed in compliance with paragraph (b) on the same terms offered to any other entity. The offer to sell the franchise to this entity must remain open for at least one year. The amounts that would otherwise be returned to the public under subdivision 9 may be used by an entity created under paragraph (b) to offset the cost of acquiring the baseball franchise.

(b) The governor and the authority must attempt to facilitate the formation of a corporation to acquire the baseball franchise and to identify an individual private managing owner of the corporation. The corporation formed to acquire the franchise shall have a capital structure in compliance with all of the following provisions:

(1) there may be two classes of capital stock: common stock and preferred stock. Both classes of stock must give holders voting rights with respect to any relocation or contraction of the franchise;

(2) the private managing owner must own no less than 25 percent and no more than 35 percent of the common stock. For purposes of this restriction, shares of common stock owned by the private managing owner include shares of common stock owned by any related taxpayer as defined in section 1313(c) of the Internal Revenue Code of 1986, as amended. Other than the rights of all other

holders of common stock and preferred stock with respect to relocation of the franchise or voluntary contraction, the private managing owner must control all aspects of the operation of the corporation;

(3) other than the private managing owner, no individual or entity may own more than five percent of the common stock of the corporation;

(4) at least 50 percent of the ownership of the common stock must be sold to members of the general public in a general solicitation and no person or entity must own more than one percent of common stock of the corporation; and

(5) the articles of incorporation, bylaws, and other governing documents must provide that the franchise may not move outside of the state or agree to voluntary contraction without approval of at least 75 percent of the shares of common stock and at least 75 percent of the shares of preferred stock. Notwithstanding any law to the contrary, these 75 percent approval requirements shall not be amended by the shareholders or by any other means.

(c) Except as specifically provided by this act, no state agency may spend money from any state fund for the purpose of generating revenue under this subdivision or for the purpose of providing operating support or defraying operating losses of a professional baseball franchise.

Subd. 8. **Environmental requirements.** The authority must comply with all environmental requirements imposed by regulatory agencies for the ballpark, site, and structure. The authority must ensure that the ballpark receives Leadership in Energy and Environmental Design (LEED) certification for environmental design, and to the extent practicable, that the ballpark design is architecturally significant.

Subd. 9. **Public share upon sale of team.** The lease or use agreement must provide that, if the team is sold after the effective date of this act, a portion of the sale price must be paid to the authority and deposited in a reserve fund for improvements to the ballpark or expended as the authority may otherwise direct. The portion required to be so paid to the authority is 75 percent of the increased value of the team.

Subd. 10. **Access to books and records.** The authority must seek a provision in the lease or use agreement that provides the authority access to annual audited financial statements of the team and other financial books and records that the authority deems necessary to determine compliance by the team with this act and to enforce the terms of any lease or use agreements entered into under this act. Any financial information obtained by the authority under this subdivision is nonpublic data under Minnesota Statutes, section 13.02, subdivision 9.

Subd. 11. **Affordable access.** To the extent determined by the authority or required by a grant agreement, any lease or use agreement must provide for affordable access to the professional sporting events held in the ballpark.

Subd. 12. **No strikes; lockouts.** The authority must use its best efforts to negotiate a public sector project labor agreement or other agreement to prevent strikes and lockouts that would halt, delay, or impede construction of the ballpark and related facilities.

Subd. 13. **Youth and amateur sports.** The lease or use agreement must require that the team provide or cause to be provided \$250,000 annually for the term of the agreement for youth activities and amateur sports without reducing the amounts otherwise normally provided for and on behalf of the team for those purposes. The amount shall increase according to an inflation factor not to exceed 2.5 percent annually and may be subject to a condition that the county fund grants for similar purposes as authorized by this act.

Subd. 14. **Name retention.** The lease or use agreement must provide that the team and league will transfer to the state of Minnesota the Minnesota Twins' heritage and records, including the name, logo, colors, history, playing records, trophies and memorabilia in the event of any dissolution or relocation of the Twins franchise.

Subd. 15. **Sustainable building guidelines.** The construction process used for a ballpark

constructed under this act must, to the extent feasible, follow sustainable building guidelines established under section 16B.325.

Subd. 16. **American steel.** The authority must ensure that a ballpark constructed under this act be, to the greatest extent practicable, constructed of American-made steel.

Sec. 7. COUNTY ACTIVITIES; BONDS; TAXES.

Subdivision 1. **Activities; contracts.** (a) The county may authorize, by resolution, and make one or more grants to the authority for ballpark development and construction, public infrastructure, reserves for capital improvements, operating expenses, and other purposes related to the ballpark on the terms and conditions agreed to by the county and the authority.

(b) To the extent funds are available from collections of the tax authorized by subdivision 3 after payment each year of debt service on the bonds authorized and issued under subdivision 2 and payments for the purposes described in paragraph (a), the county may also:

(1) authorize by resolution and expend or make grants to the authority and to other governmental units and nonprofit organizations in an aggregate amount of up to \$2,000,000 annually for youth activities and amateur sports; and

(2) authorize by resolution expenditure of up to \$2,000,000 annually to pay the cost of extending the hours of operation of county libraries and Minneapolis public libraries.

The maximum amounts of the expenditures under clause (1) may be increased by up to 2.5 percent per year after the first year of the expenditure for that purpose.

(c) The amount that the county may grant or expend for ballpark costs shall not exceed \$235,000,000. The amount of any grant for capital improvement reserves shall not exceed \$1,400,000 annually, subject to annual increases according to an inflation index acceptable to the county. This act does not limit the amount of grants or expenditures for land, site improvements, and public infrastructure. Such agreements are valid and enforceable notwithstanding that they involve payments in future years and they do not constitute a debt of the county within the meaning of any constitutional or statutory limitation or for which a referendum is required. The county may acquire land, air rights, and other property interests within the development area for the ballpark site and public infrastructure and convey it to the authority with or without consideration, prepare a site for development as a ballpark, and acquire and construct any related public infrastructure. The county may review and approve ballpark designs, plans, and specifications to the extent provided in a grant agreement and in order to ensure that the public purposes of the grant are carried out. Public infrastructure designs must optimize area transit and bicycle opportunities, including connections to planned or existing trails and transportation corridors, including Central, Hiawatha, I-394, Northstar, Northwest, Red Rock, Rush Line, and Southwest. The county may enforce the provisions of any grant agreement by specific performance. Except to require compliance with the conditions of the grant, the county has no interest in or claim to any assets or revenues of the authority. The county may initiate an environmental impact statement as the responsible governmental unit under Minnesota Statutes, section 116D.04, and conduct other studies and tests necessary to evaluate the suitability of the ballpark site. The county has all powers necessary or convenient for those purposes and may enter into any contract for those purposes. The county may reimburse a local governmental entity within its jurisdiction or make a grant to such a governmental unit for site acquisition, preparation of the site for ballpark development, and public infrastructure. Amounts expended by a local governmental unit with the proceeds of a grant or in expectation of reimbursement by the county shall not be deemed an expenditure or other use of local governmental resources by the governmental unit within the meaning of any law or charter limitation. Exercise by the county of its powers under this section shall not affect the amounts that the county is otherwise eligible to spend, tax, or receive under any law.

(d) It is the intent of the legislature that, except as expressly limited herein, the county has the authority to acquire and develop a site for the ballpark, to enter into contracts with the authority and

other governmental entities, to appropriate funds, and to make employees, consultants, and other revenues available for those purposes. The county may exercise for those purposes all the powers of a city, a housing and redevelopment authority, a port authority, a community development agency, and an economic development authority notwithstanding any limitations on the powers of those entities with respect to the development of sports facilities buildings designed or used primarily for professional sports.

Subd. 2. County revenue bonds. The county may, by resolution, authorize, sell, and issue revenue bonds to provide funds to make a grant to the authority and to finance all or a portion of the costs of site acquisition, site improvements and other activities necessary to prepare a site for development of a stadium, and to acquire and construct any related parking facilities and other public infrastructure. The county may also, by resolution, issue bonds to refund the bonds issued pursuant to this section. The bonds must be limited obligations, payable solely from or secured by taxes levied under subdivision 3, and any other revenues to become available under this act. The bonds may be issued in one or more series and sold without an election. The bonds shall be sold in the manner provided by Minnesota Statutes, section 475.60. The bonds shall be secured, bear the interest rate or rates or a variable rate, have the rank or priority, be executed in the manner, be payable in the manner, mature, and be subject to the defaults, redemptions, repurchases, tender options, or other terms, as the county may determine. The county may enter into and perform all contracts deemed necessary or desirable by it to issue and secure the bonds, including an indenture of trust with a trustee within or without the state. The debt represented by the bonds shall not be included in computing any debt limitation applicable to the county. Subject to this subdivision, the bonds must be issued and sold in the manner provided in Minnesota Statutes, chapter 475. The bonds shall recite that they are issued under this act and the recital shall be conclusive as to the validity of the bonds and the imposition and pledge of the taxes levied for their payment. In anticipation of the issuance of the bonds authorized under this subdivision and the collection of taxes levied under subdivision 3, the county may provide funds for the purposes authorized by this act through interfund loans from other available funds of the county.

Subd. 3. Sales and use tax. (a) Notwithstanding Minnesota Statutes, section 477A.016, or any other law, the governing body of the county may, by ordinance, impose an additional sales tax at a rate not to exceed 0.15 percent on sales taxable under Minnesota Statutes, chapter 297A, that occur within the county, and may also, by ordinance, impose a compensating use tax at a rate not to exceed 0.15 percent on uses of property within the county, the sale of which would be subject to the additional sales tax but for the fact that the property was sold outside the county.

(b) Voter approval is not required for imposition of the taxes authorized by paragraph (a). The tax authorized under this act and the manner by which it is imposed are exempt from Minnesota Statutes, section 297A.99, subdivisions 2 and 3.

(c) The tax must be dedicated to the purposes described in this act and terminates upon payment or provision for payment of all bonds issued under subdivision 2 and the payment or provision for payment of all obligations of the county under any grant agreements or funding commitments entered into pursuant to this act.

(d) To the extent not inconsistent with this act, the provisions of Minnesota Statutes, sections 297A.95; 297A.96; 297A.98; and 297A.99, subdivisions 4, 5, 6, 7, 8, 9, 10, 11, and 12, apply to the tax.

(e) The tax shall not be included in determining the amount of sales tax that may be imposed on lodging in the city of Minneapolis for purposes of the limitation contained in Laws 1986, chapter 396, section 5, or in determining the amount of tax that may be imposed under any other limitation.

(f) In the event of any amendment to Minnesota Statutes, chapter 297A, enacted subsequent to the effective date of this act that exempts sales or uses that were taxable under Minnesota Statutes, chapter 297A, on the effective date of this act, the county may, by ordinance, adjust the tax rate authorized in this section, provided that the governing body shall have determined that such

adjustment is necessary to provide revenues for the uses to which taxes may be applied under this section and further provided that, in the estimation of the governing body, the aggregate annual collections following such adjustment will not exceed the aggregate annual collections that would have been generated if Minnesota Statutes, chapter 297A, as in effect on the effective date of this act, were then in effect. Any bonds issued in accordance with this act may, with the consent of the governing body, contain a covenant that the tax will be so adjusted to the extent necessary to pay principal and interest on the bonds when due.

Subd. 4. **Uses of taxes.** Revenues received from the tax imposed under subdivision 3 may be used:

(1) to pay costs of collection;

(2) to pay or secure the payment of any principal of, premium, or interest on bonds issued in accordance with this act;

(3) to pay costs and make grants described in subdivision 1, including financing costs related to them; and

(4) to maintain reserves for the foregoing purposes deemed reasonable and appropriate by the county.

After completion of the ballpark and public infrastructure, the tax revenues not required for current payments of the expenditures described above shall be used to (i) redeem or defease the bonds and (ii) prepay or establish a fund for payment of future obligations under grants or other commitments for future expenditures which are permitted by subdivision 1. Upon the redemption or defeasance of the bonds and the establishment of reserves adequate to meet such future obligations, the tax shall terminate and shall not be reimposed.

Sec. 8. METROPOLITAN SPORTS FACILITIES COMMISSION.

The Metropolitan Sports Facilities Commission may authorize, by resolution, technical, professional, or financial assistance for the development of the ballpark upon such terms and conditions as the county and the Metropolitan Sports Facilities Commission may agree, including reimbursement of financial assistance from the proceeds of the bonds authorized in this chapter.

Sec. 9. RAILROAD AUTHORITY CONVEYANCE.

At the request of the authority, the Hennepin County Regional Railroad Authority shall convey land it owns within the development area that is not currently used for rail purposes to the authority without charge for use in connection with the ballpark and public infrastructure.

Sec. 10. CITY REQUIREMENTS.

Subdivision 1. **Third Avenue.** At the request of the authority, the city of Minneapolis shall vacate the portion of Third Avenue North from Seventh Street North to the intersection of Third Avenue North and the on-ramp to marked Interstate Highway 394 without impeding on-ramp access.

Subd. 2. **Land conveyance.** At the request of the authority, the city of Minneapolis shall convey to the authority at fair market value all real property it owns that is located in the development area and is not currently used for road, sidewalk, or utility purposes and that the authority determines to be necessary for ballpark or public infrastructure purposes.

Subd. 3. **Liquor licenses.** The city of Minneapolis shall issue intoxicating liquor licenses that are reasonably requested for the premises of the ballpark. These licenses are in addition to the number authorized by law. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section apply to the licenses authorized under this subdivision.

Subd. 4. **Charter limitations.** Actions taken by the city of Minneapolis under this section shall not be deemed to be an expenditure or other use of city resources within the meaning of any charter

limitation.

Sec. 11. **LOCAL TAXES.**

No local unit of government shall impose a new or additional tax on sales or uses of any item that is not in effect for the ballpark site on the date of enactment of this act, except taxes generally applicable throughout the jurisdiction.

Sec. 12. **REPEALER.**

Minnesota Statutes 2004, sections 473I.01; 473I.02; 473I.03; 473I.04; 473I.05; 473I.06; 473I.07; 473I.08; 473I.09; 473I.10; 473I.11; 473I.12; and 473I.13, are repealed.

Sec. 13. **EFFECTIVE DATES.**

Sections 1 to 6 and 8 to 12 are effective the day following final enactment. Section 7 is effective the day after the governing body of Hennepin County and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3."

Amend the title accordingly

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

Senator Johnson, D.E., from the Committee on Rules and Administration, to which was referred

H.F. No. 3771 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
3771	3457				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Senator Johnson, D.E., from the Committee on Rules and Administration, to which was referred

H.F. No. 3488 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
3488	3128				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Senator Johnson, D.E., from the Committee on Rules and Administration, to which was referred

H.F. No. 3076 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
3076	2520				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Senator Johnson, D.E., from the Committee on Rules and Administration, to which was referred

H.F. No. 2514 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2514	2319				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Senator Cohen from the Committee on Finance, to which was referred

S.F. No. 2670: A bill for an act relating to education finance; increasing equalizing factor for debt service equalization aid program; indexing the equalizing factor; amending Minnesota Statutes 2004, sections 123B.53, subdivision 5; 126C.01, 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 126C.01, is amended by adding a subdivision to read:

Subd. 2a. Debt service net tax capacity. A school district's debt service net tax capacity means the net tax capacity of the taxable property of the district as adjusted by the commissioner of revenue under section 127A.48, subdivision 17. The debt service net tax capacity for any given calendar year must be used to compute the debt service levy limitations for levies certified in the succeeding calendar year and aid for the school year beginning in the second succeeding calendar year.

EFFECTIVE DATE. This section is effective the day following final enactment for computing taxes payable in 2007.

Sec. 2. Minnesota Statutes 2004, section 127A.48, is amended by adding a subdivision to read:

Subd. 17. Debt service net tax capacity. To calculate each district's debt service net tax capacity, the commissioner of revenue must recompute the amounts in this section using an alternative sales ratio comparing the sales price to the estimated market value of the property.

EFFECTIVE DATE. This section is effective the day following final enactment for computing taxes payable in 2007.

Sec. 3. Minnesota Statutes 2005 Supplement, section 273.11, subdivision 1a, is amended to read:

Subd. 1a. **Limited market value.** In the case of all property classified as agricultural homestead or nonhomestead, residential homestead or nonhomestead, timber, or noncommercial seasonal residential recreational, the assessor shall compare the value with the taxable portion of the value determined in the preceding assessment.

For assessment years 2004, 2005, and 2006, the amount of the increase shall not exceed the greater of (1) 15 percent of the value in the preceding assessment, or (2) 25 percent of the difference between the current assessment and the preceding assessment.

For assessment year 2007, the amount of the increase shall not exceed the greater of (1) 15 percent of the value in the preceding assessment, or (2) 33 percent of the difference between the current assessment and the preceding assessment.

For assessment year 2008, the amount of the increase shall not exceed the greater of (1) 15 percent of the value in the preceding assessment, or (2) 50 percent of the difference between the current assessment and the preceding assessment.

This limitation shall not apply to increases in value due to improvements. For purposes of this subdivision, the term "assessment" means the value prior to any exclusion under subdivision 16.

The provisions of this subdivision shall be in effect through assessment year 2008 as provided in this subdivision.

For purposes of the assessment/sales ratio study conducted under section 127A.48, and the computation of state aids paid under chapters 122A, 123A, 123B, excluding section 123B.53, 124D, 125A, 126C, 127A, and 477A, market values and net tax capacities determined under this subdivision and subdivision 16, shall be used.

EFFECTIVE DATE. This section is effective the day following final enactment for computing taxes payable in 2007."

Amend the title accordingly

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

SECOND READING OF SENATE BILLS

S.F. Nos. 1217, 2706, 3488, 3109, 3254, 930, 3615, 2883, 3480, 3169, 2635, 3587, 3513 and 3219 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 3771, 3488, 3076 and 2514 were read the second time.

MOTIONS AND RESOLUTIONS

Senator Stumpf moved that the name of Senator Clark be added as a co-author to S.F. No. 3489. The motion prevailed.

Senators Reiter, Metzen, Ranum, Koch and McGinn introduced –

Senate Resolution No. 176: A Senate resolution recognizing the week of May 14-20, 2006, as Police Week and May 15, 2006, as Peace Officers Memorial Day.

Referred to the Committee on Rules and Administration.

Senator Sparks introduced –

Senate Resolution No. 177: A Senate resolution congratulating Dustin Gillard of Austin High School for winning the grand prize in the 2006 C-SPAN Student Cam competition.

Referred to the Committee on Rules and Administration.

Senator Sparks introduced –

Senate Resolution No. 178: A Senate resolution congratulating Anthony Hernandez of Austin High School for winning the grand prize in the 2006 C-SPAN Student Cam competition.

Referred to the Committee on Rules and Administration.

SPECIAL ORDERS

Pursuant to Rule 26, Senator Johnson, D.E., Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

S.F. Nos. 2634, 1039 and 2239.

SPECIAL ORDER

S.F. No. 2634: A bill for an act relating to state employment; ratifying certain labor agreements and compensation plans.

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 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

Senjem
Skoe
Skoglund

Solon
Sparks
Stumpf

Tomassoni
Vickerman
Wergin

Wiger

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1039: A bill for an act relating to commerce; prohibiting tampering with clock-hour meters on farm tractors; prescribing a civil penalty and a private right of action; proposing coding for new law in Minnesota Statutes, chapter 325E.

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 65 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson
Bachmann
Bakk
Belanger
Berglin
Betzold
Bonoff
Clark
Cohen
Day
Dibble
Dille
Fischbach

Foley
Frederickson
Gerlach
Hann
Higgins
Hottinger
Johnson, D.E.
Johnson, D.J.
Jungbauer
Kelley
Kierlin
Kiscaden
Koch

Koering
Kubly
Langseth
Larson
LeClair
Limmer
Lourey
Marko
Marty
McGinn
Metzen
Michel
Murphy

Neuville
Nienow
Olson
Ortman
Pappas
Pariseau
Pogemiller
Ranum
Reiter
Rest
Robling
Rosen
Ruud

Sams
Saxhaug
Scheid
Senjem
Skoe
Skoglund
Solon
Sparks
Stumpf
Tomassoni
Vickerman
Wergin
Wiger

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 2239: A bill for an act relating to retirement; Minneapolis Teachers Retirement Fund Association and expanded list plans; clarifying mutual fund authority; revising investment authority to exclude below-investment grade bonds; authorizing service credit purchase; amending Minnesota Statutes 2004, sections 3A.01, subdivisions 1, 2, 6, 8, by adding subdivisions; 3A.011; 3A.02, subdivisions 1, 1b, 3, 4, 5; 3A.03, subdivisions 1, 2; 3A.04, subdivisions 1, 2, 3, 4, by adding a subdivision; 3A.05; 3A.07; 3A.10, subdivision 1; 3A.12; 3A.13; 6.72; 69.77, subdivision 9; 136F.45, subdivision 1a; 352.04, subdivisions 2, 3; 352.113, subdivision 7a; 352.116, subdivisions 3a, 3b; 352.90; 352.91, subdivisions 1, 2, 3c, 3d, 3e, 3f, 3g, by adding subdivisions; 352.92, subdivisions 1, 2; 352B.02, subdivisions 1a, 1c; 352C.091, subdivision 1; 352C.10; 352D.02, subdivision 1; 352D.04, subdivision 2; 352F.04; 353.01, subdivisions 2a, 11a, 11b, 12, 16, by adding a subdivision; 353.03, subdivisions 1, 1a, by adding a subdivision; 353.27, subdivisions 7, 7a, 7b; 353.29, subdivision 8; 353.30, subdivisions 3a, 3b; 353.32, subdivisions 1a, 1b; 353.33, subdivisions 1, 9; 353.34, subdivision 1; 353.656, subdivisions 3, 4, 6a; 353D.01, subdivision 2; 353D.02, subdivision 3; 353E.02, subdivision 3; 353F.04; 354.45, subdivision 1a; 354A.08; 354A.28, subdivision 5; 354A.32, subdivision 1a; 354D.05; 355.01, subdivision 3g; 355.02, subdivisions 1, 3, by adding subdivisions; 356.219, subdivisions 3, 6; 356.24, subdivision 1; 422A.05, subdivision 2c; 422A.06, subdivisions 3, 5, 8; 422A.101, subdivision 3; 423B.07; 424A.001, by adding a subdivision; 424A.02, subdivision 8b; 424A.05, subdivision 3; 490.121, subdivisions 1, 6, 7, 13, 14, 15, 22, by adding subdivisions; 490.122; 490.123, subdivisions 1, 1a, 1b, 1c, 2, 3; 490.124, subdivisions 1, 2, 3, 4, 5, 8, 9, 10, 11, 12, 13; 490.125, subdivisions 1, 2; 490.126, as amended; 490.133; 525.05; Minnesota Statutes 2005 Supplement, sections 353.01,

subdivision 2d; 353.28, subdivision 6; 353.656, subdivision 1; 353F.02, subdivision 4; 356A.06, subdivision 7; 422A.06, subdivision 7; 423B.09, subdivision 1; 490.121, subdivision 4; Laws 2004, chapter 267, article 8, section 41; proposing coding for new law in Minnesota Statutes, chapters 352; 352C; 353; 355; proposing coding for new law as Minnesota Statutes, chapter 490A; repealing Minnesota Statutes 2004, sections 3A.01, subdivisions 3, 4, 6a, 7; 3A.02, subdivision 2; 3A.04, subdivision 1a; 3A.09; 43A.34, subdivision 1; 352C.01; 352C.011; 352C.021, subdivisions 1, 2, 3, 4, 5, 6, 7; 352C.031, subdivisions 1, 2, 4, 5, 6; 352C.033; 352C.04; 352C.051; 352C.09; 352C.091, subdivisions 2, 3; 422A.101, subdivision 4; 490.021; 490.025; 490.101; 490.102; 490.103; 490.105; 490.106; 490.107; 490.108; 490.109; 490.1091; 490.12; 490.121, subdivisions 2, 3, 5, 8, 9, 10, 11, 12, 16, 17, 18, 19; 490.124, subdivision 6; 490.132; 490.15; 490.16; 490.18; Minnesota Statutes 2005 Supplement, sections 352C.021, subdivision 1a; 490.121, subdivision 20.

Senator Pogemiller moved to amend S.F. No. 2239 as follows:

Page 12, line 1, delete everything after "(b)"

Page 12, line 2, delete "employee representatives."

Page 12, line 16, after "coverage." insert "The appeal committee must include relevant department employees and employee representatives."

Page 25, after line 33, insert:

"Sec. 12. Minnesota Statutes 2005 Supplement, section 353.028, subdivision 3, is amended to read:

Subd. 3. **Deferred compensation; city contribution.** (a) If an election of exclusion under subdivision 2 is made, and if the city manager and the governing body of the city additionally agree in writing that the additional compensation is to be deferred and is to be contributed on behalf of the city manager to a deferred compensation program which meets the requirements of section 457 of the Internal Revenue Code of 1986, as amended, the governing body may compensate the city manager, in addition to the salary allowed under any limitation imposed on salaries by law or charter, in an amount equal to the employer contribution which would be required by section 353.27, subdivision 3, if the city manager were a member of the general employees retirement plan.

(b) Alternatively, if an election of exclusion under subdivision 2 is made, the city manager and the governing body of the city may agree in writing that the equivalent employer contribution to the contribution under section 353.27, subdivision 3, be contributed by the city to the defined contribution plan of the Public Employees Retirement Association under chapter 353D."

Page 37, line 22, strike "and"

Page 37, line 25, after "7" insert ";

(6) city managers who elected to be excluded from the general employees retirement plan of the Public Employees Retirement Association under section 353.028 and who elected to participate in the public employees defined contribution plan under section 353.028, subdivision 3, paragraph (b); and

(7) volunteer or emergency on-call firefighters serving in a municipal fire department or an independent nonprofit firefighting corporation who are not covered by the public employees police and fire retirement plan and who are not covered by a volunteer firefighters relief association and who elect to participate in the public employees defined contribution plan"

Page 38, after line 11, insert:

"Sec. 32. Minnesota Statutes 2004, section 353D.02, is amended by adding a subdivision to read:

Subd. 6. **City managers.** City managers who elected to be excluded from the general employees retirement plan of the Public Employees Retirement Association under section 353.028, and who

elected to participate in the plan under section 353.028, subdivision 3, paragraph (b), shall file that election with the executive director. Participation begins on the first day of the pay period next following the date of the coverage election. An election to participate by a city manager is revocable.

Sec. 33. Minnesota Statutes 2004, section 353D.02, is amended by adding a subdivision to read:

Subd. 7. **Certain volunteer firefighters.** Volunteer or emergency on-call firefighters who are serving as members of a municipal fire department or an independent nonprofit firefighting corporation and who are not covered for that firefighting service by the public employees police and fire retirement plan under sections 353.63 to 353.68 or by the applicable volunteer firefighters relief association under chapter 424A may elect to participate in the plan. An eligible firefighter's election is irrevocable. No employer contribution is payable by the fire department or the firefighting corporation unless the municipal governing body or the firefighting corporation governing body, whichever applies, ratifies the election.

Sec. 34. Minnesota Statutes 2004, section 353D.03, is amended by adding a subdivision to read:

Subd. 5. **City managers.** A city manager who elects to participate in the plan shall contribute an amount equal to the contribution under section 353.27, subdivision 2. The applicable city shall make a contribution equal to the contribution required under section 353.27, subdivision 3.

Sec. 35. Minnesota Statutes 2004, section 353D.03, is amended by adding a subdivision to read:

Subd. 6. **Volunteer firefighters.** (a) Unless paragraph (b) applies, a volunteer or emergency on-call firefighter who elects to participate in the plan shall contribute at least 7.5 percent of any compensation received for firefighting services.

(b) If the municipality or the independent nonprofit firefighting corporation ratified the election of plan coverage under section 353D.02, subdivision 6, the volunteer firefighter and the employing unit shall contribute in total an amount equal at least to 7.5 percent of any compensation received for firefighting services."

Page 41, after line 16, insert:

"Sec. 40. Minnesota Statutes 2004, section 356.24, subdivision 1, is amended to read:

Subdivision 1. **Restriction; exceptions.** (a) It is unlawful for a school district or other governmental subdivision or state agency to levy taxes for, or to contribute public funds to a supplemental pension or deferred compensation plan that is established, maintained, and operated in addition to a primary pension program for the benefit of the governmental subdivision employees other than:

(1) to a supplemental pension plan that was established, maintained, and operated before May 6, 1971;

(2) to a plan that provides solely for group health, hospital, disability, or death benefits;

(3) to the individual retirement account plan established by chapter 354B;

(4) to a plan that provides solely for severance pay under section 465.72 to a retiring or terminating employee;

(5) for employees other than personnel employed by the Board of Trustees of the Minnesota State Colleges and Universities and covered under the Higher Education Supplemental Retirement Plan under chapter 354C, but including city managers covered by an alternative retirement arrangement under section 353.028, subdivision 3, paragraph (a), or by the defined contribution plan of the Public Employees Retirement Association under section 353.028, subdivision 3, paragraph (b), if the supplemental plan coverage is provided for in a personnel policy of the public employer or in the collective bargaining agreement between the public employer and the exclusive representative of public employees in an appropriate unit or in the individual employment contract between a city

and a city manager, in an amount matching employee contributions on a dollar for dollar basis, but not to exceed an employer contribution of \$2,000 a year per employee;

(i) to the state of Minnesota deferred compensation plan under section 352.96; or

(ii) in payment of the applicable portion of the contribution made to any investment eligible under section 403(b) of the Internal Revenue Code, if the employing unit has complied with any applicable pension plan provisions of the Internal Revenue Code with respect to the tax-sheltered annuity program during the preceding calendar year;

(6) for personnel employed by the Board of Trustees of the Minnesota State Colleges and Universities and not covered by clause (5), to the supplemental retirement plan under chapter 354C, if the supplemental plan coverage is provided for in a personnel policy or in the collective bargaining agreement of the public employer with the exclusive representative of the covered employees in an appropriate unit, in an amount matching employee contributions on a dollar for dollar basis, but not to exceed an employer contribution of \$2,700 a year for each employee;

(7) to a supplemental plan or to a governmental trust to save for postretirement health care expenses qualified for tax-preferred treatment under the Internal Revenue Code, if the supplemental plan coverage is provided for in a personnel policy or in the collective bargaining agreement of a public employer with the exclusive representative of the covered employees in an appropriate unit;

(8) to the laborer's national industrial pension fund for the employees of a governmental subdivision who are covered by a collective bargaining agreement that provides for coverage by that fund and that sets forth a fund contribution rate, but not to exceed an employer contribution of \$2,000 per year per employee;

(9) to the plumbers' and pipefitters' national pension fund or to a plumbers' and pipefitters' local pension fund for the employees of a governmental subdivision who are covered by a collective bargaining agreement that provides for coverage by that fund and that sets forth a fund contribution rate, but not to exceed an employer contribution of \$2,000 per year per employee;

(10) to the international union of operating engineers pension fund for the employees of a governmental subdivision who are covered by a collective bargaining agreement that provides for coverage by that fund and that sets forth a fund contribution rate, but not to exceed an employer contribution of \$2,000 per year per employee; or

(11) to a supplemental plan organized and operated under the federal Internal Revenue Code, as amended, that is wholly and solely funded by the employee's accumulated sick leave, accumulated vacation leave, and accumulated severance pay.

(b) No governmental subdivision may make a contribution to a deferred compensation plan operating under section 457 of the Internal Revenue Code for volunteer or emergency on-call firefighters in lieu of providing retirement coverage under the federal old age, survivors, and disability insurance program.

Sec. 41. Minnesota Statutes 2004, section 356.50, is amended to read:

356.50 SERVICE AND SALARY CREDIT FROM BACK PAY AWARDS IN THE EVENT OF WRONGFUL DISCHARGE; ANNUITY AND DISABILITY TREATMENT.

Subdivision 1. Application. (a) A person who is wrongfully discharged from public employment that gave rise to coverage by a public employee pension plan enumerated in section 356.30, subdivision 3, is entitled to obtain allowable service credit from the applicable public employee pension plan for the applicable period caused by the wrongful discharge.

(b) A person is wrongfully discharged for purposes of this section if:

(1) the person has been determined by a court of competent jurisdiction or by an arbitrator in

binding arbitration, by the commissioner of veterans affairs, or by a board, commission, or panel acting under section 197.46, whichever applies, to have been wrongfully discharged from public employment;

(2) the person received an award of back pay with respect to that discharge; and

(3) the award does not include any amount for any lost or interrupted public pension plan coverage.

Subd. 2. Service credit procedure. ~~(e)~~ (a) To obtain the public pension plan allowable service credit, the eligible person under subdivision 1 shall pay the required member contribution amount. The required member contribution amount is the member contribution rate or rates in effect for the pension plan during the period of service covered by the back pay award, applied to the unpaid gross salary amounts of the back pay award including unemployment insurance, workers' compensation or wages from other sources which reduced the back award. No contributions shall be made under this clause for compensation covered by a public pension plan listed in section 356.30, subdivision 3, for employment during the removal period. The person shall pay the required member contribution amount within 60 days of the date of receipt of the back pay award, ~~within 60 days of April 14, 1992,~~ or within 60 days of a billing from the retirement fund, whichever is later.

~~(d)~~ (b) The public employer who wrongfully discharged the public employee must pay an employer contribution on the back pay award. The employer contribution must be based on the employer contribution rate or rates in effect for the pension plan during the period of service covered by the back pay award, applied to the salary amount on which the member contribution amount was determined under paragraph ~~(e)~~ (a). Interest on both the required member and employer contribution amount must be paid by the employer at the annual compound rate of 8.5 percent per year, expressed monthly, between the date the contribution amount would have been paid to the date of actual payment. The employer payment must be made within 30 days of the payment under paragraph ~~(e)~~ (a).

Subd. 3. Employer reporting. The employer must report to the executive director of the applicable pension plan that a person has been determined to be wrongfully discharged and the employer must provide a copy of the written order or decision.

Subd. 4. Annuity repayment. Notwithstanding subdivisions 1 and 2, if after being discharged, the person commences receipt of an annuity from the applicable plan, and it is later determined that the person was wrongfully discharged, the person shall repay the annuity received in a lump sum within 60 days of receipt of the back pay award. If the annuity is not repaid, the person is not entitled to reinstatement in the applicable plan as an active member, is not authorized to make payments under subdivision 2, paragraph (a), and for subsequent employment with the employer, the person shall be treated as a reemployed annuitant.

Subd. 5. Disability treatment. If a person is wrongfully discharged and prior to reinstatement takes a refund of employee contributions under the applicable plan's refund provision and fails to repay that refund, then notwithstanding other law to the contrary, if the person applies for a disability benefit and is approved for that benefit, the disability benefit amount must be computed solely on the years of covered service provided after reinstatement, the individual's salary for benefit computation purposes, and the applicable plan accrual rates, rather than receiving a minimum disability benefit amount, if applicable, specified in plan law."

Page 41, after line 23, insert:

"Sec. 43. **TEMPORARY PROVISION; TRANSFER OF CERTAIN DEFERRED COMPENSATION CONTRIBUTIONS.**

Any amount contributed by a municipality or an independent nonprofit firefighting corporation to the state deferred compensation program under Minnesota Statutes, section 352.96, for or on behalf of a volunteer or emergency on-call firefighter for whom no other retirement coverage is provided for that firefighting service and for whom the deferred compensation program contributions were

made to avoid providing retirement coverage under the federal old age, survivors, and disability insurance program and as such were in error, if federal law so permits, may be transferred to the public employees defined contribution plan for subsequent deposit in the individual account of the applicable firefighter."

Page 42, after line 9, insert:

"(e) Sections 12, 32, 33, 34, 35, 40, 41, and 43 are effective the day following final enactment."

Page 103, after line 33, insert:

"Sec. 5. Minnesota Statutes 2004, section 424A.10, is amended to read:

424A.10 STATE SUPPLEMENTAL BENEFIT; VOLUNTEER FIREFIGHTERS.

Subdivision 1. ~~Definition~~ Definitions. For purposes of this section:

(1) "qualified recipient" means an individual who receives a lump sum distribution of pension or retirement benefits from a firefighters' relief association for service performed as a volunteer firefighter;

(2) "survivor of a deceased active or deferred volunteer firefighter" means the legally married spouse of a deceased volunteer firefighter, or, if none, the surviving minor child or minor children of a deceased volunteer firefighter;

(3) "active volunteer firefighter" means a person who regularly renders fire suppression service for a municipal fire department or an independent nonprofit firefighting corporation, who has met the statutory and other requirements for relief association membership, and who has been a fully qualified member of the relief association for at least one month; and

(4) "deferred volunteer firefighter" means a former active volunteer firefighter who terminated active firefighting service, has sufficient service credit from the applicable relief association to be entitled to a service pension, but has not applied for or has not received the service pension.

Subd. 2. **Payment of supplemental benefit.** (a) Upon the payment by a firefighters' relief association of a lump sum distribution to a qualified recipient, the association must pay a supplemental benefit to the qualified recipient. Notwithstanding any law to the contrary, the relief association may pay the supplemental benefit out of its special fund. The amount of this benefit equals ten percent of the regular lump sum distribution that is paid on the basis of service as a volunteer firefighter. In no case may the amount of the supplemental benefit exceed \$1,000.

(b) Upon the payment by a relief association of a lump sum survivor benefit or funeral benefit to a survivor of a deceased active volunteer firefighter or of a deceased deferred volunteer firefighter, the association may pay a supplemental survivor benefit to the survivor of the deceased active or deferred volunteer firefighter from the special fund of the relief association if its articles of incorporation or bylaws so provide. The amount of the supplemental survivor benefit is 20 percent of the survivor benefit or funeral benefit, but not to exceed \$2,000.

Subd. 3. **State reimbursement.** (a) By February 15 of each year, the treasurer of the relief association shall apply to the commissioner of revenue for state reimbursement of the amount of supplemental benefits paid under subdivision 2 during the preceding calendar year. By March 15 the commissioner shall reimburse the relief association for the amount of the supplemental benefits paid to qualified recipients.

(b) The commissioner of revenue shall prescribe the form of and supporting information that must be supplied as part of the application for state reimbursement.

(c) The reimbursement payment must be deposited in the special fund of the relief association.

(d) A sum sufficient to make the payments is appropriated from the general fund to the

commissioner of revenue.

Subd. 4. **In lieu of income tax exclusion.** (a) The supplemental benefit provided by this section is in lieu of the state income tax exclusion for lump sum distributions of retirement benefits paid to volunteer firefighters.

(b) If the law is modified to exclude or exempt volunteer firefighters' lump sum distributions from state income taxation, the supplemental benefits under this section may no longer be paid beginning with the first calendar year in which the exclusion or exemption is effective. This subdivision does not apply to exemption of all or part of a lump sum distribution under section 290.032 or 290.0802.

Subd. 5. **Retroactive reimbursement in certain instances.** A supplemental survivor or funeral benefit may be paid by a relief association for the death of an active volunteer firefighter or of a deferred volunteer firefighter that occurred on or after August 1, 2005, if the relief association articles of incorporation or bylaws so provide for a supplemental survivor benefit and for retroactivity."

Page 104, after line 30, insert:

"(e) Section 5 is effective the day following final enactment."

Page 116, line 33, delete everything after "enactment"

Page 116, delete lines 34 and 35

Page 116, line 36, delete "additional service and salary credit under Minnesota Statutes, chapter 353"

Page 120, after line 25, insert:

"Sec. 17. **PERA-P&F; PURCHASE OF SERVICE CREDIT.**

Subdivision 1. **Eligibility.** An eligible person may purchase allowable service credit from the public employees police and fire plan for a period of service as a police officer provided to the city of Eveleth immediately prior to January 1, 1978, not to exceed 14 months. An eligible person is a person who:

(1) is currently a member of the public employees police and fire plan;

(2) was first employed by the city of Eveleth police department on November 29, 1976; and

(3) was born on June 5, 1956.

Subd. 2. **Purchase requirements.** An eligible person must apply to the executive director of the Public Employees Retirement Association to make the service credit purchase authorized in this section. This application for a purchase of service credit under Minnesota Statutes, section 356.551, must be in writing and must contain documentation required by the executive director.

Subd. 3. **Additional requirements; restrictions.** (a) In addition to the one-year payment time limit in Minnesota Statutes, section 356.551, the authority provided by this section is voided if the payment amount is not paid to the executive director of the Public Employees Retirement Association prior to termination of service by the eligible person.

(b) This section is voided if the eligible person received a refund of contributions relating to the eligible period stated in subdivision 1, due to Laws 1977, chapter 61, section 4, or any other refund provision in applicable law or plan documents.

(c) This section is voided relating to any portion of the eligible period specified in subdivision 1 which was properly excluded from coverage by statute, law, or ordinance then in effect, or if the lack of coverage was due to an election made by the eligible individual, or by a failure by that individual to obtain the applicable service credit under service credit purchase authority in effect

when the service was rendered or within two years following the merger of the Eveleth Police Relief Association members into the Public Employees Retirement Association police and fire plan as authorized by Laws 1977, chapter 61.

Subd. 4. **Payment.** (a) If an eligible person meets the requirements to purchase service credit under this section, the public employees police and fire fund must be paid the amount determined under Minnesota Statutes, section 356.551. Of this amount:

(1) the eligible person must pay an amount equal to the employee contribution rate during the period of service to be purchased, applied to the actual salary in effect during that period, plus interest at the rate of 8.5 percent per year compounded annually from the date on which the contributions should have been made to the date on which payment is made under this section; and

(2) the city of Eveleth must pay the remainder of the amount determined under Minnesota Statutes, section 356.551.

(b) If the city of Eveleth fails to pay the amount required under paragraph (a), clause (2), within 30 days of notification from the executive director of the amount required, the executive director shall inform the commissioner of the Department of Finance of the amount of the deficiency, and the amount must be deducted from any subsequent state aid to the city.

Sec. 18. TEACHERS RETIREMENT ASSOCIATION; PURCHASE OF SERVICE CREDIT FOR AN UNCREDITED EXTENDED LEAVE.

(a) An eligible person described in paragraph (b) is authorized to purchase allowable and formula service credit in the Teachers Retirement Association for any period of an eligible person's extended leave that was not properly reported to the Teachers Retirement Association by Independent School District No. 831, Forest Lake. Allowable formula service credit and salary credit is granted under Minnesota Statutes, section 354.05, subdivision 13, to the eligible person upon making the payment required under paragraph (c).

(b) An eligible person is a person who:

(1) was born on November 23, 1949;

(2) was initially employed as a teacher in September 1974;

(3) is employed by Independent School District No. 831, Forest Lake; and

(4) took an extended leave for the 2001-2002 school year that was not reported to the Teachers Retirement Association in a timely fashion as required by Minnesota Statutes, section 354.094.

(c) The eligible person is authorized to make an employee equivalent contribution payment equal to ten percent of the person's school year salary received during the year immediately preceding the extended leave, plus compound interest at the rate of 8.5 percent per annum from July 1, 2001, to the date on which the lump sum payment is made.

(d) If the eligible person makes the payment under paragraph (c), the executive director of the Teachers Retirement Association shall, within 30 days, notify Independent School District No. 831, Forest Lake, of its obligation under this section. The school district's obligation is the balance of the prior service credit purchase payment amount determined under Minnesota Statutes, section 356.551, which exceeds the payment under paragraph (c). If the school district fails to pay its obligation within 60 days following notification, the executive director shall certify that failure and the amount due to the commissioner of finance, who shall deduct the amount due from any subsequent state aid payable to Independent School District No. 831, Forest Lake, plus interest at the rate of 0.71 percent per month from the date of the payment under paragraph (c) to the date of the actual payment.

(e) This provision expires on July 1, 2007, or upon termination of covered service, whichever

is earlier."

Page 120, after line 34, insert:

"(e) Sections 17 and 18 are effective the day following final enactment.

ARTICLE 16

EARLY RETIREMENT INCENTIVE

Section. 1. EARLY RETIREMENT INCENTIVE.

Subdivision 1. **Eligibility.** An appointing authority in the executive or legislative branch of state government or the Board of Public Defense or the Minnesota Historical Society or the Minnesota State Colleges and Universities or any school district may offer the early retirement incentive in this section to an employee who:

(1) has at least 15 years of allowable service in one or more of the funds listed in Minnesota Statutes, section 356.30, subdivision 3, or has at least five years of coverage by the individual retirement account plan governed by Minnesota Statutes, chapter 354B, and upon retirement is immediately eligible for a retirement annuity or benefit from one or more of these funds; and

(2) terminates state or teaching service after the effective date of this section and before September 1, 2006.

Subd. 2. **Incentive.** (a) For an employee eligible under subdivision 1, the employer may provide an amount up to \$17,000, to be used:

(1) for an employee who terminates state service after the effective date of this section and on or before July 15, 2006, for deposit in the employee's account in the health care savings plan established by Minnesota Statutes, section 352.98; or

(2) for an employee who terminates state service after July 15, 2006, and before September 1, 2006:

(i) notwithstanding Minnesota Statutes, section 352.01, subdivision 11, or 354.05, subdivision 13, whichever applies, for purchase of service credit for unperformed service sufficient to enable the employee to retire under Minnesota Statutes, section 352.116, subdivision 1, paragraph (b); 353.30; or 354.44, subdivision 6, paragraph (b), whichever applies; or

(ii) for purchase of a lifetime annuity or annuity for a specific number of years from the state unclassified retirement program to provide additional benefits under Minnesota Statutes, section 352D.06, subdivision 1.

(b) An employee is eligible for the payment under paragraph (a), clause (2), item (i), if the employee uses money from a deferred compensation account that, combined with the payment under paragraph (a), clause (2), item (i), would be sufficient to purchase enough service credit to qualify for retirement under Minnesota Statutes, section 352.116, subdivision 1, paragraph (b); 353.30, subdivision 1a; or 354.44, subdivision 6, paragraph (b), whichever applies.

(c) The cost to purchase service credit under this section must be made in accordance with Minnesota Statutes, section 356.551.

Subd. 3. **Designation of positions; employer discretion.** Before offering an incentive under this section, an appointing authority must be experiencing employee layoffs due to budget shortfalls or reorganization that would be offset by offering the incentive. The appointing authority must document that the incentive payment is equal to or less than the cost of the employee layoff. The appointing authority must designate the job classifications or positions within the job classifications that qualify for the incentive. The appointing authority may modify this designation at any time. Designation of positions eligible for the incentive under this section, participation of individual employees, and the amount of the payment under this section are at the sole discretion of the

appointing authority. Unilateral implementation of this section by the employer is not an unfair labor practice under Minnesota Statutes, chapter 179A.

Sec. 2. **EFFECTIVE DATE.**

Section 1 is effective the day following final enactment."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 2239 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 63 and nays 2, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Bachmann LeClair

So the bill, as amended, was passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Reports of Committees.

REPORTS OF COMMITTEES

Senator Johnson, D.E. moved that the Committee Report at the Desk be now adopted. The motion prevailed.

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

S.F. No. 2994: A bill for an act relating to education; providing for general education revenue, education excellence, special programs, nutrition and accounting, self-sufficiency and lifelong learning, and state agencies; authorizing rulemaking; appropriating money; amending Minnesota Statutes 2004, sections 119A.50, subdivision 1; 119A.52; 119A.53; 119A.545; 120A.20, subdivision 1; 120A.22, subdivision 3; 120B.023; 123A.06, subdivision 2; 124D.10, subdivision 16; 124D.518, subdivision 4; 124D.52, subdivision 1; 124D.61; 124D.68, subdivision 3; 125A.091, subdivisions 5, 7, 9, 10, 12, 13, 14, 15, 19, 20; 125A.27, subdivision 11; 125A.29; 125A.30;

125A.32; 125A.33; 125A.48; 125A.515, subdivisions 1, 3, 5, 6, 7, 9, 10; 125A.63, subdivision 4; 125A.69, subdivision 3; 125A.75, subdivision 1; 126C.05, subdivision 1; 126C.10, subdivision 6; 126C.44; Minnesota Statutes 2005 Supplement, sections 120B.131, subdivision 2; 121A.53, subdivision 1; 122A.415, subdivisions 1, 3; 123B.76, subdivision 3; 124D.095, subdivision 4; 124D.68, subdivision 2; 125A.11, subdivision 1; 125A.28; 126C.43, subdivision 2; 127A.45, subdivision 10; Laws 2005, First Special Session chapter 5, article 2, sections 81; 84, subdivision 13; article 7, section 20, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 119A; repealing Minnesota Statutes 2004, sections 119A.51; 120A.20, subdivision 3; 123B.10; 125A.10; 125A.515, subdivision 2.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

EDUCATION EXCELLENCE

Section 1. Minnesota Statutes 2004, section 120A.22, subdivision 3, is amended to read:

Subd. 3. **Parent defined; residency determined.** (a) In this section and sections 120A.24 and 120A.26, "parent" means a parent, guardian, or other person having legal custody of a child.

(b) In sections 125A.03 to 125A.24 and 125A.65, "parent" means a parent, guardian, or other person having legal custody of a child under age 18. For an unmarried pupil age 18 or over, "parent" means the pupil unless a guardian or conservator has been appointed, in which case it means the guardian or conservator.

(c) For purposes of sections 125A.03 to 125A.24 and 125A.65, the school district of residence for an unmarried pupil age 18 or over who is a parent under paragraph (b) and who is placed in a center for care and treatment, shall be the school district in which the pupil's biological or adoptive parent or designated guardian resides.

(d) For a married pupil age 18 or over, the school district of residence is the school district in which the married pupil resides.

(e) If a district reasonably believes that a student does not meet the residency requirements of the school district in which the student is attending school, the student may be removed from the school only after the district sends the student's parents written notice of the district's belief, including the facts upon which the belief is based, and an opportunity to provide documentary evidence of residency in person to the superintendent or designee, or, at the option of the parents, by sending the documentary evidence to the superintendent, or a designee, who will then make a determination as to the residency status of the student.

Sec. 2. Minnesota Statutes 2004, section 120B.021, subdivision 1, is amended to read:

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

- (1) language arts;
- (2) mathematics;
- (3) science;
- (4) social studies, including history, geography, economics, and government and citizenship;
- (5) health and physical education, for which locally developed academic standards apply; and
- (6) the arts, for which statewide or locally developed academic standards apply, as determined

by the school district. Public elementary and middle schools must offer at least three and require at least two of the following four arts areas: dance; music; theater; and visual arts. Public high schools must offer at least three and require at least one of the following five arts areas: media arts; dance; music; theater; and visual arts.

The commissioner must submit proposed standards in science and social studies to the legislature by February 1, 2004.

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

A school district, no later than the 2007-2008 school year, must adopt graduation requirements that meet or exceed state graduation requirements established in law or rule. A school district that incorporates these state graduation requirements before the 2007-2008 school year must provide students who enter the 9th grade in or before the 2003-2004 school year the opportunity to earn a diploma based on existing locally established graduation requirements in effect when the students entered the 9th grade. District efforts to develop, implement, or improve instruction or curriculum as a result of the provisions of this section must be consistent with sections 120B.10, 120B.11, and 120B.20.

At a minimum, school districts must maintain the same physical education and health education requirements for students in kindergarten through grade 8 adopted for the 2005-2006 school year through the 2008-2009 school year. Before a revision of the local health and physical education standards, a school district must consult the grade-specific benchmarks developed by the Department of Education's health and physical education quality teaching network for the six national physical education standards and the seven national health standards.

The commissioner must include the contributions of Minnesota American Indian tribes and communities as they relate to each of the academic standards during the review and revision of the required academic standards.

Sec. 3. Minnesota Statutes 2005 Supplement, section 120B.021, subdivision 1a, is amended to read:

Subd. 1a. **Rigorous course of study; waiver.** (a) Upon receiving a student's application signed by the student's parent or guardian, a school district, area learning center, or charter school must declare that a student meets or exceeds a specific academic standard required for graduation under this section if the local school board, the school board of the school district in which the area learning center is located, or the charter school board of directors determines that the student:

(1) is participating in a course of study, including an advanced placement or international baccalaureate course or program; a learning opportunity outside the curriculum of the district, area learning center, or charter school; or an approved preparatory program for employment or postsecondary education that is equally or more rigorous than the corresponding state or local academic standard required by the district, area learning center, or charter school;

(2) would be precluded from participating in the rigorous course of study, learning opportunity, or preparatory employment or postsecondary education program if the student were required to achieve the academic standard to be waived; and

(3) satisfactorily completes the requirements for the rigorous course of study, learning opportunity, or preparatory employment or postsecondary education program.

Consistent with the requirements of this section, the local school board, the school board of the school district in which the area learning center is located, or the charter school board of directors

also may formally determine other circumstances in which to declare that a student meets or exceeds a specific academic standard that the site requires for graduation under this section.

(b) A student who satisfactorily completes a postsecondary enrollment options course or program under section 124D.09, or an advanced placement or international baccalaureate course or program under section 120B.13 is not required to complete other requirements of the academic standards corresponding to that specific rigorous course of study.

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

Sec. 4. Minnesota Statutes 2004, section 120B.023, is amended to read:

120B.023 BENCHMARKS.

Subdivision 1. **Benchmarks implement, supplement statewide academic standards.** (a) The commissioner must supplement required state academic standards with grade-level benchmarks. High school benchmarks may cover more than one grade. The benchmarks must implement statewide academic standards by specifying the academic knowledge and skills that schools must offer and students must achieve to satisfactorily complete a state standard. The commissioner must publish benchmarks ~~are published~~ to inform and guide parents, teachers, school districts, and other interested persons and ~~for to~~ use in developing tests consistent with the benchmarks.

(b) The commissioner shall publish benchmarks in the State Register and transmit the benchmarks in any other manner that makes them accessible to the general public. The commissioner may charge a reasonable fee for publications.

(c) Once established, the commissioner may change the benchmarks only with specific legislative authorization and after completing a review under ~~paragraph (d)~~ subdivision 2.

(d) The commissioner must develop and implement a system for reviewing ~~on a four-year cycle~~ each of the required academic standards and related benchmarks and elective standards ~~beginning in the 2006-2007 school year~~ on a periodic cycle, consistent with subdivision 2.

(e) The benchmarks are not subject to chapter 14 and section 14.386 does not apply.

Subd. 2. **Revisions and reviews required.** (a) The education commissioner must revise and appropriately embed technology and information literacy standards consistent with recommendations from school media specialists into the state's academic standards and graduation requirements and implement a review cycle for state academic standards and related benchmarks, consistent with this subdivision. During each review cycle, the commissioner also must examine the alignment of each required academic standard and related benchmark with the knowledge and skills students need for college readiness and advanced work in the particular subject area.

(b) The commissioner in the 2006-2007 school year must revise and align the state's academic standards and high school graduation requirements in mathematics to require that students satisfactorily complete the revised mathematics standards, beginning in the 2010-2011 school year. Under the revised standards:

(1) students must satisfactorily complete an algebra I credit by the end of eighth grade; and

(2) students scheduled to graduate in the 2014-2015 school year or later must satisfactorily complete an algebra II credit or its equivalent.

The commissioner also must ensure that the statewide mathematics assessments administered to students in grades 3 through 8 and 11 beginning in the 2010-2011 school year are aligned with the state academic standards in mathematics. The statewide 11th grade math test administered to students under clause (2) beginning in the 2013-2014 school year must include algebra II test items that are aligned with corresponding state academic standards in mathematics. The commissioner must implement a review of the academic standards and related benchmarks in mathematics

beginning in the 2015-2016 school year.

(c) The commissioner in the 2007-2008 school year must revise and align the state's academic standards and high school graduation requirements in the arts to require that students satisfactorily complete the revised arts standards beginning in the 2010-2011 school year. The commissioner must implement a review of the academic standards and related benchmarks in arts beginning in the 2016-2017 school year.

(d) The commissioner in the 2008-2009 school year must revise and align the state's academic standards and high school graduation requirements in science to require that students satisfactorily complete the revised science standards, beginning in the 2011-2012 school year. Under the revised standards, students scheduled to graduate in the 2014-2015 school year or later must satisfactorily complete a chemistry or physics credit. The commissioner must implement a review of the academic standards and related benchmarks in science beginning in the 2017-2018 school year.

(e) The commissioner in the 2009-2010 school year must revise and align the state's academic standards and high school graduation requirements in language arts to require that students satisfactorily complete the revised language arts standards beginning in the 2012-2013 school year. The commissioner must implement a review of the academic standards and related benchmarks in language arts beginning in the 2018-2019 school year.

(f) The commissioner in the 2010-2011 school year must revise and align the state's academic standards and high school graduation requirements in social studies to require that students satisfactorily complete the revised social studies standards beginning in the 2013-2014 school year. The commissioner must implement a review of the academic standards and related benchmarks in social studies beginning in the 2019-2020 school year.

(g) School districts and charter schools must revise and align local academic standards and high school graduation requirements in health, physical education, world languages and career and technical education to require students to complete the revised standards beginning in a school year determined by the school district or charter school. School districts and charter schools must formally establish a periodic review cycle for the academic standards and related benchmarks in health, physical education, world languages and career and technical education.

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

Sec. 5. Minnesota Statutes 2004, section 120B.024, is amended to read:

120B.024 GRADUATION REQUIREMENTS; COURSE CREDITS; STUDENT TRANSFERS.

(a) Students beginning 9th grade in the 2004-2005 school year and later must successfully complete the following high school level course credits for graduation:

(1) four credits of language arts;

(2) three credits of mathematics, encompassing at least algebra, geometry, statistics, and probability sufficient to satisfy the academic standard and beginning the 2010-2011 school year for students scheduled to graduate in the 2014-2015 school year or later, one algebra II credit or its equivalent;

(3) three credits of science, including at least one credit in biology and for the 2011-2012 school year and later, one credit in chemistry or physics;

(4) three and one-half credits of social studies, encompassing at least United States history, geography, government and citizenship, world history, and economics or three credits of social studies encompassing at least United States history, geography, government and citizenship, and world history, and one-half credit of economics taught in a school's social studies, agriculture education, or business department;

(5) one credit in the arts; ~~and~~

(6) one-half credit in physical education and one-half credit in health education; and

(7) a minimum of ~~seven~~ six elective course credits.

(b) A course credit is equivalent to a student successfully completing an academic year of study or a student mastering the applicable subject matter, as determined by the local school district.

(c) An agriculture science course may fulfill a science credit requirement under this section.

(d) A district, area learning center, and charter school must establish processes by which to transfer as completed:

(1) those course credit requirements that other school sites within the district or other public schools verify on transcripts as completed; and

(2) the work that educational institutions outside the state accept for completing the equivalent of course credit requirements and verify on transcripts as completed.

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

Sec. 6. Minnesota Statutes 2005 Supplement, section 120B.131, subdivision 2, is amended to read:

Subd. 2. **Reimbursement for examination fees.** The state may reimburse college-level examination program (CLEP) fees for a Minnesota public or nonpublic high school student who has successfully completed one or more college-level courses in high school ~~and earned a satisfactory score on one or more CLEP examinations in the subject matter of each examination in~~ the following subjects: composition and literature, mathematics and science, social sciences and history, foreign languages, and business and humanities. The state may reimburse each ~~successful~~ student for up to six examination fees. The commissioner shall establish application procedures and a process and schedule for fee reimbursements. The commissioner must give priority to reimburse the CLEP examination fees of students of low-income families.

Sec. 7. **[121A.02] SCHOOL SAFETY.**

Subdivision 1. **School safety advisory council.** A School Safety Advisory Council is established under section 15.059. The advisory council is composed of 12 members representing law enforcement agencies, mental health services, substance abuse services, faith communities, school administrators, students, and school athletic departments and extracurricular organizations. The members of the council shall be appointed by the commissioner and must be from geographically diverse regions of the state.

Subd. 2. **Duties.** The advisory council shall advise the commissioner on issues related to school safety. The advisory council, in cooperation with the commissioner, shall make recommendations for the creation of a Center for School Safety for the state that serves as the central point for the collection and dissemination of information about successful school safety programs, provide services to schools to assess current school environments, and provide materials, training, and technical assistance.

Subd. 3. **Center for school safety.** Consistent with the recommendations of the advisory council, the commissioner shall establish the Center for School Safety. The advisory council shall continue to advise the commissioner and the center on its operations. The Center for School Safety shall, at a minimum:

(1) establish a clearinghouse for information and materials concerning school safety;

(2) provide safe school assessments;

(3) provide training and technical assistance customized to individual school needs for school staff, students, and parents;

(4) provide services to enhance school climate;

(5) coordinate school efforts with the broader community; and

(6) evaluate and report on the implementation and effectiveness of the services provided by the center.

Sec. 8. Minnesota Statutes 2004, section 121A.035, is amended to read:

121A.035 CRISIS MANAGEMENT POLICY.

Subdivision 1. **Model policy.** ~~By December 1, 1999,~~ The commissioner shall maintain and make available to school boards and charter schools a model crisis management policy that includes, among other items, school lock-down and tornado drills, consistent with subdivision 2, and school fire drills under section 299F.30.

Subd. 2. **School district and charter school policy.** ~~By July 1, 2000,~~ A school board and a charter school must adopt a ~~district~~ crisis management policy to address potential violent crisis situations in the district or charter school. The policy must be developed ~~in consultation~~ cooperatively with administrators, teachers, employees, students, parents, community members, law enforcement agencies, other emergency management officials, county attorney offices, social service agencies, emergency medical responders, and any other appropriate individuals or organizations. The policy must include at least five school lock-down drills, five school fire drills consistent with section 299F.30, and one tornado drill.

EFFECTIVE DATE. This section is effective for the 2006-2007 school year and later.

Sec. 9. **[121A.231] COMPREHENSIVE FAMILY LIFE AND SEXUALITY EDUCATION PROGRAMS.**

Subdivision 1. **Definitions.** (a) "Comprehensive family life and sexuality education" means education in grades 7 through 12 that:

(1) respects community values and encourages family communication;

(2) develops skills in communication, decision making, and conflict resolution;

(3) contributes to healthy relationships;

(4) provides human development and sexuality education that is age appropriate and medically accurate;

(5) includes an abstinence-first approach to delaying initiation of sexual activity that emphasizes abstinence while also including education about the use of protection and contraception; and

(6) promotes individual responsibility.

(b) "Age appropriate" refers to topics, messages, and teaching methods suitable to particular ages or age groups of children and adolescents, based on developing cognitive, emotional, and behavioral capacity typical for the age or age group.

(c) "Medically accurate" means verified or supported by research conducted in compliance with scientific methods and published in peer-reviewed journals, where appropriate, and recognized as accurate and objective by professional organizations and agencies in the relevant field, such as the federal Centers for Disease Control and Prevention, the American Public Health Association, the American Academy of Pediatrics, or the American College of Obstetricians and Gynecologists.

Subd. 2. **Curriculum requirements.** (a) A school district may offer and may independently

establish policies, procedures, curriculum, and services for providing comprehensive family life and sexuality education that is age appropriate and medically accurate for kindergarten through grade 6.

(b) A school district must offer and may independently establish policies, procedures, curriculum, and services for providing comprehensive family life and sexuality education that is age appropriate and medically accurate for grades 7 through 12.

Subd. 3. **Notice and parental options.** (a) It is the legislature's intent to encourage pupils to communicate with their parents or guardians about human sexuality and to respect rights of parents or guardians to supervise their children's education on these subjects.

(b) Parents or guardians may excuse their children from all or part of a comprehensive family life and sexuality education program.

(c) A school district must establish procedures for providing parents or guardians reasonable notice with the following information:

(1) if the district is offering a comprehensive family life and sexuality education program to the parents' or guardians' child during the course of the year;

(2) how the parents or guardians may inspect the written and audio/visual educational materials used in the program and the process for inspection;

(3) if the program is presented by school district personnel or outside consultants, and if outside consultants are used, who they may be; and

(4) parents' or guardians' right to choose not to have their child participate in the program and the procedure for exercising that right.

(d) A school district must establish procedures for reasonably restricting the availability of written and audio/visual educational materials from public view of students who have been excused from all or part of a comprehensive family life and sexuality education program at the request of a parent or guardian.

Subd. 4. **Assistance to school districts.** (a) The Department of Education may offer services to school districts to help them implement effective comprehensive family life and sexuality education programs. In providing these services, the department may contract with a school district, or a school district in partnership with a local health agency or a nonprofit organization, to establish up to eight regional training sites, taking into account geographical balance, to provide:

(1) training for teachers, parents, and community members in the development of comprehensive family life and sexuality education curriculum or services and in planning for monitoring and evaluation activities;

(2) resource staff persons to provide expert training, curriculum development and implementation, and evaluation services;

(3) technical assistance to promote and coordinate community, parent, and youth forums in communities identified as having high needs for comprehensive family life and sexuality education;

(4) technical assistance for issue management and policy development training for school boards, superintendents, principals, and administrators across the state; and

(5) funding for grants to school-based comprehensive family life and sexuality education programs to promote innovation and to recognize outstanding performance and promote replication of demonstrably effective strategies.

(b) Technical assistance provided by the department to school districts or regional training sites may:

- (1) promote instruction and use of materials that are age appropriate;
- (2) provide information that is medically accurate and objective;
- (3) provide instruction and promote use of materials that are respectful of marriage and commitments in relationships;
- (4) provide instruction and promote use of materials that are appropriate for use with pupils and family experiences based on race, gender, sexual orientation, ethnic and cultural background, and appropriately accommodate alternative learning based on language or disability;
- (5) provide instruction and promote use of materials that encourage pupils to communicate with their parents or guardians about human sexuality;
- (6) provide instruction and promote use of age-appropriate materials that teach abstinence from sexual intercourse as the only certain way to prevent unintended pregnancy or sexually transmitted infections, including HIV, and provide information about the role and value of abstinence while also providing medically accurate information on other methods of preventing and reducing risk for unintended pregnancy and sexually transmitted infections;
- (7) provide instruction and promote use of age-appropriate materials that are medically accurate in explaining transmission modes, risks, symptoms, and treatments for sexually transmitted infections, including HIV;
- (8) provide instruction and promote use of age-appropriate materials that address varied societal views on sexuality, sexual behaviors, pregnancy, and sexually transmitted infections, including HIV, in an age-appropriate manner;
- (9) provide instruction and promote use of age-appropriate materials that provide information about the effectiveness and safety of all FDA-approved methods for preventing and reducing risk for unintended pregnancy and sexually transmitted infections, including HIV;
- (10) provide instruction and promote use of age-appropriate materials that provide instruction in skills for making and implementing responsible decisions about sexuality;
- (11) provide instruction and promote use of age-appropriate materials that provide instruction in skills for making and implementing responsible decisions about finding and using health services; and
- (12) provide instruction and promote use of age-appropriate materials that do not teach or promote religious doctrine nor reflect or promote bias against any person on the basis of any category protected under the Minnesota Human Rights Act, chapter 363A.

Sec. 10. Minnesota Statutes 2004, section 122A.09, subdivision 4, is amended to read:

Subd. 4. **License and rules.** (a) The board must adopt rules to license public school teachers and interns subject to chapter 14.

(b) The board must adopt rules requiring a person to successfully complete a skills examination in reading, writing, and mathematics as a requirement for initial teacher licensure. Such rules must require college and universities offering a board-approved teacher preparation program to provide remedial assistance to persons who did not achieve a qualifying score on the skills examination, including those for whom English is a second language.

(c) The board must adopt rules to approve teacher preparation programs. The board, upon the request of a postsecondary student preparing for teacher licensure or a licensed graduate of a teacher preparation program, shall assist in resolving a dispute between the person and a postsecondary institution providing a teacher preparation program when the dispute involves an institution's recommendation for licensure affecting the person or the person's credentials. At the

board's discretion, assistance may include the application of chapter 14.

(d) The board must provide the leadership and shall adopt rules for the redesign of teacher education programs to implement a research based, results-oriented curriculum that focuses on the skills teachers need in order to be effective. The board shall implement new systems of teacher preparation program evaluation to assure program effectiveness based on proficiency of graduates in demonstrating attainment of program outcomes. The board must require that persons enrolled in a teacher preparation program receive instruction in historical and cultural competencies related to Minnesota American Indian tribes and communities and their contributions to Minnesota, consistent with sections 124D.71 to 124D.82. The competencies related to Minnesota American Indian tribes and communities must include, among other components, standards for instructional practices most effective for successfully teaching elementary and secondary American Indian students.

(e) The board must adopt rules requiring successful completion of an examination of general pedagogical knowledge and examinations of licensure-specific teaching skills. The rules shall be effective on the dates determined by the board but not later than September 1, 2001.

(f) The board must adopt rules requiring teacher educators to work directly with elementary or secondary school teachers in elementary or secondary schools to obtain periodic exposure to the elementary or secondary teaching environment.

(g) The board must grant licenses to interns and to candidates for initial licenses.

(h) The board must design and implement an assessment system which requires a candidate for an initial license and first continuing license to demonstrate the abilities necessary to perform selected, representative teaching tasks at appropriate levels.

(i) The board must receive recommendations from local committees as established by the board for the renewal of teaching licenses.

(j) The board must grant life licenses to those who qualify according to requirements established by the board, and suspend or revoke licenses pursuant to sections 122A.20 and 214.10. The board must not establish any expiration date for application for life licenses.

(k) The board must adopt rules that require all licensed teachers who are renewing their continuing license to include in their renewal requirements further preparation in the areas of using positive behavior interventions and in accommodating, modifying, and adapting curricula, materials, and strategies to appropriately meet the needs of individual students and ensure adequate progress toward the state's graduation rule.

(l) In adopting rules to license public school teachers who provide health-related services for disabled children, the board shall adopt rules consistent with license or registration requirements of the commissioner of health and the health-related boards who license personnel who perform similar services outside of the school.

(m) The board must adopt rules that require all licensed teachers who are renewing their continuing license to include in their renewal requirements further reading preparation, consistent with section 122A.06, subdivision 4. The rules do not take effect until they are approved by law. Teachers who do not provide direct instruction including, at least, counselors, school psychologists, school nurses, school social workers, audiovisual directors and coordinators, and recreation personnel are exempt from this section.

(n) The board must adopt rules that require all licensed teachers who are renewing their continuing license to include in their renewal requirements further preparation in understanding the key warning signs of early-onset mental illness in children and adolescents.

(o) The board must adopt rules to include instruction and other development activities to improve the understanding and effective instruction of and communication with Minnesota American Indian

tribes and communities, consistent with paragraph (d) and sections 124D.71 to 124D.82, in the 125 clock hours of professional development that teachers must complete to renew their professional teaching license.

EFFECTIVE DATE. This section is effective for the 2006-2007 school year and later.

Sec. 11. Minnesota Statutes 2005 Supplement, section 122A.414, subdivision 2b, is amended to read:

Subd. 2b. **Approval process.** (a) Consistent with the requirements of this section and sections 122A.413 and 122A.415, the department must prepare and transmit to interested school districts, intermediate school districts, school sites, and charter schools a standard form for applying to participate in the alternative teacher professional pay system. An interested school district, intermediate school district, school site, or charter school must submit to the commissioner a completed application executed by the district superintendent and the exclusive bargaining representative of the teachers if the applicant is a school district, intermediate school district, or school site, or executed by the charter school board of directors if the applicant is a charter school. The application must include the proposed alternative teacher professional pay system agreement under subdivision 2. The department must convene a review committee that at least includes teachers and administrators within 30 days of receiving a completed application to recommend to the commissioner whether to approve or disapprove the application. The commissioner must approve applications on a first-come, first-served basis. The applicant's alternative teacher professional pay system agreement must be legally binding on the applicant and the collective bargaining representative before the applicant receives alternative compensation revenue. The commissioner must approve or disapprove an application based solely on the explicit requirements under subdivisions 2 and 2a and may not impose any other conditions for approval.

(b) If the commissioner disapproves an application, the commissioner must give the applicant timely notice of the specific reasons in detail for disapproving the application. The applicant may revise and resubmit its application and related documents to the commissioner within 30 days of receiving notice of the commissioner's disapproval and the commissioner must approve or disapprove the revised application, consistent with this subdivision. Applications that are revised and then approved are considered submitted on the date the applicant initially submitted the application.

Sec. 12. Minnesota Statutes 2005 Supplement, section 122A.414, subdivision 3, is amended to read:

Subd. 3. **Report; continued funding.** (a) Participating districts, intermediate school districts, school sites, and charter schools must report on the implementation and effectiveness of the alternative teacher professional pay system, particularly addressing each requirement under subdivision 2 and make annual recommendations by June 15 to their school boards. The school board or board of directors shall transmit a copy of the report with a summary of the findings and recommendations of the district, intermediate school district, school site, or charter school to the commissioner.

(b) If the commissioner determines that a school district, intermediate school district, school site, or charter school that receives alternative teacher compensation revenue is not complying with the requirements of this section, the commissioner may withhold funding from that participant. Before making the determination, the commissioner must notify the participant of any deficiencies and provide the participant an opportunity to comply.

(c) The commissioner's review and evaluation of an alternative teacher professional pay system must be judged relative to the participant's approved plan and may not impose any criteria other than are contained in the plan or the explicit requirements of this section.

Sec. 13. Minnesota Statutes 2004, section 123B.90, subdivision 2, is amended to read:

Subd. 2. **Student training.** (a) Each district must provide public school pupils enrolled in kindergarten through grade 10 with age-appropriate school bus safety training, as described in this section, of the following concepts:

- (1) transportation by school bus is a privilege and not a right;
- (2) district policies for student conduct and school bus safety;
- (3) appropriate conduct while on the school bus;
- (4) the danger zones surrounding a school bus;
- (5) procedures for safely boarding and leaving a school bus;
- (6) procedures for safe street or road crossing; and
- (7) school bus evacuation.

(b) Each nonpublic school located within the district must provide all nonpublic school pupils enrolled in kindergarten through grade 10 who are transported by school bus at public expense and attend school within the district's boundaries with training as required in paragraph (a).

(c) Students enrolled in kindergarten through grade 6 who are transported by school bus and are enrolled during the first or second week of school must receive the school bus safety training competencies by the end of the third week of school. Students enrolled in grades 7 through 10 who are transported by school bus and are enrolled during the first or second week of school and have not previously received school bus safety training must receive the training or receive bus safety instructional materials by the end of the sixth week of school. ~~Students taking driver's training instructional classes and other students in grades 9 and grade 9 or 10 must receive training in the laws and proper procedures when operating a motor vehicle in the vicinity of a school bus.~~ Students enrolled in kindergarten through grade 10 who enroll in a school after the second week of school and are transported by school bus and have not received training in their previous school district shall undergo school bus safety training or receive bus safety instructional materials within four weeks of the first day of attendance. Upon request of the superintendent of schools, the school transportation safety director in each district must certify to the superintendent of schools annually that all students transported by school bus within the district have received the school bus safety training according to this section. Upon request of the superintendent of the school district where the nonpublic school is located, the principal or other chief administrator of each nonpublic school must certify annually to the school transportation safety director of the district in which the school is located that the school's students transported by school bus at public expense have received training according to this section.

(d) A district and a nonpublic school with students transported by school bus at public expense may provide kindergarten pupils with bus safety training before the first day of school.

(e) A district and a nonpublic school with students transported by school bus at public expense may also provide student safety education for bicycling and pedestrian safety, for students enrolled in kindergarten through grade 5.

(f) A district and a nonpublic school with students transported by school bus at public expense must make reasonable accommodations for the school bus safety training of pupils known to speak English as a second language and pupils with disabilities.

(g) The district and a nonpublic school with students transported by school bus at public expense must provide students enrolled in kindergarten through grade 3 school bus safety training twice during the school year.

(h) A district and a nonpublic school with students transported by school bus at public expense must conduct a school bus evacuation drill at least once during the school year.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 14. Minnesota Statutes 2004, section 123B.91, is amended by adding a subdivision to read:

Subd. 1a. Compliance by nonpublic and charter school students. A nonpublic or charter school student transported by a public school district shall comply with student bus conduct and student bus discipline policies of the transporting public school district.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 15. Minnesota Statutes 2005 Supplement, section 123B.92, subdivision 1, is amended to read:

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

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

(1) the sum of:

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

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

(iii) an amount equal to one year's depreciation on the district's type three school buses, as defined in section 169.01, subdivision 6, clause (5), which must be used a majority of the time for pupil transportation purposes, computed on a straight line basis at the rate of 20 percent per year of the cost of the type three school buses by:

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

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

(1) Regular transportation is:

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

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

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

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

(v) transportation to and from school during the regular school year required under subdivision 3 for nonresident elementary pupils when the distance from the attendance area border to the

public school is one mile or more, and for nonresident secondary pupils when the distance from the attendance area border to the public school is two miles or more, excluding desegregation transportation and noon kindergarten transportation.

For the purposes of this paragraph, a district may designate a licensed day care facility, school day care facility, respite care facility, the residence of a relative, or the residence of a person chosen by the pupil's parent or guardian as the home of a pupil for part or all of the day, if requested by the pupil's parent or guardian, and if that facility or residence is within the attendance area of the school the pupil attends.

(2) Excess transportation is:

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

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

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

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

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

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

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

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

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

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

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

For purposes of computing special education base revenue under section 125A.76, subdivision 2, the cost of providing transportation for children with disabilities includes (A) the additional cost of transporting a homeless student from a temporary nonshelter home in another district to the school

of origin, or a formerly homeless student from a permanent home in another district to the school of origin but only through the end of the academic year; and (B) depreciation on district-owned school buses purchased after July 1, 2005, and used primarily for transportation of pupils with disabilities, calculated according to paragraph (a), clauses (ii) and (iii). Depreciation costs included in the disabled transportation category must be excluded in calculating the actual expenditure per pupil transported in the regular and excess transportation categories according to paragraph (a).

(5) "Nonpublic nonregular transportation" is:

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

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

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

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

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 16. Minnesota Statutes 2005 Supplement, section 123B.92, subdivision 5, is amended to read:

Subd. 5. **District reports.** (a) Each district must report data to the department as required by the department to account for transportation expenditures.

(b) Salaries and fringe benefits of district employees whose primary duties are other than transportation, including central office administrators and staff, building administrators and staff, teachers, social workers, school nurses, and instructional aides, must not be included in a district's transportation expenditures, except that a district may include salaries and benefits according to paragraph (c) for (1) an employee designated as the district transportation director, (2) an employee providing direct support to the transportation director, or (3) an employee providing direct transportation services such as a bus driver or bus aide.

(c) Salaries and fringe benefits of ~~other the~~ district employees listed in paragraph (b), clauses (1), (2), and (3), who work part time in transportation and part time in other areas must not be included in a district's transportation expenditures unless the district maintains documentation of the employee's time spent on pupil transportation matters in the form and manner prescribed by the department.

(d) Pupil transportation expenditures, excluding expenditures for capital outlay, leased buses, student board and lodging, crossing guards, and aides on buses, must be allocated among transportation categories based on cost-per-mile, cost-per-student, cost-per-hour, or cost-per-route, regardless of whether the transportation services are provided on district-owned or contractor-owned school buses. Districts using contracted services will be exempt from the standard cost allocation method for authorized categories if the district's cost-per-mile, cost-per-hour, or cost-per-route for authorized categories does not vary more than 15 percent among authorized categories, excluding salaries and fringe benefits of bus aides. Both district-owned and contractor-owned operations shall report a cost-per-mile, cost-per-hour, or cost-per-route for nonauthorized categories that is within 15 percent of what is used for authorized categories, excluding salaries and fringe benefits of bus aides. If the costs reported by either district-owned or contractor-owned operations vary more than

the parameters outlined above, the department can require the district to reallocate its transportation costs among categories. Expenditures for school bus driver salaries and fringe benefits may either be directly charged to the appropriate transportation category or may be allocated among transportation categories based on cost-per-mile, cost-per-student, cost-per-hour, or cost-per-route. Expenditures by private contractors or individuals who provide transportation exclusively in one transportation category must be charged directly to the appropriate transportation category. Transportation services provided by contractor-owned school bus companies incorporated under different names but owned by the same individual or group of individuals must be treated as the same company for cost allocation purposes.

EFFECTIVE DATE. This section is effective for fiscal year 2006.

Sec. 17. Minnesota Statutes 2004, section 124D.095, subdivision 3, is amended to read:

Subd. 3. **Authorization; notice; limitations on enrollment.** (a) A student may apply to an on-line learning provider to enroll in on-line learning. A student age 17 or younger must have the written consent of a parent or guardian to apply. No school district or charter school may prohibit a student from applying to enroll in on-line learning. An on-line learning provider that accepts a student under this section must, within ten days, notify the student and the enrolling district if the enrolling district is not the on-line learning provider. The notice must report the student's course or program and hours of instruction.

(b) An on-line learning student must notify the enrolling district at least ~~30~~ 45 days before taking an on-line learning course or program ~~if the enrolling district is not providing the on-line learning.~~ An on-line learning provider must notify the commissioner that it is delivering on-line learning and report the number of on-line learning students it is accepting and the on-line learning courses and programs it is delivering.

(c) An on-line learning provider may limit enrollment if the provider's school board or board of directors adopts by resolution specific standards for accepting and rejecting students' applications.

(d) An enrolling district may reduce an on-line learning student's regular classroom instructional membership in proportion to the student's membership in on-line learning courses.

Sec. 18. Minnesota Statutes 2005 Supplement, section 124D.095, subdivision 4, is amended to read:

Subd. 4. **Online learning parameters.** (a) An online learning student must receive academic credit for completing the requirements of an online learning course or program. Secondary credits granted to an online learning student must be counted toward the graduation and credit requirements of the enrolling district. The enrolling district must apply the same graduation requirements to all students, including online learning students, and must continue to provide nonacademic services to online learning students. If a student completes an online learning course or program that meets or exceeds a graduation standard or grade progression requirement at the enrolling district, that standard or requirement is met. The enrolling district must use the same criteria for accepting online learning credits or courses as it does for accepting credits or courses for transfer students under section 124D.03, subdivision 9. The enrolling district may reduce the teacher contact time of an online learning student in proportion to the number of online learning courses the student takes from an online learning provider that is not the enrolling district.

(b) An online learning student may:

(1) enroll during a single school year in a maximum of 12 semester-long courses or their equivalent delivered by an online learning provider or the enrolling district;

(2) complete course work at a grade level that is different from the student's current grade level;
and

(3) enroll in additional courses with the online learning provider under a separate agreement that

includes terms for payment of any tuition or course fees.

~~(e) A student with a disability may enroll in an online learning course or program if the student's IEP team determines that online learning is appropriate education for the student.~~

~~(d)~~ (c) An online learning student has the same access to the computer hardware and education software available in a school as all other students in the enrolling district. An online learning provider must assist an online learning student whose family qualifies for the education tax credit under section 290.0674 to acquire computer hardware and educational software for online learning purposes.

~~(e)~~ (d) An enrolling district may offer online learning to its enrolled students. Such online learning does not generate online learning funds under this section. An enrolling district that offers online learning only to its enrolled students is not subject to the reporting requirements or review criteria under subdivision 7. A teacher with a Minnesota license must assemble and deliver instruction to enrolled students receiving online learning from an enrolling district. The delivery of instruction occurs when the student interacts with the computer or the teacher and receives ongoing assistance and assessment of learning. The instruction may include curriculum developed by persons other than a teacher with a Minnesota license.

~~(f)~~ (e) An online learning provider that is not the enrolling district is subject to the reporting requirements and review criteria under subdivision 7. A teacher with a Minnesota license must assemble and deliver instruction to online learning students. The delivery of instruction occurs when the student interacts with the computer or the teacher and receives ongoing assistance and assessment of learning. The instruction may include curriculum developed by persons other than a teacher with a Minnesota license. Unless the commissioner grants a waiver, a teacher providing online learning instruction must not instruct more than 40 students in any one online learning course or program.

Sec. 19. Minnesota Statutes 2004, section 124D.10, subdivision 16, is amended to read:

Subd. 16. **Transportation.** ~~(a) By July 1 of each year, a charter school~~ A charter school after its first fiscal year of operation by March 1 of each fiscal year and a charter school by July 1 of its first fiscal year of operation must notify the district in which the school is located and the Department of Education if it will provide transportation for pupils enrolled in the school its own transportation or use the transportation services of the district in which it is located for the fiscal year.

(b) If a charter school elects to provide transportation for pupils, the transportation must be provided by the charter school within the district in which the charter school is located. The state must pay transportation aid to the charter school according to section 124D.11, subdivision 2.

For pupils who reside outside the district in which the charter school is located, the charter school is not required to provide or pay for transportation between the pupil's residence and the border of the district in which the charter school is located. A parent may be reimbursed by the charter school for costs of transportation from the pupil's residence to the border of the district in which the charter school is located if the pupil is from a family whose income is at or below the poverty level, as determined by the federal government. The reimbursement may not exceed the pupil's actual cost of transportation or 15 cents per mile traveled, whichever is less. Reimbursement may not be paid for more than 250 miles per week.

At the time a pupil enrolls in a charter school, the charter school must provide the parent or guardian with information regarding the transportation.

(c) If a charter school does not elect to provide transportation, transportation for pupils enrolled at the school must be provided by the district in which the school is located, according to sections 123B.88, subdivision 6, and 124D.03, subdivision 8, for a pupil residing in the same district in which the charter school is located. Transportation may be provided by the district in which the school is located, according to sections 123B.88, subdivision 6, and 124D.03, subdivision 8, for

a pupil residing in a different district. If the district provides the transportation, the scheduling of routes, manner and method of transportation, control and discipline of the pupils, and any other matter relating to the transportation of pupils under this paragraph shall be within the sole discretion, control, and management of the district.

Sec. 20. Minnesota Statutes 2004, section 124D.61, is amended to read:

124D.61 GENERAL REQUIREMENTS FOR PROGRAMS.

A district which receives aid pursuant to section 124D.65 must comply with that enrolls one or more children of limited English proficiency must implement an educational program that includes at a minimum the following program requirements:

(1) identification and reclassification criteria for children of limited English proficiency and program entrance and exit criteria for children with limited English proficiency must be documented by the district, applied uniformly to children of limited English proficiency, and made available to parents and other stakeholders upon request;

(2) a written plan of services that describes programming by English proficiency level made available to parents upon request. The plan must articulate the amount and scope of service offered to children of limited English proficiency through an educational program for children of limited English proficiency;

(3) professional development opportunities for ESL, bilingual education, mainstream, and all staff working with children of limited English proficiency which are: (i) coordinated with the district's professional development activities; (ii) related to the needs of children of limited English proficiency; and (iii) ongoing;

(4) to the extent possible, the district must avoid isolating children of limited English proficiency for a substantial part of the school day; and

~~(2)~~ (5) in predominantly nonverbal subjects, such as art, music, and physical education, permit pupils of limited English proficiency shall be permitted to participate fully and on an equal basis with their contemporaries in public school classes provided for these subjects. To the extent possible, the district must assure to pupils enrolled in a program for limited English proficient students an equal and meaningful opportunity to participate fully with other pupils in all extracurricular activities.

Sec. 21. Minnesota Statutes 2004, section 169.01, subdivision 6, is amended to read:

Subd. 6. **School bus.** "School bus" means a motor vehicle used to transport pupils to or from a school defined in section 120A.22, or to or from school-related activities, by the school or a school district, or by someone under an agreement with the school or a school district. A school bus does not include a motor vehicle transporting children to or from school for which parents or guardians receive direct compensation from a school district, a motor coach operating under charter carrier authority, a transit bus providing services as defined in section 174.22, subdivision 7, a multifunction school activity bus as defined by federal motor vehicle safety standards, or a vehicle otherwise qualifying as a type III vehicle under paragraph (5), when the vehicle is properly registered and insured and being driven by an employee or agent of a school district for nonscheduled or nonregular transportation. A school bus may be type A, type B, type C, or type D, or type III as follows:

(1) A "type A school bus" is a ~~van~~ conversion of bus constructed utilizing a cutaway front section vehicle with a left-side driver's door. ~~The entrance door is behind the front wheels.~~ This definition includes two classifications: type A-I, with a gross vehicle weight rating (GVWR) ~~less than or equal to 10,000~~ 14,500 pounds or less; and type A-II, with a GVWR greater than ~~10,000~~ 14,500 pounds and less than or equal to 21,500 pounds.

(2) A "type B school bus" is constructed utilizing a stripped chassis. The entrance door is behind the front wheels. This definition includes two classifications: type B-I, with a GVWR less than or equal to 10,000 pounds; and type B-II, with a GVWR greater than 10,000 pounds.

(3) A "type C school bus" is constructed utilizing a chassis with a hood and front fender assembly. The entrance door is behind the front wheels. A "type C school bus" also includes a cutaway truck chassis or truck chassis with cab with or without a left side door and with a GVWR greater than 21,500 pounds.

(4) A "type D school bus" is constructed utilizing a stripped chassis. The entrance door is ahead of the front wheels.

(5) Type III school buses and type III Head Start buses are restricted to passenger cars, station wagons, vans, and buses having a maximum manufacturer's rated seating capacity of ten or fewer people, including the driver, and a gross vehicle weight rating of 10,000 pounds or less. In this subdivision, "gross vehicle weight rating" means the value specified by the manufacturer as the loaded weight of a single vehicle. A "type III school bus" and "type III Head Start bus" must not be outwardly equipped and identified as a type A, B, C, or D school bus or type A, B, C, or D Head Start bus. A van or bus converted to a seating capacity of ten or fewer and placed in service on or after August 1, 1999, must have been originally manufactured to comply with the passenger safety standards.

EFFECTIVE DATE. This section is effective January 1, 2007.

Sec. 22. Minnesota Statutes 2004, section 169.447, subdivision 2, is amended to read:

Subd. 2. **Driver seat belt.** New School buses and Head Start buses manufactured after December 31, 1994, must be equipped with driver seat belts and seat belt assemblies of the type described in section 169.685, subdivision 3. School bus drivers and Head Start bus drivers must use these seat belts.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 23. Minnesota Statutes 2004, section 169.4501, subdivision 1, is amended to read:

Subdivision 1. **National standards adopted.** Except as provided in sections 169.4502 and 169.4503, the construction, design, equipment, and color of types A, B, C, and D school buses used for the transportation of school children shall meet the requirements of the "bus chassis standards" and "bus body standards" in the ~~2000~~ 2005 edition of the "National School Transportation Specifications and Procedures" adopted by the ~~National Conference~~ Congress on School Transportation. Except as provided in section 169.4504, the construction, design, and equipment of types A, B, C, and D school buses used for the transportation of students with disabilities also shall meet the requirements of the "specially equipped school bus standards" in the ~~2000~~ 2005 National School Transportation Specifications and Procedures. The "bus chassis standards," "bus body standards," and "specially equipped school bus standards" sections of the ~~2000~~ 2005 edition of the "National School Transportation Specifications and Procedures" are incorporated by reference in this chapter.

EFFECTIVE DATE. This section is effective January 1, 2007.

Sec. 24. Minnesota Statutes 2004, section 169.4501, subdivision 2, is amended to read:

Subd. 2. **Applicability.** (a) The standards adopted in this section and sections 169.4502 and 169.4503, govern the construction, design, equipment, and color of school buses used for the transportation of school children, when owned or leased and operated by a school or privately owned or leased and operated under a contract with a school. Each school, its officers and employees, and each person employed under the contract is subject to these standards.

(b) The standards apply to school buses manufactured after ~~October 31, 2004~~ December 31, 2006. Buses complying with the standards when manufactured need not comply with standards established later except as specifically provided for by law.

(c) A school bus manufactured on or before ~~October 31, 2004~~ December 31, 2006, must conform

to the Minnesota standards in effect on the date the vehicle was manufactured except as specifically provided for in law.

(d) A new bus body may be remounted on a used chassis provided that the remounted vehicle meets state and federal standards for new buses which are current at the time of the remounting. Permission must be obtained from the commissioner of public safety before the remounting is done. A used bus body may not be remounted on a new or used chassis.

EFFECTIVE DATE. This section is effective January 1, 2007.

Sec. 25. Minnesota Statutes 2004, section 169.4502, subdivision 5, is amended to read:

Subd. 5. **Electrical system; battery.** (a) The storage battery, as established by the manufacturer's rating, must be of sufficient capacity to care for starting, lighting, signal devices, heating, and other electrical equipment. In a bus with a gas-powered chassis, the battery or batteries must provide a minimum of 800 cold cranking amperes. In a bus with a diesel-powered chassis, the battery or batteries must provide a minimum of 1050 cold cranking amperes.

(b) In a type B bus with a gross vehicle weight rating of 15,000 pounds or more, and type C and D buses, the battery shall be temporarily mounted on the chassis frame. The final location of the battery and the appropriate cable lengths in these buses must comply with the SBMI design objectives booklet.

(c) All batteries shall be mounted according to chassis manufacturers' recommendations.

(d) In a type C bus, other than are powered by diesel fuel, a battery providing at least 550 cold cranking amperes may be installed in the engine compartment only if used in combination with a generator or alternator of at least ~~120~~ 130 amperes.

(e) A bus with a gross vehicle weight rating of 15,000 pounds or less may be equipped with a battery to provide a minimum of 550 cold cranking amperes only if used in combination with an alternator of at least ~~80~~ 130 amperes. This paragraph does not apply to those buses with wheelchair lifts or diesel engines.

EFFECTIVE DATE. This section is effective January 1, 2007.

Sec. 26. Minnesota Statutes 2004, section 169.4503, subdivision 20, is amended to read:

Subd. 20. **Seat and crash barriers.** (a) All restraining barriers and passenger seats shall be covered with a material that has fire retardant or fire block characteristics.

(b) All seats must have a minimum cushion depth of 15 inches and a seat back height of at least 20 inches above the seating reference point.

EFFECTIVE DATE. This section is effective January 1, 2007.

Sec. 27. Minnesota Statutes 2004, section 171.321, subdivision 4, is amended to read:

Subd. 4. **Training.** (a) No person shall drive a class A, B, C, or D school bus when transporting school children to or from school or upon a school-related trip or activity without having demonstrated sufficient skills and knowledge to transport students in a safe and legal manner.

(b) A bus driver must have training or experience that allows the driver to meet at least the following competencies:

- (1) safely operate the type of school bus the driver will be driving;
- (2) understand student behavior, including issues relating to students with disabilities;
- (3) encourage orderly conduct of students on the bus and handle incidents of misconduct appropriately;

- (4) know and understand relevant laws, rules of the road, and local school bus safety policies;
- (5) handle emergency situations; and
- (6) safely load and unload students.

(c) The commissioner of public safety shall develop a comprehensive model school bus driver training program and model assessments for school bus driver training competencies, which are not subject to chapter 14. A school district, nonpublic school, or private contractor may use alternative assessments for bus driver training competencies with the approval of the commissioner of public safety. After completion of bus driver training competencies, a driver may receive at least eight hours of school bus in-service training any year, as an alternative to being assessed for bus driver competencies. The employer shall keep the assessment and a record of the in-service training for the current period available for inspection by representatives of the commissioner.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 28. Minnesota Statutes 2004, section 171.321, subdivision 5, is amended to read:

Subd. 5. **Annual evaluation and license verification.** (a) A school district, nonpublic school, or private contractor shall provide in-service training annually by June 30 of each year to each school bus driver.

(b) A school district, nonpublic school, or private contractor shall annually by June 30 of each year verify the validity of the driver's license of each employee who regularly transports students for the district in a type A school bus, a type B school bus, a type C school bus, or type D school bus, or regularly transports students for the district in a type III vehicle with the National Driver Register or with the Department of Public Safety.

(c) Members of a nonprofit bus drivers' trade association under private contract with an independent school district shall not be charged a fee greater than the fee, if any, imposed upon an independent school district for accessing an employee's driver's license records from the Department of Public Safety in compliance with this section.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 29. Minnesota Statutes 2004, section 299F.30, is amended to read:

299F.30 FIRE DRILL IN SCHOOL; DOORS AND EXITS.

Subdivision 1. **Duties of fire marshal.** Consistent with section 121A.035 and this section, it shall be the duty of the state fire marshal, deputies and assistants, to require public and private schools and educational institutions to have at least nine fire drills each school year and to keep all doors and exits unlocked from the inside of the building during school hours. The fire marshal must require private schools and educational institutions not subject to section 121A.035 to have at least one fire drill each month during the school year.

Subd. 2. **Fire drill.** Each superintendent, principal or other person in charge of a public or private school, educational institution, children's home or orphanage housing 20 or more students or other persons, shall instruct and train such students or other persons to quickly and expeditiously quit the premises in case of fire or other emergency by means of drills or rapid dismissals at least once each month while such school, institution, home or orphanage is in operation. Records of such drills shall be posted so that such records are available for review by the state fire marshal at all times and shall include the drill date and the time required to evacuate the building.

Subd. 3. **School doors and exits.** Consistent with section 121A.035 and this section, each superintendent, principal or other person in charge of a public or private school, educational institution, children's home or orphanage shall keep all doors and exits of such school, institution, home or orphanage unlocked so that persons can leave by such doors or exits at any time during the hours of normal operation.

EFFECTIVE DATE. This section is effective for the 2006-2007 school year and later.

Sec. 30. Minnesota Statutes 2005 Supplement, section 626.556, subdivision 3, is amended to read:

Subd. 3. **Persons mandated to report.** (a) Subject to paragraph (c), a person who knows or has reason to believe a child is being neglected or physically or sexually abused, as defined in subdivision 2, or has been neglected or physically or sexually abused within the preceding three years, shall immediately report the information to the local welfare agency, agency responsible for assessing or investigating the report, police department, or the county sheriff if the person is:

(1) a professional or professional's delegate who is engaged in the practice of the healing arts, social services, hospital administration, psychological or psychiatric treatment, child care, education, correctional supervision, probation and correctional services, or law enforcement; or

(2) employed as a member of the clergy and received the information while engaged in ministerial duties, provided that a member of the clergy is not required by this subdivision to report information that is otherwise privileged under section 595.02, subdivision 1, paragraph (c).

The police department or the county sheriff, upon receiving a report, shall immediately notify the local welfare agency or agency responsible for assessing or investigating the report, orally and in writing. The local welfare agency, or agency responsible for assessing or investigating the report, upon receiving a report, shall immediately notify the local police department or the county sheriff orally and in writing. The county sheriff and the head of every local welfare agency, agency responsible for assessing or investigating reports, and police department shall each designate a person within their agency, department, or office who is responsible for ensuring that the notification duties of this paragraph and paragraph (b) are carried out. Nothing in this subdivision shall be construed to require more than one report from any institution, facility, school, or agency. If the agency receiving a report determines that it is not responsible for assessing or investigating the report, the agency shall immediately notify the agency it determines is responsible for assessing or investigating the report under this section.

(b) Any person may voluntarily report to the local welfare agency, agency responsible for assessing or investigating the report, police department, or the county sheriff if the person knows, has reason to believe, or suspects a child is being or has been neglected or subjected to physical or sexual abuse. The police department or the county sheriff, upon receiving a report, shall immediately notify the local welfare agency or agency responsible for assessing or investigating the report, orally and in writing. The local welfare agency or agency responsible for assessing or investigating the report, upon receiving a report, shall immediately notify the local police department or the county sheriff orally and in writing.

(c) A person mandated to report physical or sexual child abuse or neglect occurring within a ~~licensed facility or a school as defined under subdivision 3b,~~ shall report the information to the agency responsible for licensing the facility under sections 144.50 to 144.58; 241.021; 245A.01 to 245A.16; or chapter 245B; ~~or a nonlicensed personal care provider organization as defined in sections 256B.04, subdivision 16; and 256B.0625, subdivision 19~~ or to the agency responsible for assessing or investigating the report, if the facility is not licensed. A health or corrections agency receiving a report may request the local welfare agency to provide assistance pursuant to subdivisions 10, 10a, and 10b. A board or other entity whose licensees perform work within a school facility, upon receiving a complaint of alleged maltreatment, shall provide information about the circumstances of the alleged maltreatment to the commissioner of education. Section 13.03, subdivision 4, applies to data received by the commissioner of education from a licensing entity.

(d) Any person mandated to report shall receive a summary of the disposition of any report made by that reporter, including whether the case has been opened for child protection or other services, or if a referral has been made to a community organization, unless release would be detrimental to the best interests of the child. Any person who is not mandated to report shall, upon request to

the local welfare agency, receive a concise summary of the disposition of any report made by that reporter, unless release would be detrimental to the best interests of the child.

(e) For purposes of this subdivision, "immediately" means as soon as possible but in no event longer than 24 hours.

Sec. 31. Minnesota Statutes 2004, section 626.556, subdivision 3b, is amended to read:

Subd. 3b. **Agency Department of Education responsible for assessing or investigating reports of maltreatment.** The Department of Education is the agency responsible for assessing or investigating allegations of child maltreatment in schools as defined in sections ~~120A.05, subdivisions 9, 11, and 13;~~ 120A.05, subdivisions 9, 11, 13, and 17, and 124D.10, unless the alleged maltreatment occurred in a program or facility licensed by the commissioner of human services. "School" includes a school-age care program, Head Start program, early childhood family education program, school district-administered day treatment facility, or other program licensed or administered by the commissioner of education that provides services for minors and is located in or operated by a school.

Sec. 32. Minnesota Statutes 2004, section 626.556, subdivision 3c, is amended to read:

Subd. 3c. **Agency Local welfare agency, Department of Human Services or Department of Health responsible for assessing or investigating reports of maltreatment.** ~~The following agencies are the administrative agencies responsible for assessing or investigating reports of alleged child maltreatment in facilities made under this section:~~

~~(1) (a)~~ The county local welfare agency is the agency responsible for assessing or investigating:

(1) allegations of maltreatment in child foster care, family child care, and legally unlicensed child care and in juvenile correctional facilities licensed under section 241.021 located in the local welfare agency's county; and

(2) other allegations of maltreatment that are not the responsibility of another agency under this subdivision or subdivision 3b.

~~(2) (b)~~ The Department of Human Services is the agency responsible for assessing or investigating allegations of maltreatment in facilities licensed under chapters 245A and 245B, except for child foster care and family child care; and

~~(3) (c)~~ The Department of Health is the agency responsible for assessing or investigating allegations of child maltreatment in facilities licensed under sections 144.50 to 144.58, and in unlicensed home health care.

Sec. 33. Laws 2005, First Special Session chapter 5, article 2, section 84, subdivision 13, is amended to read:

Subd. 13. **Examination fees; teacher training and support programs.** (a) For students' advanced placement and international baccalaureate examination fees under Minnesota Statutes, section 120B.13, subdivision 3, and the training and related costs for teachers and other interested educators under Minnesota Statutes, section 120B.13, subdivision 1:

\$	4,500,000	2006
\$	4,500,000	2007

(b) The advanced placement program shall receive 75 percent of the appropriation each year and the international baccalaureate program shall receive 25 percent of the appropriation each year. The department, in consultation with representatives of the advanced placement and international baccalaureate programs selected by the Advanced Placement Advisory Council and IBMN,

respectively, shall determine the amounts of the expenditures each year for examination fees and training and support programs for each program.

(c) Notwithstanding Minnesota Statutes, section 120B.13, subdivision 1, at least \$500,000 each year is for teachers to attend subject matter summer training programs and follow-up support workshops approved by the advanced placement or international baccalaureate programs. ~~The amount of the subsidy for each teacher attending an advanced placement or international baccalaureate summer training program or workshop shall be the same. The commissioner shall determine the payment process and the amount of the subsidy.~~ Teachers shall apply for teacher training scholarships to prepare for teaching in the advanced placement or international baccalaureate program. Any reserved funding not expended for teacher training may be used for exam fees and other support programs for each program.

(d) The commissioner shall pay all examination fees for all students of low-income families under Minnesota Statutes, section 120B.13, subdivision 3, and to the extent of available appropriations shall also pay examination fees for students sitting for an advanced placement examination, international baccalaureate examination, or both.

Any balance in the first year does not cancel but is available in the second year.

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

Sec. 34. **ADVISORY TASK FORCE ON SCHOOL AND STAFF EMERGENCY/ALL HAZARD PREPAREDNESS.**

(a) An advisory task force on school and staff emergency/all hazard preparedness is established to consider and recommend to the legislature proposals for strengthening K-12 crisis management and school safety efforts including, at least, whether or not to:

(1) develop specific K-12 teacher and school administrator competencies related to emergency/all hazard preparedness;

(2) provide emergency/all hazard preparedness training to currently licensed K-12 teachers and school administrators;

(3) incorporate emergency/all hazard preparedness competencies into existing teacher and school administrator preparation curriculum;

(4) identify key emergency/all hazard preparedness competencies appropriate to teacher and school administrator preparation curriculum and ongoing teacher and school administrator training; and

(5) expect federal funds to supplement state emergency/all hazard preparedness initiatives.

(b) The commissioner of education shall appoint an advisory task force on school and staff emergency/all hazard preparedness that is composed of a representative from each of the following entities: the state Board of Teaching; the state Board of School Administrators; the state fire marshal; law enforcement agencies; emergency responders; school principals; school counselors; other school employees; the Minnesota Association of School Administrators; the Minnesota School Boards Association; Education Minnesota; the Minnesota Department of Education; the Minnesota Department of Health; the Minnesota Department of Public Safety; and others recommended by task force members. Task force members' terms and other task force matters are subject to Minnesota Statutes, section 15.059. The task force must submit by February 15, 2007, to the education policy and finance committees of the legislature a written report that includes recommendations on strengthening K-12 crisis management and school safety efforts.

(c) Upon request, the commissioner of education must provide the task force on strengthening K-12 crisis management and school safety efforts with technical, fiscal, and other support services.

(d) The task force expires February 16, 2007.

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

Sec. 35. CHARACTER DEVELOPMENT EDUCATION REVENUE; PILOT PROGRAM.

Subdivision 1. Pilot program created. A pilot program is created to allow school districts to receive character development education revenue to purchase comprehensive curriculum for the purposes of Minnesota Statutes, section 120B.232. Character development education revenue for school districts equals \$30 times the district's adjusted marginal cost pupil units.

Subd. 2. Approved provider list. The commissioner of education shall maintain a character development education curriculum approved provider list. The character development education curriculum of approved providers shall be research based and evaluated by an independent party. Approved character development education curriculum must include:

- (1) age appropriate character development for the classroom in elementary or secondary grades;
- (2) teacher training workshops and in-service training;
- (3) midyear consulting between the school district and the provider; and
- (4) an assessment program.

Subd. 3. Application and selection process. A school district may submit to the commissioner an application for funding in the form and manner specified by the commissioner. The commissioner shall approve applications that propose to use an approved provider and that agree to use the program as recommended by the provider. The commissioner must approve or disapprove an application within 30 days of receipt on a first-come, first-served basis.

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

Sec. 36. 2006 SCHOOL ACCOUNTABILITY REPORT.

Notwithstanding Minnesota Statutes, section 120B.36, for 2006 reporting only, the Department of Education may delay the release to the public and the posting of the 2006 school performance report cards and adequate yearly progress data on its public Web site to no later than November 30, 2006.

Sec. 37. ADVISORY TASK FORCE ON OPTIONS FOR ACCELERATED K-12 SCIENCE AND MATHEMATICS PROGRAMS THROUGHOUT MINNESOTA.

(a) An advisory task force on options for accelerated K-12 science and mathematics programs throughout Minnesota is established to consider and recommend to the legislature alternatives for delivering accelerated science and mathematics programs to eligible students throughout Minnesota. Recommended programs must provide accelerated science and mathematics instruction to eligible students in grades 6 through 12 and be cost effective and efficiently implemented and operated. Other recommended programs may offer accelerated science and mathematics instruction to other eligible elementary grade students and provide out-of-school and summer school K-12 science and mathematics instruction throughout the state.

(b) The advisory task force at least must:

(1) evaluate and compare at least five alternatives for delivering accelerated science and mathematics programs to Minnesota students, which may include online learning, satellite science and mathematics centers, a consortium of available accelerated science and mathematics or accelerated education programs, and residential and nonresidential accelerated science and mathematics academies that may be patterned after the Perpich Center for Arts Education under Minnesota Statutes, chapter 129C, among other alternatives;

(2) identify and evaluate possible members for a science, mathematics, engineering, and technology leadership consortium composed of representatives of corporations, organizations, educational institutions, and research facilities to help implement accelerated K-12 science and mathematics programs in Minnesota;

(3) evaluate and compare at least three alternatives for preparing and assisting educational leaders who are literate in science and mathematics to help implement accelerated K-12 science and mathematics programs in Minnesota, which may include gifted education and accelerated science and mathematics teacher training programs and residential and nonresidential accelerated science and mathematics academies that also provide professional development and educational outreach programs; and

(4) identify and evaluate postsecondary career and technical education programs offering or requiring accelerated science and mathematics instruction.

(c) The commissioner of education shall appoint an advisory task force on options for accelerated K-12 science and mathematics programs throughout Minnesota that is composed of the following representatives: a gifted education coordinator, an educator holding a gifted education certificate or an instructor in a graduate level gifted education program; a currently licensed or retired high school physical science teacher; a currently licensed or retired high school mathematics teacher; a faculty member providing instruction under the Minnesota postsecondary enrollment options program or an educator providing instruction under the college in the schools program; a faculty member or educator providing instruction in the Minnesota talented youth mathematics program; a University of Minnesota mathematics or engineering professor; a University of Minnesota physical science professor; a manager or director in a high technology field, corporation, organization, or facility; a manager or director in a medical field or profession; a manager or director in a research-based field, corporation, organization, or facility; one parent of a high school student gifted in mathematics or science from each congressional district; a physical science teacher and a biology teacher, one of whom is licensed to teach middle level students and one of whom is licensed to teach high school level students; a high school career and technical instructor; a faculty member in a postsecondary institution offering technical two-year degrees who provides career and technical instruction; a manager or director in a mathematics or science industry who employs persons with associate degrees in a technical field; a manager or director in the biosciences industry; and two at-large members. Notwithstanding any other law to the contrary, the task force may conduct meetings of its members by telephone or other electronic means where all members can hear one another and all the discussion, at least one member is physically present at the regular meeting location, and interested members of the public can hear all the discussion. Task force members' terms and other task force matters are subject to Minnesota Statutes, section 15.059. The task force must submit by January 30, 2007, a written report and presentation to the Education Policy and Finance committees of the legislature that include recommendations on alternatives for delivering accelerated science and mathematics programs to eligible students throughout Minnesota.

(d) Upon request, the commissioner of education must provide the task force with technical, fiscal, and other support services.

(e) The task force expires February 1, 2007.

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

Sec. 38. ADVISORY TASK FORCE ON MINNESOTA AMERICAN INDIAN TRIBES AND COMMUNITIES AND K-12 STANDARDS-BASED REFORM.

(a) An advisory task force on Minnesota American Indian tribes and communities and K-12 standards-based reform is established to examine the impact of state and federal standards-based reform on Minnesota's K-12 students, including American Indian students, and to recommend to the legislature changes to the state's performance standards, content requirements, assessments

measures, and teacher preparation programs to most effectively meet the education needs of all students, including American Indian students, enrolled in Minnesota schools. The task force, in consultation with American Indian educators and parents, and others who advocate for American Indian children, at least must determine if (1) state education standards and assessments are appropriate for American Indian students; (2) American Indian students are fairly compared; (3) American Indian students receive the assistance they need to achieve the state standards; and (4) schools receive financial and technical assistance sufficient to meet the education needs of American Indian students.

(b) The commissioner of education shall appoint an advisory task force on Minnesota American Indian tribes and communities and K-12 standards-based reform that is composed of the following representatives: education department staff experienced in working with American Indian students and programs; Minnesota American Indian tribes and communities; Minnesota School Boards Association; school administrators; Education Minnesota; the state Board of Teaching; a minority member and majority member both from the Minnesota House of Representatives and from the Minnesota Senate; the Minnesota Council on Indian Affairs; postsecondary faculty who serve as instructors in teacher preparation programs; local community service providers who work with Minnesota American Indian tribes and communities; and other representatives recommended by task force members. Task force members' terms and other task force matters are subject to Minnesota Statutes, section 15.059, subject to the limits of available appropriations. The task force must submit to the legislative committees having jurisdiction over education policy and finance a preliminary written report by February 15, 2007, and a final report by February 15, 2008, that includes any recommended changes to the state's performance standards, content requirements, assessment measures, and teacher preparation programs to most effectively meet the educational needs of all students, including American Indian students, enrolled in Minnesota schools.

(c) Upon request, the commissioner of education must provide the task force with technical, fiscal, and other support.

(d) The task force expires on February 16, 2008.

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

Sec. 39. REPORT ON OUT-OF-SCHOOL CARE FOR CHILDREN BETWEEN THE AGES OF TEN TO 18.

The commissioner of education, in consultation with the commissioners of human services and public safety, shall provide a report to the legislature by January 20, 2007, which surveys and analyzes out-of-school time opportunities for children ages ten to 18. The commissioner must gather representative information from urban, suburban, and rural areas regarding where children go after their school day is over and during school breaks. Further, the commissioner shall communicate with members of the community, parents of children ages ten to 18, child care providers, middle school personnel, and other interested individuals to gather information and develop positive, supervised out-of-school alternatives for children ages ten to 18, in order to reduce the incidence of sexual activity, underage drinking and smoking, use of illegal substances, and other criminal activity.

Sec. 40. OPPORTUNITIES FOR YOUTH DURING OUT-OF-SCHOOL TIME.

Subdivision 1. **Establishment.** A competitive statewide after-school enrichment grant program is established to provide implementation grants to community or nonprofit organizations, to political subdivisions, or to school-based programs. The commissioner of education shall develop criteria for after-school enrichment programs.

Subd. 2. **Program outcomes.** The expected outcomes of the after-school enrichment programs are to:

(1) increase the number of children participating in adult-supervised programs in nonschool hours;

(2) increase the number of youth engaged in community services and other activities designed to support character improvement, strengthen families, and instill community values;

(3) increase skills in technology, the arts, sports, and other activities;

(4) reduce the amount of juvenile crime;

(5) increase and support the academic achievement and character development of adolescent parents;

(6) increase school attendance and reduce the number of school suspensions; and

(7) support academic achievement, including the areas of reading and math.

Subd. 3. **Plan.** An applicant shall develop a plan for an after-school enrichment program for youth. The plan must include:

(1) collaboration with and leverage of existing community resources that have demonstrated effectiveness;

(2) outreach to children and youth;

(3) involvement of local governments, including park and recreation boards or schools, unless no government agency is appropriate; and

(4) community control over the design of the enrichment program and identification of the sources of nonpublic funding.

Subd. 4. **Plan approval; grants.** An applicant shall submit a plan developed under subdivision 3 to the commissioner for approval. The commissioner shall award a grant for the implementation of an approved plan.

Sec. 41. APPROPRIATION.

Subdivision 1. **Department of Education.** The sum indicated in this section is appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **Character development education revenue.** For the character development education revenue pilot program:

\$ 2007

Subd. 3. **After-school enrichment grants.** For the after-school enrichment grant program:

\$ 2007

Sec. 42. REPEALER.

(a) Minnesota Statutes 2004, section 121A.23, is repealed.

(b) Minnesota Statutes 2004, sections 169.4502, subdivision 15; and 169.4503, subdivisions 17, 18, and 26, are repealed.

EFFECTIVE DATE. Paragraph (b) of this section is effective January 1, 2007.

ARTICLE 2

EDUCATION FUNDING

Section 1. [120B.132] RAISED ACADEMIC ACHIEVEMENT; ADVANCED PLACEMENT, INTERNATIONAL BACCALAUREATE, AND CONCURRENT

ENROLLMENT PROGRAMS.

Subdivision 1. **Establishment; eligibility.** A program is established to raise K-12 academic achievement through increased student participation in advanced placement, international baccalaureate, and concurrent enrollment programs, consistent with sections 120B.13 and 124D.04. Schools and charter schools eligible to participate under this section must:

(1) have a three-year plan approved by the local school board to establish a new international baccalaureate program leading to international baccalaureate authorization, or expand an existing program that leads to international baccalaureate authorization, or expand an existing authorized international baccalaureate program; or

(2) have a three-year plan approved by the local school board to create a new or expand an existing program to implement the college board advanced placement courses and exams, preadvanced placement initiative, or concurrent enrollment programs; and

(3) have entered into an agreement to provide courses under section 124D.09, subdivision 10; and

(4) propose to further raise students' academic achievement by:

(i) increasing the availability of and all students' access to advanced placement, international baccalaureate, or concurrent enrollment courses or programs;

(ii) expanding the breadth of advanced placement, international baccalaureate, or concurrent enrollment courses or programs that are available to students;

(iii) increasing the number and the diversity of the students who participate in advanced placement, international baccalaureate, or concurrent enrollment courses or programs and succeed;

(iv) providing low-income and other disadvantaged students with increased access to advanced placement, international baccalaureate, or concurrent enrollment courses or programs; or

(v) increasing the number of high school students, including low-income and other disadvantaged students, who receive college credit by successfully completing advanced placement, international baccalaureate, or concurrent enrollment courses or programs and achieving satisfactory grades or scores on related exams.

Subd. 2. **Application and review process; funding priority.** (a) Charter schools and school districts in which eligible schools under subdivision 1 are located may apply to the commissioner, in the form and manner the commissioner determines, for competitive funding to further raise students' academic achievement. The application must detail the specific efforts the applicant intends to undertake in further raising students' academic achievement consistent with subdivision 1, and a proposed budget detailing the district or charter school's current and proposed expenditures for advanced placement, preadvanced placement, international baccalaureate, and concurrent enrollment courses and programs. The proposed budget must demonstrate that the applicant's efforts will supplement but not supplant any expenditures for advanced placement, preadvanced placement, international baccalaureate, and concurrent enrollment courses and programs the applicant currently makes available to students. Expenditures for administration must not exceed five percent of the proposed budget. The commissioner may require an applicant to provide additional information.

(b) When reviewing applications, the commissioner must determine whether the applicant satisfied all the requirements in this subdivision and subdivision 1. The commissioner may give funding priority to an otherwise qualified applicant that demonstrates:

(1) a focus on developing or expanding advanced placement, international baccalaureate, or concurrent enrollment courses or programs or increasing students' participation in, access to, or success with the courses or programs, including the participation, access, or success of low-income

and other disadvantaged students;

(2) a compelling need for access to advanced placement, international baccalaureate, or concurrent enrollment courses or programs;

(3) an effective ability to actively involve local business and community organizations in student activities that are integral to advanced placement, international baccalaureate, or concurrent enrollment courses or programs;

(4) access to additional public or nonpublic funds or in-kind contributions that are available for advanced placement, international baccalaureate, or concurrent enrollment courses or programs; or

(5) an intent to implement activities that target low-income and other disadvantaged students.

Subd. 3. **Funding; permissible funding uses.** (a) The commissioner shall award grants to applicant school districts and charter schools that meet the requirements of subdivisions 1 and 2. The commissioner must award grants on an equitable geographical basis to the extent feasible and consistent with this section. Grant awards must not exceed the lesser of: (1) \$85 times the number of pupils enrolled at the participating sites on October 1 of the previous fiscal year, or (2) the approved supplemental expenditures based on the budget submitted under subdivision 2. For charter schools in their first year of operation, the maximum grant award must be calculated using the number of pupils enrolled on October 1 of the current fiscal year. The commissioner may adjust the maximum grant award computed using prior year data for changes in enrollment attributable to school closings, school openings, grade level reconfigurations, or school district reorganizations between the prior fiscal year and the current fiscal year.

(b) School districts and charter schools that submit an application and receive funding under this section must use the funding, consistent with the application, to:

(1) provide teacher training and instruction to more effectively serve students, including low-income and other disadvantaged students, who participate in advanced placement, international baccalaureate, or concurrent enrollment courses or programs;

(2) further develop advanced placement, international baccalaureate, or concurrent enrollment courses or programs;

(3) improve the transition between grade levels to better prepare students, including low-income and other disadvantaged students, for succeeding in advanced placement, international baccalaureate, or concurrent enrollment courses or programs;

(4) purchase books and supplies;

(5) pay course or program fees;

(6) increase students participation in and success with advanced placement, international baccalaureate, or concurrent enrollment courses or programs;

(7) expand students' access to advanced placement, international baccalaureate, or concurrent enrollment courses or programs through online learning;

(8) hire appropriately licensed personnel to teach additional advanced placement, international baccalaureate, or concurrent enrollment courses or programs; or

(9) engage in other activity directly related to expanding students' access to, participation in, and success with advanced placement, international baccalaureate, or concurrent enrollment courses or programs, including low-income and other disadvantaged students.

Subd. 4. **Annual reports.** (a) Each school district and charter school that receives a grant under this section annually must collect demographic and other student data to demonstrate and measure the extent to which the district or charter school raised students' academic achievement under this

program and must report the data to the commissioner in the form and manner the commissioner determines. The commissioner annually, by February 15, must make summary data about this program available to the education policy and finance committees of the legislature.

(b) Each school district and charter school that receives a grant under this section annually must report to the commissioner, consistent with the uniform financial accounting and reporting standards, its actual expenditures for advanced placement, preadvanced placement, international baccalaureate, and concurrent enrollment courses and programs. The report must demonstrate that the school district or charter school has maintained its effort from other sources for advanced placement, preadvanced placement, international baccalaureate, and concurrent enrollment courses and programs compared with the previous fiscal year, and the district or charter school has expended all grant funds, consistent with its approved budget.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to the 2006-2007 school year and later.

Sec. 2. Minnesota Statutes 2004, section 122A.18, subdivision 2, is amended to read:

Subd. 2. **Teacher and support personnel qualifications.** (a) The Board of Teaching must issue licenses under its jurisdiction to persons the board finds to be qualified and competent for their respective positions.

(b) The board must require a person to successfully complete an examination of skills in reading, writing, and mathematics before being granted an initial teaching license to provide direct instruction to pupils in prekindergarten, elementary, secondary, or special education programs. The board must require colleges and universities offering a board approved teacher preparation program to provide remedial assistance that includes a formal diagnostic component to persons enrolled in their institution who did not achieve a qualifying score on the skills examination, including those for whom English is a second language. The colleges and universities must provide assistance in the specific academic areas of deficiency in which the person did not achieve a qualifying score. School districts must provide similar, appropriate, and timely remedial assistance that includes a formal diagnostic component and mentoring to those persons employed by the district who completed their teacher education program outside the state of Minnesota, received a one-year license to teach in Minnesota and did not achieve a qualifying score on the skills examination, including those persons for whom English is a second language. The Board of Teaching shall report annually to the education committees of the legislature on the total number of teacher candidates during the most recent school year taking the skills examination, the number who achieve a qualifying score on the examination, the number who do not achieve a qualifying score on the examination, the distribution of all candidates' scores, the number of candidates who have taken the examination at least once before, and the number of candidates who have taken the examination at least once before and achieve a qualifying score.

(c) A person who has completed an approved teacher preparation program and obtained a one-year license to teach, but has not successfully completed the skills examination, may renew the one-year license for two additional one-year periods. Each renewal of the one-year license is contingent upon the licensee:

(1) providing evidence of participating in an approved remedial assistance program provided by a school district or postsecondary institution that includes a formal diagnostic component in the specific areas in which the licensee did not obtain qualifying scores; and

(2) attempting to successfully complete the skills examination during the period of each one-year license.

(d) The Board of Teaching must grant continuing licenses only to those persons who have met board criteria for granting a continuing license, which includes successfully completing the skills examination in reading, writing, and mathematics.

(e) All colleges and universities approved by the board of teaching to prepare persons for teacher licensure must include in their teacher preparation programs a common core of teaching knowledge and skills to be acquired by all persons recommended for teacher licensure. This common core shall meet the standards developed by the interstate new teacher assessment and support consortium in its 1992 "model standards for beginning teacher licensing and development," and must include technology and information literacy standards that are consistent with recommendations from media specialists and the department's educator licensing and teacher quality division. The board must develop and implement a system for reviewing on a seven-year cycle all standards of effective practice for teachers beginning in the 2007-2008 school year. Amendments to standards adopted under this paragraph are covered by chapter 14. The board of teaching shall report annually to the education committees of the legislature on the performance of teacher candidates on common core assessments of knowledge and skills under this paragraph during the most recent school year.

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

Sec. 3. Minnesota Statutes 2004, section 122A.31, subdivision 1, is amended to read:

Subdivision 1. **Requirements for American sign language/English interpreters.** (a) Except as provided under subdivision 1a and in addition to any other requirements that a school district establishes, any person employed to provide American sign language/English interpreting or sign transliterating services on a full-time or part-time basis for a school district after July 1, 2000, must:

(1) hold current interpreter and transliterator certificates awarded by the Registry of Interpreters for the Deaf (RID), or the general level interpreter proficiency certificate awarded by the National Association of the Deaf (NAD), or a comparable state certification from the commissioner of education; and

(2) satisfactorily complete an interpreter/transliterator training program affiliated with an accredited educational institution.

(b) New graduates of an interpreter/transliterator program affiliated with an accredited education institution shall be granted a two-year provisional certificate by the commissioner. During the two-year provisional period, the interpreter/transliterator must develop and implement an education plan in collaboration with a mentor under paragraph (c).

(c) A mentor of a provisionally certified interpreter/transliterator must be an interpreter/transliterator who has either NAD level IV or V certification or RID certified interpreter and certified transliterator certification and have at least three years interpreting/transliterating experience in any educational setting. The mentor, in collaboration with the provisionally certified interpreter/transliterator, shall develop and implement an education plan designed to meet the requirements of paragraph (a), clause (1), and include a weekly on-site mentoring process.

(d) Consistent with the requirements of this paragraph, a person holding a provisional certificate may apply to the commissioner for one time-limited extension. The commissioner, in consultation with the Commission Serving Deaf and Hard-of-Hearing People, must grant the person a time-limited extension of the provisional certificate based on the following documentation:

(1) letters of support from the person's mentor, a parent of a pupil the person serves, the special education director of the district in which the person is employed, and a representative from the regional service center of the deaf and hard-of-hearing;

(2) records of the person's formal education, training, experience, and progress on the person's education plan; and

(3) an explanation of why the extension is needed.

As a condition of receiving the extension, the person must comply with a plan and the accompanying time line for meeting the requirements of this subdivision. A committee composed of the director of the Minnesota Resource Center Serving Deaf and Hard-of-Hearing, or

the director's designee, a representative of the Minnesota Association of Deaf Citizens, a representative of the Minnesota Registry of Interpreters of the Deaf, and other appropriate persons selected by the commissioner must develop the plan and time line for the person receiving the extension.

(e) A school district may employ ~~only~~ an interpreter/transliterator who has been certified under paragraph (a) or (b), or for whom a time-limited extension has been granted under paragraph (d), or a person qualified as an interpreter/transliterator under subdivision 1a.

EFFECTIVE DATE. This section is effective for the 2006-2007 school year and later.

Sec. 4. Minnesota Statutes 2004, section 122A.31, is amended by adding a subdivision to read:

Subd. 1a. **Qualified deaf and hard-of-hearing interpreters/transliterators.** In addition to employing a qualified interpreter/transliterator under subdivision 1, a school district or charter school also may employ as an interpreter/transliterator a person who is deaf or hard of hearing and holds a current reverse skills certificate (RSC) or a certified deaf interpreter (CDI) certificate awarded by the Registry of Interpreters for the Deaf (RID). The qualified deaf or hard-of-hearing person must be able to interpret between American sign language and English-based sign language or transliterate between spoken English and a signed code for English. The district or charter school may employ a qualified person under this subdivision for a broad range of interpreting or transliterating assignments.

EFFECTIVE DATE. This section is effective for the 2006-2007 school year and later.

Sec. 5. [122A.416] ALTERNATIVE TEACHER COMPENSATION REVENUE FOR PERPICH CENTER FOR ARTS EDUCATION AND MULTIDISTRICT INTEGRATION COLLABORATIVES.

Notwithstanding sections 122A.413, 122A.414, 122A.415, and 126C.10, multidistrict integration collaboratives and the Perpich Center for Arts Education are eligible to receive alternative teacher compensation revenue as if they were intermediate school districts. To qualify for alternative teacher compensation revenue, a multidistrict integration collaborative or the Perpich Center for Arts Education must meet all of the requirements of sections 122A.413, 122A.414, and 122A.415 that apply to intermediate school districts, must report its enrollment as of October 1 of each year to the department, and must annually report its expenditures for the alternative teacher professional pay system consistent with the uniform financial accounting and reporting standards to the department by November 30 of each year.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2007.

Sec. 6. Minnesota Statutes 2004, section 123B.77, is amended by adding a subdivision to read:

Subd. 1a. **School district consolidated financial statement.** The commissioner, in consultation with the advisory committee on financial management, accounting, and reporting, shall develop and maintain a school district consolidated financial statement format that converts uniform financial accounting and reporting standards data under subdivision 1 into a more understandable format.

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

Sec. 7. Minnesota Statutes 2004, section 123B.77, subdivision 3, is amended to read:

Subd. 3. **Statement for comparison and correction.** (a) By November 30 of the calendar year of the submission of the unaudited financial data, the district must provide to the commissioner audited financial data for the preceding fiscal year. The audit must be conducted in compliance with generally accepted governmental auditing standards, the federal Single Audit Act, and the Minnesota legal compliance guide issued by the Office of the State Auditor. An audited financial statement prepared in a form which will allow comparison with and correction of material differences in the unaudited financial data shall be submitted to the commissioner and the state

auditor by December 31. The audited financial statement must also provide a statement of assurance pertaining to uniform financial accounting and reporting standards compliance and a copy of the management letter submitted to the district by the school district's auditor.

(b) By January 15 of the calendar year following the submission of the unaudited financial data, the commissioner shall convert the audited financial data required by this subdivision into the consolidated financial statement format required under subdivision 1a and publish the information on the department's Web site.

EFFECTIVE DATE. This section is effective for financial statements prepared in 2006 and later.

Sec. 8. [124D.935] HIGH SCHOOL REDESIGN GRANTS.

Subdivision 1. Establishment; eligibility. A ten-year grant program is established to improve student achievement in, improve teaching and learning of, and provide expanded access to science, technology, engineering, and mathematics in a high school through innovative strategies that better prepare students to succeed at postsecondary education or complex work. School districts, charter schools, intermediate districts, groups of districts that cooperate for a particular purpose, and other public educational institutions interested in participating in this grant program must:

(1) design new or improve and adapt existing courses, programs, or a series of aligned learning opportunities in science, technology, engineering, and mathematics to incorporate algebra I in grade 8 and algebra II in high school and to integrate algebra II into career and technical education programs where appropriate;

(2) use applied learning strategies to improve the quality of and access to science, technology, engineering, and mathematics courses, curricula, and laboratories for all students, with strategies to aggressively increase the number of low-income and other educationally at-risk students enrolling in these courses;

(3) improve science, technology, engineering, and mathematics instruction for students in underserved rural or urban areas or economically disadvantaged areas and for other students who are educationally at-risk;

(4) develop innovative ways to integrate technology into teaching and learning using modern computers, networking, high quality educational software, multimedia across curriculum, and affordable Internet connections;

(5) advance the use of new technology, assistive technology, and media and materials effective in educating youth with disabilities;

(6) improve the content, interdisciplinary, and pedagogical knowledge of teachers, administrators, and other educators who play a significant role in providing students with challenging science, technology, engineering, and mathematics education, and focus on teacher professional development;

(7) use the ACT explore and plan system in grades 8 and 10 or other appropriate education and career planning resources to identify the academic strengths and remedial needs of individual students and provide individual students with education and career planning information sufficient to select an appropriate planned high school course sequence and make a successful transition to postsecondary education or advanced work;

(8) enable teachers to individualize student instruction and allow students to experiment, acquire skills, and apply content knowledge in science, technology, engineering, and mathematics;

(9) sustain educational improvements in science, technology, engineering, and mathematics by providing expert and peer advice and identifying, documenting, and disseminating best practices and lessons to teachers and administrators statewide; and

(10) develop partnerships with postsecondary institutions, business organizations, professional organizations, and community-based organizations interested in science, technology, engineering, or mathematics.

Subd. 2. **Application and review process; funding priority.** (a) School districts, charter schools, intermediate districts, groups of districts that cooperate for a particular purpose, and other public educational institutions interested in participating in this grant program may apply to the commissioner, in the form and manner the commissioner determines, for competitive funding to improve student achievement in, improve teaching and learning of, and provide expanded access to science, technology, engineering, and mathematics in a high school, consistent with subdivision 1. The application must detail the specific efforts the applicant intends to undertake to successfully implement innovative strategies that affect the learning environment, academic content, and educational practices in high school, and must include a proposed budget detailing the applicant's current and proposed expenditures for these purposes. The proposed budget must demonstrate that the applicant's efforts will supplement but not supplant expenditures the applicant currently makes for science, technology, engineering, and mathematics teaching and learning. Administrative expenditures must not exceed five percent of the proposed budget. The commissioner may require an applicant to provide additional information.

(b) When reviewing applications, the commissioner must determine whether the applicant satisfied all the requirements in this subdivision and subdivision 1. The commissioner may give funding priority to an otherwise qualified candidate that:

- (1) combines day and evening programs;
- (2) restructures grade 12 to allow students to complete out-of-school learning experiences aligned with their in-school program;
- (3) uses online learning options;
- (4) embeds higher level science, technology, engineering, and mathematics into redesigned career and technical programs;
- (5) enables students to receive both high school and college credit for successfully completing science, technology, engineering, and mathematics programs and meeting postsecondary institution placement requirements;
- (6) targets low-income and other educationally at-risk students to improve their participation and performance in science, technology, engineering, and mathematics courses and careers; or
- (7) strongly supports all students in exploring and preparing for careers in science, technology, engineering, or mathematics.

The commissioner shall give funding priority to an otherwise qualified recipient that received a grant for the previous fiscal year if the annual reports the recipient submitted under subdivision 4 demonstrate that the recipient continues to improve student achievement in and teaching and learning of and provide expanded access to science, technology, engineering, and mathematics in a high school.

Subd. 3. **Grants; permissible uses.** (a) The commissioner may award grants to applicants meeting the requirements of subdivisions 1 and 2. The commissioner must award grants on an equitable geographical basis to the extent feasible and consistent with this section.

(b) Each grant recipient must expend all grant funds it receives consistent with its approved application and budget and this section.

Subd. 4. **Annual reports.** (a) Each recipient of a grant under this section must annually collect student and teacher data to demonstrate and measure the extent to which the grant recipient improves student achievement in, improves teaching and learning of, and provides expanded access

to science, technology, engineering, and mathematics in a high school, and must report the data to the commissioner in the form and manner the commissioner determines. The commissioner must, annually by February 15, make summary data about this program available to the committees with jurisdiction over education policy and finance in the house of representatives and senate.

(b) Each grant recipient under this section must annually report to the commissioner, consistent with the Uniform Financial Accounting and Reporting System, its actual expenditures for the efforts it undertakes under this section. The report must demonstrate that the grant recipient has maintained its effort from other sources for science, technology, engineering, and mathematics teaching and learning efforts compared with the previous fiscal year, and that the grant recipient has expended all grant funds it received under this section consistent with its approved application and budget. Any unexpended grant funds remaining at the end of a fiscal year must be reserved and expended consistent with the grant recipient's approved budget for the subsequent fiscal year.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to the 2006-2007 school year and later.

Sec. 9. Minnesota Statutes 2004, section 125A.02, subdivision 1, is amended to read:

Subdivision 1. **Child with a disability.** Every child who has a hearing impairment, blindness, visual disability, speech or language impairment, physical handicap, other health impairment, mental handicap, emotional/behavioral disorder, specific learning disability, autism, traumatic brain injury, multiple disabilities, or deaf/blind disability and needs special instruction and services, as determined by the standards of the commissioner, is a child with a disability. In addition, every child under age three, and at local district discretion from age three to age seven, who needs special instruction and services, as determined by the standards of the commissioner, because the child has a substantial delay or has an identifiable physical or mental condition known to hinder normal development is a child with a disability.

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

Sec. 10. Minnesota Statutes 2004, section 125A.75, is amended by adding a subdivision to read:

Subd. 9. Litigation costs; annual report. (a) By November 30 of each year, a school district must annually report the district's special education litigation costs, including attorney fees and costs of due process hearings, to the commissioner of education, consistent with the Uniform Financial Accounting and Reporting Standards.

(b) By January 15 of each year, the commissioner shall report school district special education litigation costs to the house of representatives and the senate committees having jurisdiction over kindergarten through grade 12 education finance.

Sec. 11. Minnesota Statutes 2005 Supplement, section 126C.17, subdivision 9, is amended to read:

Subd. 9. **Referendum revenue.** (a) The revenue authorized by section 126C.10, subdivision 1, may be increased in the amount approved by the voters of the district at a referendum called for the purpose. The referendum may be called by the board or shall be called by the board upon written petition of qualified voters of the district. The referendum must be conducted one or two calendar years before the increased levy authority, if approved, first becomes payable. ~~Only one election~~ No more than two elections to approve an increase may be held in a calendar year. Unless the referendum is conducted by mail under paragraph (g), the referendum must be held on the first Tuesday after the first Monday in June or the first Tuesday after the first Monday in November. The ballot must state the maximum amount of the increased revenue per resident marginal cost pupil unit. The ballot may state a schedule, determined by the board, of increased revenue per resident marginal cost pupil unit that differs from year to year over the number of years for which the increased revenue is authorized. The ballot may state that existing referendum levy authority is expiring. In this case, the ballot may also compare the proposed levy authority to the existing expiring levy authority, and

express the proposed increase as the amount, if any, over the expiring referendum levy authority. The ballot must designate the specific number of years, not to exceed ten, for which the referendum authorization applies. The ballot, including a ballot on the question to revoke or reduce the increased revenue amount under paragraph (c), must abbreviate the term "per resident marginal cost pupil unit" as "per pupil." The notice required under section 275.60 may be modified to read, in cases of renewing existing levies:

"BY VOTING "YES" ON THIS BALLOT QUESTION, YOU MAY BE VOTING FOR A PROPERTY TAX INCREASE."

The ballot may contain a textual portion with the information required in this subdivision and a question stating substantially the following:

"Shall the increase in the revenue proposed by (petition to) the board of, School District No. ..., be approved?"

If approved, an amount equal to the approved revenue per resident marginal cost pupil unit times the resident marginal cost pupil units for the school year beginning in the year after the levy is certified shall be authorized for certification for the number of years approved, if applicable, or until revoked or reduced by the voters of the district at a subsequent referendum.

(b) The board must prepare and deliver by first class mail at least 15 days but no more than 30 days before the day of the referendum to each taxpayer a notice of the referendum and the proposed revenue increase. The board need not mail more than one notice to any taxpayer. For the purpose of giving mailed notice under this subdivision, owners must be those shown to be owners on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer. Every property owner whose name does not appear on the records of the county auditor or the county treasurer is deemed to have waived this mailed notice unless the owner has requested in writing that the county auditor or county treasurer, as the case may be, include the name on the records for this purpose. The notice must project the anticipated amount of tax increase in annual dollars for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the school district.

The notice for a referendum may state that an existing referendum levy is expiring and project the anticipated amount of increase over the existing referendum levy in the first year, if any, in annual dollars for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the district.

The notice must include the following statement: "Passage of this referendum will result in an increase in your property taxes." However, in cases of renewing existing levies, the notice may include the following statement: "Passage of this referendum may result in an increase in your property taxes."

(c) A referendum on the question of revoking or reducing the increased revenue amount authorized pursuant to paragraph (a) may be called by the board and shall be called by the board upon the written petition of qualified voters of the district. A referendum to revoke or reduce the revenue amount must state the amount per resident marginal cost pupil unit by which the authority is to be reduced. Revenue authority approved by the voters of the district pursuant to paragraph (a) must be available to the school district at least once before it is subject to a referendum on its revocation or reduction for subsequent years. Only one revocation or reduction referendum may be held to revoke or reduce referendum revenue for any specific year and for years thereafter.

(d) A petition authorized by paragraph (a) or (c) is effective if signed by a number of qualified voters in excess of 15 percent of the registered voters of the district on the day the petition is filed with the board. A referendum invoked by petition must be held on the date specified in paragraph (a).

(e) The approval of 50 percent plus one of those voting on the question is required to pass a

referendum authorized by this subdivision.

(f) At least 15 days before the day of the referendum, the district must submit a copy of the notice required under paragraph (b) to the commissioner and to the county auditor of each county in which the district is located. Within 15 days after the results of the referendum have been certified by the board, or in the case of a recount, the certification of the results of the recount by the canvassing board, the district must notify the commissioner of the results of the referendum.

Sec. 12. RULE ON VISUALLY IMPAIRED TO INCLUDE REFERENCES TO "BLIND" AND "BLINDNESS."

The commissioner of education, where appropriate, must incorporate references to "blind" and "blindness" into the definition of visually impaired under Minnesota Rules, part 3525.1345, and amend the rule title to include the word "blind."

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

Sec. 13. PILOT PROGRAM TO FACILITATE YOUNG CHILDREN'S SECOND LANGUAGE LEARNING AND STRONGER LITERACY AND VERBAL SKILLS.

(a) A pilot program for fiscal year 2007 is established to allow school districts to use child-relevant American sign language to encourage children in kindergarten through third grade to learn a second language and develop stronger literacy and verbal skills and better classroom attention. School districts that have (i) child care centers or Head Start classrooms, (ii) English language learners, foreign language classrooms or language immersion programs, (iii) resident families with internationally adopted children or (iv) classrooms in which children with special needs are served may apply to the education commissioner, in the form and manner the commissioner determines, for a pilot program grant. School districts that receive a grant under this section must use the grant to train education staff who work with children in kindergarten through grade three, including at least classroom teachers, teachers' assistants, ESL teachers and special education teachers, to use 600 child-relevant signs in sign language to help hearing students acquire vocabulary quickly and easily, become better problem solvers, creative thinkers and communicators and better prepared academically, and to use effective strategies to incorporate sign language into classroom instruction.

(b) The commissioner may award grants to qualified school districts on a first-come-first-served basis to allow training for 1000 education staff under this section.

(c) The commissioner shall provide for an independent evaluation of the efficacy of the pilot program under this section and shall recommend to the education policy and finance committees of the legislature by February 15, 2008, whether or not the program should be continued and expanded.

EFFECTIVE DATE. This section is effective for the 2006-2007 school year and later.

Sec. 14. CHINESE LANGUAGE PROGRAMS; CURRICULUM DEVELOPMENT PROJECT.

Subdivision 1. Project parameters. (a) Notwithstanding other law to the contrary, the commissioner of education may contract with the Board of Regents of the University of Minnesota or other Minnesota public entity the commissioner determines is qualified to undertake the development of an articulated K-12 Chinese curriculum for Minnesota schools that involves:

(1) creating a network of Chinese teachers and educators able to develop new and modify or expand existing world languages K-12 curricula, materials, assessments, and best practices needed to provide Chinese language instruction to students; and

(2) coordinating statewide efforts to develop and expand Chinese language instruction so that it is uniformly available to students throughout the state, and making innovative use of media and technology, including television, distance learning, and online courses to broaden students' access

to the instruction.

(b) The entity with which the commissioner contracts under paragraph (a) must have sufficient knowledge and expertise to ensure the professional development of appropriate, high quality curricula, supplementary materials, aligned assessments, and best practices that accommodate different levels of student ability and types of programs.

(c) Project participants must:

(1) work throughout the project to develop curriculum, supplementary materials, aligned assessments, and best practices; and

(2) make curriculum, supplementary materials, aligned assessments, and best practices equitably available to Minnesota schools and students.

Subd. 2. **Project participants.** The entity with which the commissioner contracts must work with the network of Chinese teachers and educators to:

(1) conduct an inventory of Chinese language curricula, supplementary materials, and professional development initiatives currently used in Minnesota or other states;

(2) develop Chinese language curricula and benchmarks aligned to local world language standards and classroom-based assessments; and

(3) review and recommend to the commissioner how best to build an educational infrastructure to provide more students with Chinese language instruction, including how to develop and provide: an adequate supply of Chinese language teachers; an adequate number of high quality school programs; appropriate curriculum, instructional materials, and aligned assessments that include technology-based delivery systems; teacher preparation programs to train Chinese language teachers; expedited licensing of Chinese language teachers; best practices in existing educational programs that can be used to establish K-12 Chinese language programs; and technical assistance resources.

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

Sec. 15. SCHOOL BUILDING CONDITION REPORT.

The commissioner of education, by January 15, 2007, must report to the house of representatives and senate committees having jurisdiction over kindergarten through grade 12 education finance on the condition of school buildings in Minnesota that cannot economically be repaired and renovated and must be replaced within the next five years in order to provide educational opportunities to students consistent with state academic standards. The report shall, at a minimum, identify each building, efforts by the school district to raise the revenue to replace the building, the cost of replacement, total school property taxes levied by each district, and the commissioner's recommendations of what role, if any, the state should play in providing funding for the replacement.

Sec. 16. APPROPRIATIONS.

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **AP, IB, and concurrent enrollment increased student participation.** For the increased participation of students in advanced placement, international baccalaureate, and concurrent enrollment programs under Minnesota Statutes, section 120B.132:

\$ 7,319,000 2007

This appropriation includes \$0 for fiscal year 2006 and \$7,319,000 for fiscal year 2007.

Subd. 3. **High school redesign grants.** To implement the high school redesign grants under section 8:

\$ 5,000,000 2007

Subd. 4. **Chinese language.** For the Chinese language curriculum project under section 14:

\$ 250,000 2007

The commissioner must report to the house of representatives and senate committees having jurisdiction over kindergarten through grade 12 education policy and finance on the range of the program by February 15, 2007. The report shall address the applicability of the Chinese language curriculum project to other world languages and include the availability of instructors, curriculum, high-quality school programs, assessments, and best practices as they apply to world languages.

This is a onetime appropriation.

Subd. 5. **Child-relevant American sign language.** For a contract with a qualified provider to train education staff to use child-relevant American sign language to facilitate young children's development of second language learning and stronger literacy and verbal skills.

\$ 225,000 2007

Of this appropriation, \$150,000 is for actual training costs, \$35,000 is for an independent evaluation of the efficacy of the pilot program and \$40,000 is for administrative and marketing costs incurred by the Education Department.

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

Sec. 17. **REPEALER.**

Minnesota Statutes 2004, section 123B.749, is repealed.

ARTICLE 3

SPECIAL PROGRAMS

Section 1. Minnesota Statutes 2005 Supplement, section 125A.11, subdivision 1, is amended to read:

Subdivision 1. **Nonresident tuition rate; other costs.** (a) For fiscal year 2006, when a school district provides instruction and services outside the district of residence, board and lodging, and any tuition to be paid, shall be paid by the district of residence. The tuition rate to be charged for any child with a disability, excluding a pupil for whom tuition is calculated according to section 127A.47, subdivision 7, paragraph (d), must be the sum of (1) the actual cost of providing special instruction and services to the child including a proportionate amount for special transportation and unreimbursed building lease and debt service costs for facilities used primarily for special education, plus (2) the amount of general education revenue and referendum aid attributable to the pupil, minus (3) the amount of special education aid for children with a disability received on behalf of that child, minus (4) if the pupil receives special instruction and services outside the regular classroom for more than 60 percent of the school day, the amount of general education revenue and referendum

aid, excluding portions attributable to district and school administration, district support services, operations and maintenance, capital expenditures, and pupil transportation, attributable to that pupil for the portion of time the pupil receives special instruction ~~in~~ and services outside the regular classroom. If the boards involved do not agree upon the tuition rate, either board may apply to the commissioner to fix the rate. Notwithstanding chapter 14, the commissioner must then set a date for a hearing or request a written statement from each board, giving each board at least ten days' notice, and after the hearing or review of the written statements the commissioner must make an order fixing the tuition rate, which is binding on both school districts. General education revenue and referendum aid attributable to a pupil must be calculated using the resident district's average general education and referendum revenue per adjusted pupil unit.

(b) For fiscal year 2007 and later, when a school district provides special instruction and services for a pupil with a disability as defined in section 125A.02 outside the district of residence, excluding a pupil for whom an adjustment to special education aid is calculated according to section 127A.47, subdivision 7, paragraph (e), special education aid paid to the resident district must be reduced by an amount equal to (1) the actual cost of providing special instruction and services to the pupil, including a proportionate amount for special transportation and unreimbursed building lease and debt service costs for facilities used primarily for special education, plus (2) the amount of general education revenue and referendum aid attributable to that pupil, minus (3) the amount of special education aid for children with a disability received on behalf of that child, minus (4) if the pupil receives special instruction and services outside the regular classroom for more than 60 percent of the school day, the amount of general education revenue and referendum aid, excluding portions attributable to district and school administration, district support services, operations and maintenance, capital expenditures, and pupil transportation, attributable to that pupil for the portion of time the pupil receives special instruction ~~in~~ and services outside the regular classroom. General education revenue and referendum aid attributable to a pupil must be calculated using the resident district's average general education revenue and referendum aid per adjusted pupil unit. Special education aid paid to the district or cooperative providing special instruction and services for the pupil must be increased by the amount of the reduction in the aid paid to the resident district. Amounts paid to cooperatives under this subdivision and section 127A.47, subdivision 7, shall be recognized and reported as revenues and expenditures on the resident school district's books of account under sections 123B.75 and 123B.76. If the resident district's special education aid is insufficient to make the full adjustment, the remaining adjustment shall be made to other state aid due to the district.

(c) Notwithstanding paragraphs (a) and (b) and section 127A.47, subdivision 7, paragraphs (d) and (e), a charter school where more than 30 percent of enrolled students receive special education and related services, an intermediate district, or a special education cooperative may apply to the commissioner for authority to charge the resident district an additional amount to recover any remaining unreimbursed costs of serving pupils with a disability. The application must include a description of the costs and the calculations used to determine the unreimbursed portion to be charged to the resident district. Amounts approved by the commissioner under this paragraph must be included in the tuition billings or aid adjustments under paragraph (a) or (b), or section 127A.47, subdivision 7, paragraph (d) or (e), as applicable.

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

Sec. 2. Minnesota Statutes 2004, section 125A.27, subdivision 11, is amended to read:

Subd. 11. **Interagency child find systems.** "Interagency child find systems" means activities developed on an interagency basis with the involvement of interagency early intervention committees and other relevant community groups using rigorous standards to actively seek out, identify, and refer infants and young children, with, or at risk of, disabilities, and their families, including a child under the age of three who: (1) is involved in a substantiated case of abuse or neglect, or (2) is identified as affected by illegal substance abuse, or withdrawal symptoms resulting from prenatal drug exposure, to reduce the need for future services.

Sec. 3. Minnesota Statutes 2005 Supplement, section 125A.28, is amended to read:

125A.28 STATE INTERAGENCY COORDINATING COUNCIL.

An Interagency Coordinating Council of at least 17, but not more than 25 members is established, in compliance with Public Law ~~102-119~~ 108-446, section ~~682~~ 641. The members must be appointed by the governor. Council members must elect the council chair. The representative of the commissioner may not serve as the chair. The council must be composed of at least five parents, including persons of color, of children with disabilities under age 12, including at least three parents of a child with a disability under age seven, five representatives of public or private providers of services for children with disabilities under age five, including a special education director, county social service director, local Head Start director, and a community health services or public health nursing administrator, one member of the senate, one member of the house of representatives, one representative of teacher preparation programs in early childhood-special education or other preparation programs in early childhood intervention, at least one representative of advocacy organizations for children with disabilities under age five, one physician who cares for young children with special health care needs, one representative each from the commissioners of commerce, education, health, human services, a representative from the state agency responsible for child care, foster care, mental health, homeless coordinator of education of homeless children and youth, and a representative from Indian health services or a tribal council. Section 15.059, subdivisions 2 to 5, apply to the council. ~~The council must meet at least quarterly.~~

~~The council must address methods of implementing the state policy of developing and implementing comprehensive, coordinated, multidisciplinary interagency programs of early intervention services for children with disabilities and their families.~~

~~The duties of the council include recommending policies to ensure a comprehensive and coordinated system of all state and local agency services for children under age five with disabilities and their families. The policies must address how to incorporate each agency's services into a unified state and local system of multidisciplinary assessment practices, individual intervention plans, comprehensive systems to find children in need of services, methods to improve public awareness, and assistance in determining the role of interagency early intervention committees.~~

On the date that Minnesota Part C Annual Performance Report is submitted to the federal Office of Special Education, the council must recommend to the governor and the commissioners of education, health, human services, commerce, and employment and economic development policies for a comprehensive and coordinated system.

Notwithstanding any other law to the contrary, the State Interagency Coordinating Council expires on June 30, 2009.

Sec. 4. Minnesota Statutes 2004, section 125A.29, is amended to read:

125A.29 RESPONSIBILITIES OF COUNTY BOARDS AND SCHOOL BOARDS.

(a) It is the joint responsibility of county boards and school boards to coordinate, provide, and pay for appropriate services, and to facilitate payment for services from public and private sources. Appropriate services for children eligible under section 125A.02 must be determined in consultation with parents, physicians, and other educational, medical, health, and human services providers. The services provided must be in conformity with:

(1) an IFSP for each eligible infant and toddler from birth through age two and ~~its~~ the infant's or toddler's family, including:

(i) Indian infants and toddlers with disabilities and their families residing on a reservation geographically located in the state;

(ii) infants and toddlers with disabilities who are homeless children and their families; and

(iii) infants and toddlers with disabilities who are wards of the state; or

(2) an individual education plan (IEP) or individual service plan (ISP) for each eligible child ages three through four.

(b) Appropriate services include family education and counseling, home visits, occupational and physical therapy, speech pathology, audiology, psychological services, special instruction, nursing, respite, nutrition, assistive technology, transportation and related costs, social work, vision services, case management including service coordination under section 125A.33, medical services for diagnostic and evaluation purposes, early identification, and screening, assessment, and health services necessary to enable children with disabilities to benefit from early intervention services.

(c) School and county boards shall coordinate early intervention services. In the absence of agreements established according to section 125A.39, service responsibilities for children birth through age two are as follows:

(1) school boards must provide, pay for, and facilitate payment for special education and related services required under sections 125A.05 and 125A.06;

(2) county boards must provide, pay for, and facilitate payment for noneducational services of social work, psychology, transportation and related costs, nursing, respite, and nutrition services not required under clause (1).

(d) School and county boards may develop an interagency agreement according to section 125A.39 to establish agency responsibility that assures early intervention services are coordinated, provided, paid for, and that payment is facilitated from public and private sources.

(e) County and school boards must jointly determine the primary agency in this cooperative effort and must notify the commissioner of the state lead agency of their decision.

Sec. 5. Minnesota Statutes 2004, section 125A.30, is amended to read:

125A.30 INTERAGENCY EARLY INTERVENTION COMMITTEES.

(a) A school district, group of districts, or special education cooperative, in cooperation with the health and human service agencies located in the county or counties in which the district or cooperative is located, must establish an Interagency Early Intervention Committee for children with disabilities under age five and their families under this section, and for children with disabilities ages three to 22 consistent with the requirements under sections 125A.023 and 125A.027. Committees must include representatives of local health, education, and county human service agencies, county boards, school boards, early childhood family education programs, Head Start, parents of young children with disabilities under age 12, child care resource and referral agencies, school readiness programs, current service providers, and may also include representatives from other private or public agencies and school nurses. The committee must elect a chair from among its members and must meet at least quarterly.

(b) The committee must develop and implement interagency policies and procedures concerning the following ongoing duties:

(1) develop public awareness systems designed to inform potential recipient families, especially parents with premature infants, or infants with other physical risk factors associated with learning or development complications, of available programs and services;

(2) implement interagency child find systems designed to actively seek out, identify, and refer infants and young children with, or at risk of, disabilities, including a child under the age of three who: (i) is involved in a substantiated case of abuse or (ii) is identified as affected by illegal substance abuse, or withdrawal symptoms resulting from prenatal drug exposure; to reduce the need for future services; and their families, especially parents with premature infants, or infants with other physical risk factors associated with learning or development complications;

(3) establish and evaluate the identification, referral, child and family assessment systems, procedural safeguard process, and community learning systems to recommend, where necessary, alterations and improvements;

(4) assure the development of individualized family service plans for all eligible infants and toddlers with disabilities from birth through age two, and their families, and individual education plans and individual service plans when necessary to appropriately serve children with disabilities, age three and older, and their families and recommend assignment of financial responsibilities to the appropriate agencies;

~~(5) encourage agencies to develop individual family service plans for children with disabilities, age three and older;~~

~~(6) implement a process for assuring that services involve cooperating agencies at all steps leading to individualized programs;~~

~~(7)(6) facilitate the development of a transitional plan if a service provider is not recommended to continue to provide services;~~

~~(8)(7) identify the current services and funding being provided within the community for children with disabilities under age five and their families;~~

~~(9)(8) develop a plan for the allocation and expenditure of additional state and federal early intervention funds under United States Code, title 20, section 1471 et seq. (Part C, Public Law 102-119 108-446) and United States Code, title 20, section 631, et seq. (Chapter I, Public Law 89-313); and~~

~~(10)(9) develop a policy that is consistent with section 13.05, subdivision 9, and federal law to enable a member of an interagency early intervention committee to allow another member access to data classified as not public.~~

(c) The local committee shall also:

(1) participate in needs assessments and program planning activities conducted by local social service, health and education agencies for young children with disabilities and their families; and

(2) review and comment on the early intervention section of the total special education system for the district, the county social service plan, the section or sections of the community health services plan that address needs of and service activities targeted to children with special health care needs, the section on children with special needs in the county child care fund plan, sections in Head Start plans on coordinated planning and services for children with special needs, any relevant portions of early childhood education plans, such as early childhood family education or school readiness, or other applicable coordinated school and community plans for early childhood programs and services, and the section of the maternal and child health special project grants that address needs of and service activities targeted to children with chronic illness and disabilities.

Sec. 6. Minnesota Statutes 2004, section 125A.32, is amended to read:

125A.32 INDIVIDUALIZED FAMILY SERVICE PLAN.

(a) A team must participate in IFSP meetings to develop the IFSP. The team shall include:

(1) a parent or parents of the child;

(2) other family members, as requested by the parent, if feasible to do so;

(3) an advocate or person outside of the family, if the parent requests that the person participate;

(4) the service coordinator who has been working with the family since the initial referral, or who has been designated by the public agency to be responsible for implementation of the IFSP and

coordination with other agencies including transition services; and

- (5) a person or persons involved in conducting evaluations and assessments.
- (b) The IFSP must include:
 - (1) information about the child's developmental status;
 - (2) family information, with the consent of the family;
 - (3) measurable results or major outcomes expected to be achieved by the child and the family that include preliteracy and language skills, as developmentally appropriate for the child, and the criteria, procedures, and timelines;
 - (4) specific early intervention services based on peer-reviewed research, to the extent practicable, necessary to meet the unique needs of the child and the family to achieve the outcomes;
 - (5) payment arrangements, if any;
 - (6) medical and other services that the child needs, but that are not required under the Individual with Disabilities Education Act, United States Code, title 20, section 1471 et seq. (Part C, Public Law 102-119 108-446) including funding sources to be used in paying for those services and the steps that will be taken to secure those services through public or private sources;
 - (7) dates and duration of early intervention services;
 - (8) name of the service coordinator;
 - (9) steps to be taken to support a child's transition from early intervention services to other appropriate services, including convening a transition conference at least 90 days, or at the discretion of all parties, not more than nine months prior to the child's eligibility for preschool services; and
 - (10) signature of the parent and authorized signatures of the agencies responsible for providing, paying for, or facilitating payment, or any combination of these, for early intervention services.

Sec. 7. Minnesota Statutes 2004, section 125A.33, is amended to read:

125A.33 SERVICE COORDINATION.

- (a) The team developing the IFSP under section 125A.32 must select a service coordinator to carry out service coordination activities on an interagency basis. Service coordination must actively promote a family's capacity and competency to identify, obtain, coordinate, monitor, and evaluate resources and services to meet the family's needs. Service coordination activities include:
- (1) coordinating the performance of evaluations and assessments;
 - (2) facilitating and participating in the development, review, and evaluation of individualized family service plans;
 - (3) assisting families in identifying available service providers;
 - (4) coordinating and monitoring the delivery of available services;
 - (5) informing families of the availability of advocacy services;
 - (6) coordinating with medical, health, and other service providers;
 - (7) facilitating the development of a transition plan at least 90 days before the time the child is no longer eligible for early intervention services, or at the discretion of all parties, not more than nine months prior to the child's eligibility for preschool services, if appropriate;

(8) managing the early intervention record and submitting additional information to the local primary agency at the time of periodic review and annual evaluations; and

(9) notifying a local primary agency when disputes between agencies impact service delivery required by an IFSP.

(b) A service coordinator must be knowledgeable about children and families receiving services under this section, requirements of state and federal law, and services available in the interagency early childhood intervention system.

Sec. 8. Minnesota Statutes 2004, section 125A.48, is amended to read:

125A.48 STATE INTERAGENCY AGREEMENT.

(a) The commissioners of the Departments of Education, Health, and Human Services must enter into an agreement to implement this section and Part H C, Public Law ~~102-119~~ 108-446, and as required by Code of Federal Regulations, title 34, section 303.523, to promote the development and implementation of interagency, coordinated, multidisciplinary state and local early childhood intervention service systems for serving eligible young children with disabilities, birth through age two, and their families and to ensure the meaningful involvement of underserved groups, including minority, low-income, homeless, and rural families and children with disabilities who are wards of the state. The agreement must be reviewed annually.

(b) The state interagency agreement must outline at a minimum the conditions, procedures, purposes, and responsibilities of the participating state and local agencies for the following:

(1) membership, roles, and responsibilities of a state interagency committee for the oversight of priorities and budget allocations under Part H C, Public Law ~~102-119~~ 108-446, and other state allocations for this program;

(2) child find;

(3) establishment of local interagency agreements;

(4) review by a state interagency committee of the allocation of additional state and federal early intervention funds by local agencies;

(5) fiscal responsibilities of the state and local agencies;

(6) intraagency and interagency dispute resolution;

(7) payor of last resort;

(8) maintenance of effort;

(9) procedural safeguards, including mediation;

(10) complaint resolution;

(11) quality assurance;

(12) data collection;

(13) an annual summary to the state Interagency Coordinating Council regarding conflict resolution activities including disputes, due process hearings, and complaints; and

(14) other components of the state and local early intervention system consistent with Public Law ~~102-119~~ 108-446.

Written materials must be developed for parents, IEIC's, and local service providers that describe procedures developed under this section as required by Code of Federal Regulations, title 34, section

303.

Sec. 9. Minnesota Statutes 2004, section 125A.515, subdivision 1, is amended to read:

Subdivision 1. **Approval of education programs.** The commissioner shall approve education programs for placement of children and youth in ~~care and treatment residential~~ residential facilities including detention centers, before being licensed by the Department of Human Services ~~under Minnesota Rules, parts 9545.0905 to 9545.1125 and 9545.1400 to 9545.1480,~~ or the Department of Corrections ~~under Minnesota Rules, chapters 2925, 2930, 2935, and 2950.~~ Education programs in these facilities shall conform to state and federal education laws including the Individuals with Disabilities Education Act (IDEA). This section applies only to placements in facilities licensed by the Department of Human Services or the Department of Corrections.

Sec. 10. Minnesota Statutes 2004, section 125A.515, subdivision 3, is amended to read:

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

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

~~(c) Placement for care and treatment does not automatically make a student eligible for special education. A student placed in a care and treatment facility is eligible for special education under state and federal law including the Individuals with Disabilities Education Act under United States Code, title 20, chapter 33.~~

Sec. 11. Minnesota Statutes 2004, section 125A.515, subdivision 5, is amended to read:

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

(b) If a student placed ~~for care and treatment under this section~~ has been identified as having a disability and has an individual education plan in the resident district:

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

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

- (i) the person or agency placing the student;
- (ii) the resident district;
- (iii) the appropriate teachers and related services staff from the providing district;
- (iv) appropriate staff from the ~~care and treatment~~ residential facility;
- (v) the parents or legal guardians of the student; and

(vi) when appropriate, the student.

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

Sec. 12. Minnesota Statutes 2004, section 125A.515, subdivision 6, is amended to read:

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

Sec. 13. Minnesota Statutes 2004, section 125A.515, subdivision 7, is amended to read:

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

(1) the education necessary, including summer school services, for a student who is not performing at grade level as indicated in the education record or IEP; and

(2) a school day, of the same length as the school day of the providing district, unless the unique needs of the student, as documented through the IEP or education record in consultation with treatment providers, requires an alteration in the length of the school day.

Sec. 14. Minnesota Statutes 2004, section 125A.515, subdivision 9, is amended to read:

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

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

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

Sec. 15. Minnesota Statutes 2004, section 125A.515, subdivision 10, is amended to read:

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

Sec. 16. Minnesota Statutes 2004, section 125A.63, subdivision 4, is amended to read:

Subd. 4. **Advisory committees.** ~~The Special Education Advisory Council commissioner~~ shall establish an advisory committee for each resource center. The advisory committees shall develop recommendations regarding the resource centers and submit an annual report to the commissioner on the form and in the manner prescribed by the commissioner.

Sec. 17. Minnesota Statutes 2004, section 125A.75, subdivision 1, is amended to read:

Subdivision 1. **Travel aid.** The state must pay each district one-half of the sum actually expended by a district, based on mileage, for necessary travel of essential personnel providing home-based services to children with a disability under age five and their families.

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

Sec. 18. **DEPARTMENT OF EDUCATION RULES.**

Before July 1, 2007, the Department of Education shall amend Minnesota Rules, part 3525.2325, to conform with Minnesota Statutes, section 125A.515.

Sec. 19. **REPEALER.**

Minnesota Statutes 2004, sections 125A.10; and 125A.515, subdivision 2, 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.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senator Skoe introduced—

S.F. No. 3732: A bill for an act relating to education finance; creating a second date for conducting operating referendum elections; amending Minnesota Statutes 2005 Supplement, section 126C.17, subdivision 9.

Referred to the Committee on Finance.

Senator Kierlin introduced—

S.F. No. 3733: A bill for an act relating to the city of Winona; authorizing an additional use of revenue from its sale and excise taxes; amending Laws 2005, First Special Session chapter 3, article 5, section 43, subdivision 3.

Referred to the Committee on Taxes.

Senators Rest, Vickerman, McGinn, Day and Marko introduced—

S.F. No. 3734: A bill for an act relating to transportation; amending the allocation of revenue from a tax on sale of motor vehicles; making technical correction; amending Minnesota Statutes 2004, section 297B.09, subdivision 1; Laws 2005, chapter 88, article 3, section 10.

Referred to the Committee on Transportation.

Senator Hottinger introduced—

S.F. No. 3735: A bill for an act relating to education; providing all-day, everyday kindergarten; permitting transitional tuition; amending Minnesota Statutes 2004, sections 120A.22, subdivision 5; 123B.41, subdivision 7; 124D.081, subdivisions 4, 6; 126C.05, subdivisions 1, 15; 126C.12, subdivisions 1, 5; 126C.126; Minnesota Statutes 2005 Supplement, section 123B.92, subdivision 1.

Referred to the Committee on Education.

Senator Rest introduced—

S.F. No. 3736: A bill for an act relating to estate taxation; allowing Minnesota qualified terminable interest elections; amending Minnesota Statutes 2005 Supplement, section 291.03, subdivision 1.

Referred to the Committee on Taxes.

Senator Bonoff introduced—

S.F. No. 3737: A bill for an act relating to education finance; eliminating reserve accounts; requiring a report; amending Minnesota Statutes 2004, section 123B.79, by adding a subdivision.

Referred to the Committee on Finance.

Senators Rest; Moua; Johnson, D.E. and Vickerman introduced—

S.F. No. 3738: A resolution memorializing the President and the Congress to promote the United States' ability to compete in the global marketplace for talented and necessary workers.

Referred to the Committee on Rules and Administration.

Senators Limmer and Jungbauer introduced—

S.F. No. 3739: A bill for an act relating to public safety; establishing an address confidentiality program for victims of domestic violence, sexual assault, or stalking; providing program participants with a method of voting; establishing a mail forwarding system for program participants; prescribing criminal penalties; providing rulemaking; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 5B.

Referred to the Committee on Crime Prevention and Public Safety.

Senator Senjem introduced—

S.F. No. 3740: A bill for an act relating to crimes; repealing the law prescribing commitment to the commissioner of corrections for a felony sentence when there are 180 days or less and requiring service of sentence in a local correctional facility; amending Minnesota Statutes 2004, section 609.105, subdivision 1; repealing Minnesota Statutes 2004, section 609.105, subdivisions 1a, 1b.

Referred to the Committee on Crime Prevention and Public Safety.

Senator Gerlach introduced—

S.F. No. 3741: A bill for an act relating to corrections; appropriating money to fund an offender reentry pilot project.

Referred to the Committee on Finance.

Senator Gerlach introduced—

S.F. No. 3742: A bill for an act relating to appropriations; appropriating money to fund an offender reentry program.

Referred to the Committee on Finance.

Senator Nienow introduced—

S.F. No. 3743: A bill for an act relating to public safety; requiring Department of Administration to study establishment of a statewide critical incident planning and mapping system for secondary school buildings; appropriating money.

Referred to the Committee on Finance.

Senator Michel introduced—

S.F. No. 3744: A bill for an act relating to housing; providing for the licensure of industrialized-modular building contractors and salespeople; amending Minnesota Statutes 2004, sections 326.83, by adding subdivisions; 326.84, subdivisions 1, 1b, 3.

Referred to the Committee on Jobs, Energy and Community Development.

Senator Pogemiller introduced—

S.F. No. 3745: A bill for an act relating to the city of Minneapolis; authorizing the city to establish a homeless assistance tax increment district; providing the terms for creation and operation of the district.

Referred to the Committee on Taxes.

MEMBERS EXCUSED

Senators Chaudhary and Moua were excused from the Session of today.

ADJOURNMENT

Senator Johnson, D.E. moved that the Senate do now adjourn until 11:00 a.m., Monday, April 10, 2006. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

