

TWENTY-SEVENTH DAY

St. Paul, Minnesota, Monday, March 12, 2007

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

CALL OF THE SENATE

Senator Pogemiller 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. Paul Rogers.

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

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

Anderson	Fischbach	Larson	Pappas	Skoe
Bakk	Foley	Limmer	Pariseau	Skogen
Berglin	Frederickson	Lourey	Pogemiller	Sparks
Betzold	Gerlach	Lynch	Prettner Solon	Stumpf
Bonoff	Gimse	Marty	Rest	Tomassoni
Carlson	Hann	Metzen	Robling	Torres Ray
Chaudhary	Higgins	Michel	Rosen	Vandever
Clark	Ingebrigtsen	Moua	Rummel	Vickerman
Cohen	Johnson	Murphy	Saltzman	Wergin
Day	Jungbauer	Neuville	Saxhaug	Wiger
Dibble	Koch	Olseen	Scheid	
Dille	Koering	Olson, G.	Senjem	
Doll	Kubly	Olson, M.	Sheran	
Erickson Ropes	Langseth	Ortman	Sieben	

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

CERTIFICATION

March 8, 2007

To the Governor
State of Minnesota

To the Senate
State of Minnesota

To the House of Representatives
State of Minnesota

This is to certify that the House of Representatives and the Senate in Joint Convention on Thursday, March 8, 2007, have elected as members of the Board of Regents of the University of Minnesota the following members each to hold office for the term specified for each to begin upon election by the Joint Convention:

Venora Mun-Ling Hung, Fifth Congressional District, Six Years

Maureen Cisneros, Student At-Large, Six Years

Linda Cohen, At-Large, Six Years

Dean Elton Johnson, At-Large, Six Years

James P. Metzen
President of the Senate

Margaret Anderson Kelliher
Speaker of the House of Representatives

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 472 and 1200.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted March 8, 2007

FIRST READING OF HOUSE BILLS

The following bills were read the first time.

H.F. No. 472: A bill for an act relating to energy; extending eligibility period for certain renewable energy production incentives; amending Laws 2005, chapter 40, section 2, subdivision 4.

Referred to the Committee on Finance.

H.F. No. 1200: A bill for an act relating to legislation; correcting erroneous, ambiguous, and

omitted text and obsolete references; eliminating certain redundant, conflicting, and superseded provisions; making miscellaneous technical corrections to statutes and other laws; amending Minnesota Statutes 2006, sections 3.97, subdivision 2; 5.25, subdivisions 1, 3, 5; 5.29; 13.461, subdivision 1; 13.632, subdivision 1; 13.7931, subdivision 1; 13.871, by adding a subdivision; 17.81, subdivision 4; 37.21, subdivision 1; 47.61, subdivision 3; 85.054, subdivision 5; 115.55, subdivision 7; 115A.193; 115A.28, subdivision 2; 115A.9157, subdivision 5; 115A.97, subdivision 6; 115A.99, subdivision 2; 116L.03, subdivision 1; 116L.665, subdivision 1; 119A.03, subdivision 2; 119A.04, subdivision 1; 147.02, subdivision 1; 256.741, subdivision 1; 256J.68, subdivision 1; 273.032; 289A.42, subdivision 1; 296A.26; 297A.62, subdivision 1; 297A.70, subdivision 3; 297F.23; 323A.0901; 323A.0902; 336.9-334; 336B.01, subdivision 2; 340A.412, subdivision 4; 340A.414, subdivision 2; 347.06; 469.321, subdivision 1; 469.333, subdivision 2; 469.335; 469.336; 477A.014, subdivision 1; 504B.321, subdivision 1; 518A.40, subdivision 3; 523.24, subdivision 9; 611.27, subdivisions 13, 15; 611A.55, subdivisions 1, 2; 626.89, subdivision 1; 626.90, subdivision 7; Laws 2003, chapter 118, sections 28, as amended; 29, as amended; Laws 2005, First Special Session chapter 3, article 5, section 44, subdivision 1, as amended; Laws 2006, chapter 259, article 13, sections 7; 8; repealing Minnesota Statutes 2006, sections 1.33; 1.34; 1.35; 1.36; 1.37; 1.38; 1.39; 1.40; 13.319, subdivision 2; 60A.13, subdivision 4a; 92.67, subdivision 1a; 115A.055, subdivision 2; 115A.545; 115A.9157, subdivision 4; 116O.091, subdivision 7; 135A.153, subdivision 5; 148B.55; 273.1398, subdivisions 4a, 4c; 383E.40; 383E.41; 383E.42; 383E.43; 383E.44; 383E.45; 383E.46; 383E.47; 383E.48; 383E.49; 477A.011, subdivision 28; 611A.201, subdivision 3; Laws 2004, chapter 206, section 8; Laws 2005, chapter 136, article 3, section 22; Laws 2005, First Special Session chapter 8, article 1, section 23; article 10, section 6; Laws 2006, chapter 236, article 1, section 2; Laws 2006, chapter 253, section 5; Laws 2006, chapter 258, section 37; Laws 2006, chapter 260, article 5, section 43; Laws 2006, chapter 263, article 3, section 13; Laws 2006, chapter 271, article 8, section 3.

Referred to the Committee on Judiciary.

REPORTS OF COMMITTEES

Senator Pogemiller moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

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

S.F. No. 1131: A bill for an act relating to game and fish; modifying Lake Superior commercial fishing provisions; amending Minnesota Statutes 2006, section 97C.835, subdivisions 2, 3, 8, by adding a subdivision; repealing Minnesota Statutes 2006, section 97C.835, subdivision 4.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 97C.835, subdivision 1, is amended to read:

Subdivision 1. **Commercial fishing license for Lake Superior.** (a) A license to fish commercially in Lake Superior shall be issued to a maximum of ~~50~~ 25 residents. To qualify for

licensing, a resident must have landed fish in the previous year with a value of at least \$1,500, and must have engaged in commercial fishing for at least 30 days of the previous year. An applicant may be issued a license, at the discretion of the commissioner, if failure to meet the requirements for the dollar value of fish landed or number of days fished resulted from illness or other mitigating circumstances, or the applicant has reached the age of 65 and has been licensed at least five of the previous ten years.

(b) A license may be issued to a resident who has not previously fished commercially on Lake Superior and has not been convicted of a game and fish law violation in the preceding three years, if the applicant:

(1) shows a bill of sale indicating the purchase of gear and facilities connected with an existing license;

(2) shows proof of inheritance of all the gear and facilities connected with an existing license; or

(3) has served at least two years as an apprentice in a Minnesota Lake Superior licensed commercial fishing operation.

Sec. 2. Minnesota Statutes 2006, section 97C.835, subdivision 3, is amended to read:

Subd. 3. **Pound nets and trap nets.** Pound or trap nets may be used to take lake whitefish, round whitefish, pygmy whitefish, ciscoes, chubs, alewives, rainbow smelt, and rough fish in Lake Superior, including St. Louis Bay east of the U.S. Highway 53 bridge, under the rules prescribed by the commissioner.

Sec. 3. Minnesota Statutes 2006, section 97C.835, subdivision 8, is amended to read:

Subd. 8. **Special permits.** The commissioner may issue special permits to duly licensed commercial fishing operators ~~not exceeding 20 in number~~, for the purpose of taking lake trout, ciscoes, and lake whitefish ~~spawn during the closed season for the propagation of trout in Lake Superior and adjacent waters~~ under rules prescribed by the commissioner.

Sec. 4. **[97C.836] LAKE SUPERIOR LAKE TROUT EXPANDED ASSESSMENT HARVEST.**

The commissioner shall provide for taking of lake trout by licensed commercial operators in Lake Superior management zones MN-3 and MN-2 for expanded assessment and sale. The commissioner shall authorize expanded assessment taking and sale of lake trout in Lake Superior management zone MN-3 beginning in 2007 and zone MN-2 beginning in 2010. Total assessment taking and sale may not exceed 3,000 lake trout in zone MN-3 or 2,000 lake trout in zone MN-2 and may be reduced when necessary to protect the lake trout population or to manage the effects of invasive species or fish disease. Taking lake trout for expanded assessment and sale shall be allowed from June 1 to September 30, but may end earlier in the respective zones if the quotas are reached. The quotas must be reassessed at the expiration of the current ten-year Fisheries Management Plan for the Minnesota Waters of Lake Superior dated September, 2006.

Sec. 5. **RULE AMENDMENTS.**

The commissioner of natural resources may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to amend rules to conform to sections 1 to 4.

Minnesota Statutes, section 14.386, does not apply to the rulemaking under this section except to the extent provided under Minnesota Statutes, section 14.388."

Delete the title and insert:

"A bill for an act relating to game and fish; modifying Lake Superior commercial fishing provisions; amending Minnesota Statutes 2006, section 97C.835, subdivisions 1, 3, 8; proposing coding for new law in Minnesota Statutes, chapter 97C."

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

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

S.F. No. 332: A bill for an act relating to the environment; providing zero discharge grants to municipalities for wastewater treatment facilities; amending Minnesota Statutes 2006, sections 446A.02, by adding a subdivision; 446A.072, subdivision 5a.

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

Page 1, line 9, delete "either discharges treated effluent to an aquifer" and insert "does not discharge treated effluent to surface water"

Page 2, line 17, after "treatment" insert "or the municipality is constructing a zero discharge facility"

Page 2, line 25, delete "100" and insert "75"

Page 2, delete lines 35 and 36

Page 3, delete lines 1 to 7

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

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

S.F. No. 1538: A bill for an act relating to natural resources; modifying restrictions related to off-highway vehicle use; creating an off-highway vehicle safety and conservation program; increasing the registration fee for all-terrain vehicles; providing for state forest traditional areas; appropriating money; amending Minnesota Statutes 2006, sections 84.777; 84.922, subdivision 5; Laws 2003, chapter 128, article 1, section 167, subdivision 1, as amended; proposing coding for new law in Minnesota Statutes, chapters 84; 89.

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

Page 3, line 30, after "hunting," insert "trapping,"

Page 3, delete line 34

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

Senator Prettner Solon from the Committee on Energy, Utilities, Technology and Communications, to which was referred

S.F. No. 1011: A bill for an act relating to utilities; establishing geothermal energy incentives; amending Minnesota Statutes 2006, section 297A.67, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 216B.

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

Page 1, delete section 1

Re-number the sections in sequence

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 Marty from the Committee on Health, Housing and Family Security, to which was referred

S.F. No. 196: A bill for an act relating to human services; establishing a reverse mortgage incentive program; establishing eligibility standards, benefits, and other requirements; appropriating money; amending Minnesota Statutes 2006, sections 47.58, subdivision 8; 256.01, by adding a subdivision; 256.975, subdivision 7; 256B.0911, subdivisions 1a, 3a; 256B.0913, by adding a subdivision; 256B.15, by adding a subdivision; 462A.05, by adding a subdivision.

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

Page 2, line 12, delete "reverse mortgage counselors and lenders" and insert "Minnesota-certified reverse mortgage counselors, reverse mortgage lenders"

Page 6, line 30, delete "\$150,000" and insert "\$156,000"

Page 7, line 14, delete "\$1,500" and insert "\$1,560"

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

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

S.F. No. 1052: A bill for an act relating to taxation; providing a tax credit for qualifying affordable housing contributions; requiring a report; proposing coding for new law in Minnesota Statutes, chapter 290.

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

Page 1, line 23, delete "\$1,000" and insert "\$10,000"

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

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

S.F. No. 442: A bill for an act relating to housing; adjusting deed tax percentage; providing rental housing assistance; establishing a housing account for leverage opportunity; appropriating money; amending Minnesota Statutes 2006, sections 287.21, subdivision 1; 462A.201, by adding a subdivision; 462A.33, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 462A.

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

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

S.F. No. 1178: A bill for an act relating to human services; establishing an advisory committee to simplify program administration; requiring studies and reports; amending Minnesota Statutes 2006, section 256.01, by adding a subdivision.

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

Page 2, line 5, before the period, insert "by the commissioner"

Page 2, line 8, before the period, insert ", and options for incentives to counties to establish multicounty human services organizations"

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

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

S.F. No. 1095: A bill for an act relating to health; establishing the Universal Newborn and Infant Hearing Screening Act; proposing coding for new law in Minnesota Statutes, chapter 144.

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

Page 1, delete section 1

Page 1, lines 19 to 20, delete "UNIVERSAL NEWBORN AND INFANT HEARING SCREENING ACT" and insert "EARLY HEARING DETECTION AND INTERVENTION ACT"

Page 1, line 21, delete "21" and insert "18"

Page 2, line 10, after "a" insert "birthing"

Page 2, delete lines 17 to 18

Page 3, line 23, delete everything after "(14)" and insert "two birth hospital representatives from"

one rural and one urban hospital;"

Page 3, after line 24, insert:

"(16) an otolaryngologist;"

Page 3, line 25, delete "(16)" and insert "(17)"

Page 3, line 27, delete "(17)" and insert "(18)"

Page 4, line 4, delete "As a condition of"

Page 4, line 5, delete "licensure,"

Page 4, line 8, after "parents" insert "or parent"

Page 4, line 15, delete everything after "tests" and insert "as recommended by the Department of Health;"

Page 4, delete lines 16 to 19

Page 4, line 22, before the semicolon, insert ", or when medically feasible"

Page 4, line 25, after "parents" insert "or parent"

Page 4, line 26, delete "subdivision 4" and insert "recommendations of the Department of Health" and before the comma, insert "or rescreening if conducted"

Page 4, line 29, delete "to ensure that" and insert a period

Page 4, delete lines 30 to 32

Page 4, line 33, before "shall" insert "to the parents or parent, primary care provider, and the Department of Health"

Page 4, line 35, delete everything after "information" and insert "recommended by the Department of Health."

Page 4, delete line 36

Page 5, delete lines 1 to 3

Page 5, line 5, after "information" insert ", orally and in writing"

Page 5, after line 7, insert:

"(c) The professional conducting the diagnostic procedure to confirm the hearing loss must report the results to the parents, primary care provider, and Department of Health according to the Department of Health recommendations."

Page 5, before line 16, insert:

"Subd. 7. **Laboratory service fees.** The commissioner shall charge laboratory service fees according to section 16A.1285 so that the total of fees collected will approximate the costs of implementing and maintaining a system to follow-up infants, provide technical assistance, a

tracking system, data management, and evaluation."

Renumber the sections in sequence

Amend the title accordingly

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

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

S.F. No. 357: A bill for an act relating to housing; regulating transactions between certain low-income and moderate-income housing developers and local units of government; proposing coding for new law in Minnesota Statutes, chapter 462A.

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

Page 1, line 6, before "CITY" insert "COUNTY OR"

Page 1, line 9, before "city" insert "county, a" and after "city" insert a comma

Page 1, lines 10 and 12, before "city" insert "county or" and before the second "city" insert "county or"

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

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

S.F. No. 963: A bill for an act relating to environment; appropriating money to study septic systems' impact on the environment and provide technical assistance.

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

Page 1, line 5, delete "EXTENSION" and insert "WATER RESOURCES CENTER."

Page 1, delete line 6

Page 1, line 8, delete "Extension" and insert "Water Resources Center"

Page 1, line 9, delete "Service"

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

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

S.F. No. 877: A bill for an act relating to the environment; establishing a grant program for idling reduction technology purchases; authorizing rulemaking; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116.

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

Page 1, line 22, delete "; rulemaking"

Page 2, delete line 11 and insert:

"(e) No more than 20 percent of the department's fiscal year appropriation for this grant program may be awarded to any one company.

(f) Twenty-five percent of the department's fiscal year appropriation for this grant program is reserved for companies owning 20 or fewer trucks."

Amend the title as follows:

Page 1, line 3, delete "authorizing rulemaking;"

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

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

S.F. No. 399: A bill for an act relating to game and fish; imposing a surcharge on deer licenses for deer management and for reimbursing the cost of processing deer donated for charitable purposes; authorizing rulemaking; appropriating money; amending Minnesota Statutes 2006, sections 97A.055, subdivision 4; 97A.065, by adding a subdivision; 97A.475, by adding a subdivision; 97A.485, subdivision 7.

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

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

S.F. No. 1176: A bill for an act relating to natural resources; creating a citizens advisory group for the Cuyuna Country State Recreation Area; modifying state park permit exemptions; appropriating money; amending Minnesota Statutes 2006, section 85.054, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 85.

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

Page 2, line 12, delete "must attend the council meetings and" and insert "shall"

Page 2, line 15, delete "must consult with" and insert "shall advise"

Page 2, line 16, delete "impact" and insert "affect"

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

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

S.F. No. 796: A bill for an act relating to education; modifying the Online Learning Option Act; amending Minnesota Statutes 2006, sections 124D.095, subdivisions 3, 4, 7, 8; 124D.096.

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 2006, section 124D.095, subdivision 2, is amended to read:

Subd. 2. **Definitions.** For purposes of this section, the following terms have the meanings given them.

(a) "Online learning" is an interactive course or program that delivers instruction from a teacher to a student by computer; is combined with other traditional delivery methods that include frequent student assessment and may include actual teacher contact time; and meets or exceeds state academic standards.

(b) "Online learning provider" is a school district, an intermediate school district, an organization of two or more school districts operating under a joint powers agreement, or a charter school located in Minnesota that provides online learning to students.

(c) "Student" is a Minnesota resident enrolled in a school under section 120A.22, subdivision 4, in kindergarten through grade 12.

(d) "Online learning student" is a student enrolled in an online learning course or program delivered by an online provider under paragraph (b).

(e) "Enrolling district" means the school district or charter school in which a student is enrolled under section 120A.22, subdivision 4, for purposes of compulsory attendance.

(f) "Supplemental online learning" means an online course taken in place of a course period during the regular school day at a local district school.

(g) "Full-time online provider" means a provider recognized by the department as an entity authorized to participate in the open enrollment options.

Sec. 2. Minnesota Statutes 2006, section 124D.095, subdivision 3, is amended to read:

Subd. 3. **Authorization; notice; limitations on enrollment.** (a) A student may apply to an online learning provider to enroll in online 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 online learning. ~~An online 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 online learning provider. The notice must report the student's course or program and hours of instruction.~~ A full-time online learning provider must comply with the application and notification procedures and timelines under section 124D.03, subdivisions 3 to 7, except for the January 15 notice and subsequent notification dates.

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

programs it is delivering.

(c) An online 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 online learning student's regular classroom instructional membership in proportion to the student's membership in online learning courses.

(e) A student may enroll in supplemental online learning courses up to the midpoint of the enrolling district's term. The enrolling district may waive this requirement for special circumstances and upon acceptance by the online learning providers.

Sec. 3. Minnesota Statutes 2006, 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. An online learning provider must make available to the enrolling district the course syllabus, standard alignment, content outline, assessment requirements, and teacher contact information for the courses taken by students in 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~~ the course schedule 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 in supplemental online learning courses 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 to a maximum of 50 percent of their full schedule of courses per term;

(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.

(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.

(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.

(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.

(f) To enroll in more than 50 percent of their full schedule of courses per term in online learning, the student must apply for open enrollment to an approved full-time online learning provider.

Sec. 4. Minnesota Statutes 2006, section 124D.095, subdivision 7, is amended to read:

Subd. 7. **Department of Education.** (a) The department must review and certify online learning providers. The online learning courses and programs must be rigorous, aligned with state academic standards, and contribute to grade progression in a single subject. Online learning providers must ~~affirm~~ demonstrate to the commissioner that online learning courses have equivalent standards or instruction, curriculum, and assessment requirements as other courses offered to enrolled students. The online learning provider must also demonstrate expectations for actual teacher contact time or other student-to-teacher communication. Once an online learning provider is approved under this paragraph, all of its online learning course offerings are eligible for payment under this section unless a course is successfully challenged by an enrolling district or the department under paragraph (b).

(b) An enrolling district may challenge the validity of a course offered by an online learning provider. The department must review such challenges based on the certification procedures under paragraph (a). The department may initiate its own review of the validity of an online learning course offered by an online learning provider.

(c) The department may collect a fee not to exceed \$250 for certifying online learning providers or \$50 per course for reviewing a challenge by an enrolling district.

(d) The department must develop, publish, and maintain a list of approved online learning providers and online learning courses and programs that it has reviewed and certified."

Amend the title numbers accordingly

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

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

S.F. No. 616: A bill for an act relating to education finance; creating a pilot program to provide

a SMART Board in school districts throughout the state; appropriating money.

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

Page 1, line 5, delete "SMART BOARD" and insert "INTERACTIVE WHITEBOARD"

Page 1, lines 7, 10, 12, 13, 14, 17, and 21, delete "SMART Board" and insert "interactive whiteboard"

Page 2, lines 3 and 4, delete "SMART Boards" and insert "interactive whiteboards"

Page 2, line 4, delete the period and insert a colon

Amend the title as follows:

Page 1, line 2, delete "a SMART" and insert "an interactive whiteboard"

Page 1, line 3, delete "Board"

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

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

S.F. No. 1425: A bill for an act relating to education; providing for 3R high schools and academic rigor; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 120B.

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

Page 2, line 9, after "must" insert "use the funds to provide pupil support services or" and after "a" insert "department-approved" and delete "approved by the Department"

Page 2, line 10, delete "of Education"

Page 4, after line 20, insert:

"(f) Aid recipients must not expend more than five percent of the 3R high school aid they receive each year for administrative costs under this section."

Page 4, line 22, after the period, insert "The requirement to complete one full year of dual-credit secondary and postsecondary academic or career and technical courses or programs applies to students in the 2014-2015 graduating class and later."

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

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

S.F. No. 829: A bill for an act relating to education finance; providing a targeted all-day, everyday kindergarten program for Independent School District No. 138, North Branch; appropriating money.

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

Page 1, delete section 1 and insert:

"Section 1. **TARGETED ALL-DAY KINDERGARTEN; NORTH BRANCH.**

A targeted all-day kindergarten pilot project is established in Independent School District No. 138, North Branch. The purpose of the pilot project is to establish that an all-day, everyday kindergarten program for targeted, underperforming students will result in measurable improvements in student achievement. The district shall assess incoming kindergartners prior to the 2007-2008 and 2008-2009 school years and provide all-day, everyday kindergarten during those school years to the lowest performing 25 percent of students on the incoming assessment. The district shall develop a targeted intervention program for underperforming students in kindergarten that continues through first grade. The district shall measure the performance of students from kindergarten through first grade and report its findings to the education committees of the legislature by January 15, 2010."

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

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

S.F. No. 939: A bill for an act relating to education; establishing a pilot program to explore the development of a regional center for visual arts; appropriating money.

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

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

S.F. No. 588: A bill for an act relating to education; providing for comprehensive family life and sexuality education programs; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 121A; repealing Minnesota Statutes 2006, section 121A.23.

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

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

S.F. No. 1228: A bill for an act relating to education; requiring literacy skills for students; appropriating money; amending Minnesota Statutes 2006, sections 120B.12, subdivision 2, by adding subdivisions; 124D.13, subdivision 2; 124D.15, subdivision 3.

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

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

S.F. No. 1438: A bill for an act relating to education; clarifying that reading instruction must support children with dyslexia and related language disorders; amending Minnesota Statutes 2006, sections 122A.06, subdivision 4; 122A.18, subdivisions 2a, 2b.

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

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

S.F. No. 317: A bill for an act relating to education; requiring school districts to comply with the Schools Interoperability Framework specifications; establishing a working group.

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

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

S.F. No. 589: A bill for an act relating to education; raising kindergarten through grade 12 academic achievement through increased student participation in international baccalaureate courses and programs in addition to preadvanced placement and advanced placement programs; appropriating money; amending Minnesota Statutes 2006, section 120B.132.

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

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

S.F. No. 448: A bill for an act relating to education; providing for an elementary and middle school years international baccalaureate pilot program; appropriating money.

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

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

S.F. No. 1089: A bill for an act relating to taxation; income; allowing a credit for contributions to prekindergarten scholarship granting organizations; amending Minnesota Statutes 2006, section 290.01, subdivision 19c; proposing coding for new law in Minnesota Statutes, chapter 290.

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

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

S.F. No. 987: A bill for an act relating to education; establishing the Minnesota reading corps program; appropriating money; amending Minnesota Statutes 2006, section 124D.42, subdivision 6, 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 Wiger from the Committee on Education, to which was referred

S.F. No. 663: A bill for an act relating to education finance; encouraging school programs offering alternative school year calendars; authorizing grants; appropriating money; amending Minnesota Statutes 2006, sections 124D.12; 124D.126, 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 Wiger from the Committee on Education, to which was re-referred

S.F. No. 586: A bill for an act relating to Native American languages; establishing the Minnesota Indigenous Language Act; establishing the Council on Indigenous Language; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 3.

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

Senator Metzen from the Committee on Business, Industry and Jobs, to which was referred

S.F. No. 1103: A bill for an act relating to employment; prohibiting misrepresentation of employees as independent contractors; authorizing and requiring the commissioner of revenue to review certifications of independent contractor status; amending Minnesota Statutes 2006, sections 181.722; 289A.12, 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. [181.723] DEFINITIONS.

Subdivision 1. **Scope.** The definitions in this subdivision apply to this section.

(a) "Person" means any individual, limited liability corporation, corporation, partnership, incorporated or unincorporated association, sole proprietorship, joint stock company, or any other legal or commercial entity.

(b) "Department" means the Department of Labor and Industry.

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

(d) "Knowingly" means knew or could have known with the exercise of reasonable diligence.

Subd. 2. **Limited application.** This section applies only to individuals performing public or private sector commercial or residential building construction or improvement services.

Subd. 3. **Employee-employer relationship.** Except as provided in subdivision 4, for purposes of chapters 176, 177, 181A, 182, and 268, an individual who performs services for a person that are in the course of the person's trade, business, profession, or occupation is an employee of that person and that person is an employer of the individual.

Subd. 4. **Independent contractor.** An individual is an independent contractor and not an employee of the person for whom the individual is performing services in the course of the person's trade, business, profession or occupation only if (1) the individual holds a current independent contractor exemption certificate issued by the commissioner; and (2) the individual is performing services for the person under the independent contractor exemption certificate as provided in subdivision 6. The requirements in clauses (1) and (2) must be met in order to qualify as an independent contractor and not as an employee of the person for whom the individual is performing

services in the course of the person's trade, business, profession, or occupation.

Subd. 5. **Application.** To obtain an independent contractor exemption certificate, the individual must submit, in the manner prescribed by the commissioner, a complete application and the certificate fee required under subdivision 13.

(a) A complete application must include all the following information:

(1) the individual's full name;

(2) the individual's residence address and telephone number;

(3) the individual's business name, address, and telephone number;

(4) the services for which the individual is seeking an independent contractor exemption certificate;

(5) the individual's Social Security number;

(6) the individual's or the individual's business federal employer identification number, if a number has been issued to the individual or the individual's business;

(7) any information or documentation that the commissioner requires by rule that will assist the department in determining whether to grant or deny the individual's application; and

(8) The individual's sworn statement that the individual meets all of the following conditions:

(i) the individual maintains a separate business with the individual's own office, equipment, materials, and other facilities;

(ii) the individual holds or has applied for a federal employer identification number or has filed business or self-employment income tax returns with the federal Internal Revenue Service if the person has performed services in the previous year for which the individual is seeking the independent contractor exemption certificate;

(iii) the individual operates under contracts to perform specific services for specific amounts of money and under which the individual controls the means of performing the services;

(iv) the individual incurs the main expenses related to the service that the individual performs under contract;

(v) the individual is responsible for the satisfactory completion of services that the individual contracts to perform and is liable for a failure to complete the service;

(vi) the individual receives compensation for service performed under a contract on a commission or per-job or competitive bid basis and not on any other basis;

(vii) the individual may realize a profit or suffer a loss under contracts to perform service;

(viii) the individual has continuing or recurring business liabilities or obligations; and

(ix) the success or failure of the individual's business depends on the relationship of business receipts to expenditures.

(b) Within 30 days of receiving a complete application and the certificate fee, the commissioner must either grant or deny the application. The commissioner may deny an application for an independent contractor exemption certificate if the individual has not submitted a complete application and certificate fee or if the individual does not meet all of the conditions for holding the independent contractor exemption certificate. The commissioner may revoke an independent contractor exemption certificate if the commissioner determines that the individual no longer meets all of the conditions for holding the independent contractor exemption certificate, commits any of the actions set out in subdivision 7, or fails to cooperate with a department investigation into the continued validity of the individual's certificate. Once issued, an independent contractor exemption certificate remains in effect for two years unless:

- (1) revoked by the commissioner; or
- (2) canceled by the individual.

(c) If the department denies an individual's original or renewal application for an independent contractor exemption certificate or revokes an independent contractor exemption certificate, the commissioner shall issue to the individual an order denying or revoking the certificate. The commissioner may issue an administrative penalty order to an individual or person who commits any of the actions set out in subdivision 7.

(d) An individual or person to whom the commissioner issues an order under paragraph (c) shall have 20 days after service of the order to request a hearing. The request for hearing must be in writing and must be served on or faxed to the commissioner at the address or fax number specified in the order by the 30th day after service of the order. If the individual does not request a hearing or if the individual's request for a hearing is not served on or faxed to the commissioner by the 30th day after services of the order, the order shall become a final order of the commissioner and is not subject to review by any court or agency. The date on which a request for hearing is served by mail shall be the postmark date on the envelope in which the request for hearing is mailed. If the individual serves or faxes a timely request for hearing, the hearing shall be a contested case hearing and shall be held in accordance with chapter 14.

Subd. 6. **Qualifications for exemption certificate.** An individual is performing services for a person under an independent contractor exemption certificate if:

(a) the individual is performing services listed on the individual's independent contractor exemption certificate;

(b) at the time the individual is performing services listed on the individual's independent contractor exemption certificate, the individual meets all the following conditions:

(1) the individual maintains a separate business with the individual's own office, equipment, materials, and other facilities;

(2) the individual holds or has applied for a federal employer identification number or has filed business or self-employment income tax returns with the federal Internal Revenue Service if the individual performed services in the previous year for which the individual has the independent contractor exemption certificate;

(3) the individual is operating under contract to perform the specific services for the person for specific amounts of money and under which the individual controls the means of performing the

services;

(4) the individual is incurring the main expenses related to the services that the individual is performing for the person under the contract;

(5) the individual is responsible for the satisfactory completion of the services that the individual has contracted to perform for the person and is liable for a failure to complete the services;

(6) the individual receives compensation from the person for the services performed under the contract on a commission or per-job or competitive bid basis and not on any other basis;

(7) the individual may realize a profit or suffer a loss under the contract to perform services for the person;

(8) the individual has continuing or recurring business liabilities or obligations; and

(9) the success or failure of the individual's business depends on the relationship of business receipts to expenditures.

Subd. 7. **Prohibited activities.** (a) An individual shall not:

(1) perform work as an independent contractor without first obtaining from the department an independent contractor exemption certificate;

(2) perform work as an independent contractor when the department has denied or revoked the individual's independent contractor exemption certificate;

(3) transfer to another individual or allow another individual to use the individual's independent contractor exemption certificate;

(4) alter or falsify an independent contractor exemption certificate;

(5) misrepresent the individual's status as an independent contractor; or

(6) make a false material statement, representation, or certification; omit material information; or alter, conceal, or fail to file a document required by this section or any rule adopted by the commissioner under this section.

(b) A person for whom an individual is performing services in the person's trade, business, profession, or occupation shall not:

(1) require an individual through coercion, misrepresentation, or fraudulent means to adopt independent contractor status;

(2) knowingly misrepresent that an individual who has not been issued an independent contractor exemption certificate or is not performing services for the person under an independent contractor exemption certificate is an independent contractor; or

(3) make a false material statement, representation, or certification; omit material information; or alter, conceal, or fail to file a document required by this section or any rule adopted by the commissioner under this section.

(c) An individual or person who violates a provision of this subdivision is subject to a penalty to be assessed by the department of up to \$1,000 for each violation. The department shall deposit

penalties in the Assigned Risk Safety Account.

Subd. 8. **Commissioner's powers.** (a) In order to carry out the purposes of this section, the commissioner may:

(1) administer oaths and affirmations, certify official acts, interview, question, take oral or written statements, and take depositions;

(2) request, examine, take possession of, photograph, record, and copy any documents, equipment, or materials;

(3) at a time and place indicated by the commissioner, request persons to appear before the commissioner to give testimony and produce documents, equipment, or materials;

(4) issue subpoenas to compel persons to appear before the commissioner to give testimony and produce documents, equipment, or materials; and

(5) with or without notice, enter without delay upon any property, public or private, for the purpose of taking any action authorized under this subdivision or the applicable law, including obtaining information or conducting inspections or investigations.

(b) Persons requested by the commissioner to give testimony or produce documents, equipment, or materials shall respond within the time and in the manner specified by the commissioner. If no time to respond is specified in the request, then a response shall be submitted within 30 days of the commissioner's service of the request.

(c) Upon the refusal or anticipated refusal of a property owner, lessee, property owner's representative, or lessee's representative to permit the commissioner's entry onto property as provided in paragraph (a), the commissioner may apply for an administrative inspection order in the Ramsey County District Court or, at the commissioner's discretion, in the district court in the county in which the property is located. The commissioner may anticipate that a property owner or lessee will refuse entry if the property owner, lessee, property owner's representative, or lessee's representative has refused to permit entry on a prior occasion or has informed the commissioner that entry will be refused. Upon showing of administrative probable cause by the commissioner, the district court shall issue an administrative inspection order that compels the property owner or lessee to permit the commissioner to enter the property for the purposes specified in paragraph (a).

(d) Upon the application of the commissioner, a district court shall treat the failure of any person to obey a subpoena lawfully issued by the commissioner under this subdivision as a contempt of court.

Subd. 9. **Notice requirements.** Unless otherwise specified, service of a document on a person under this section may be by mail, by personal service, or in accordance with any consent to service filed with the commissioner. Service by mail shall be accomplished in the manner provided in Minnesota Rules, part 1400.5550, subpart 2. Personal service shall be accomplished in the manner provided in Minnesota Rules, part 1400.5550, subpart 3.

Subd. 10. **Facsimile; timely service.** When this section permits a request for reconsideration or request for hearing to be served by fax on the commissioner, the fax shall not exceed 15 pages in length. The request shall be considered timely served if the fax is received by the commissioner, at the fax number identified by the commissioner in the order or notice of violation, no later than 4:30

p.m. central time on the last day permitted for faxing the request. Where the quality or authenticity of the faxed request is at issue, the commissioner may require the original request to be filed. Where the commissioner has not identified quality or authenticity of the faxed request as an issue and the request has been faxed in accordance with this subdivision, the person faxing the request does not need to file the original request with the commissioner.

Subd. 11. **Time period computation.** In computing any period of time prescribed or allowed by this section, the day of the act, event, or default from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included, unless it is a Saturday, Sunday, or legal holiday, in which event the period runs until the next day which is not a Saturday, Sunday, or legal holiday.

Subd. 12. **Rulemaking.** The commissioner may, in consultation with the commissioner of the Department of Revenue and the commissioner of the Department of Employment and Economic Development, adopt, amend, and repeal rules that relate to the commissioner's responsibilities under this section.

Subd. 13. **Fee.** The certificate fee for the original application and for the renewal of an independent contractor exemption certificate is \$150. The certificate fee is appropriated to the commissioner for payment of the costs related to administering and enforcing this section.

Subd. 14. **Notice to commissioner; review by commissioner of revenue.** When the commissioner has reason to believe that an individual who holds a certificate has failed to maintain all the conditions required by subdivision 6 or is not performing services for a person under the independent contractor exemption certificate, the commissioner must notify the commissioner of the Department of Revenue and the commissioner of the Department of Employment and Economic Development. Upon receipt of notification from the commissioner that an individual who holds a certificate has failed to maintain all the conditions required by subdivision 6 or is not performing services for a person under the independent contractor exemption certificate, the commissioner of the Department of Revenue must review the information returns required under section 6041A of the Internal Revenue Code. The commissioner of the Department of Revenue shall also review the submitted certification that is applicable to returns audited or investigated under section 289A.35.

Subd. 15. **Data classified.** Certifications issued by the commissioner are public data. Applications and required documentation submitted by individuals is private data on an individual. Upon request of the Department of Revenue or the Department of Employment and Economic Development, the commissioner may release to the Department of Revenue and the Department of Employment and Economic Development applications and required documentation submitted by individuals and investigative data that relates to the department's issuance or denial of applications and the department's revocations of certificates. Except as otherwise provided by this subdivision, the department's investigative data shall be classified as provided in chapter 13.

EFFECTIVE DATE. This section is effective June 1, 2008.

Sec. 2. **REPEALER.**

Minnesota Statutes 2006, section 181.722 is repealed.

EFFECTIVE DATE. This section is effective June 1, 2008."

Delete the title and insert:

"A bill for an act relating to employment; requiring independent contractor exemption certificates; providing penalties; authorizing notice to the commissioners of revenue and employment and economic development; requiring the commissioner of revenue to review certifications of independent contractor status; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 181; repealing Minnesota Statutes 2006, section 181.722."

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

Senator Metzen from the Committee on Business, Industry and Jobs, to which was referred

S.F. No. 1303: A bill for an act relating to economic development; establishing nanotechnology development fund program; requiring a report; appropriating money.

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

Page 1, line 22, delete the colon

Page 1, line 23, delete "(i)"

Page 1, delete line 24

Page 2, line 1, delete everything before "or"

Page 2, line 3, after the semicolon, insert "and"

Page 2, line 6, delete the semicolon and insert a period

Page 2, delete lines 7 and 8

Page 3, after line 22, insert:

"(a) \$100,000 in fiscal year 2008 and \$100,000 in fiscal year 2009 are appropriated from the general fund to the commissioner of employment and economic development to coordinate and promote the nanotechnology development fund."

Page 3, line 23, delete "(a)" and insert "(b)"

Page 3, line 28, delete "(b)" and insert "(c)"

Page 3, line 32, delete "(c)" and insert "(d)"

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

Senator Metzen from the Committee on Business, Industry and Jobs, to which was referred

S.F. No. 1354: A bill for an act relating to economic development; appropriating money for technical assistance and business training.

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

Senator Metzen from the Committee on Business, Industry and Jobs, to which was referred

S.F. No. 1358: A bill for an act relating to employment; appropriating money for a pilot project to provide certain employment and training services.

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

Senator Metzen from the Committee on Business, Industry and Jobs, to which was referred

S.F. No. 1458: A bill for an act relating to bioscience and technology; providing grants for bioscience business development and commercialization; requiring a report; appropriating money.

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

Page 1, line 20, delete everything after the period

Page 1, line 21, delete everything before "The"

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

Senator Metzen from the Committee on Business, Industry and Jobs, to which was referred

S.F. No. 1205: A bill for an act relating to economic development; providing funding for rural renewable energy initiatives; 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. RURAL RENEWABLE ENERGY AND ECONOMIC DEVELOPMENT CONSORTIUM; APPROPRIATION.

(a) \$7,500,000 for fiscal year 2008 and \$7,500,000 for fiscal year 2009 are appropriated from the general fund to the commissioner of employment and economic development.

(b) The commissioner, after consulting with the Rural Renewable Energy and Economic Development Consortium, shall use \$5,000,000 in fiscal year 2008 and \$5,000,000 in fiscal year 2009 as a zero-interest matching loan in units up to \$500,000 to support renewable energy-related businesses and enterprises developing, locating, or expanding in rural Minnesota. The commissioner shall grant \$2,500,000 in fiscal year 2008 and \$2,500,000 in fiscal year 2009 to the Rural Renewable Energy and Economic Development Consortium for research and technical support, workforce training, and equipment housed at Minnesota State University, Mankato.

(c) The Rural Renewable Energy and Economic Development Consortium is a collaborative organization between industry, economic development organizations, businesses, and Minnesota State University and other educational institutional partners. The consortium must report to the commissioner annually on June 30 on the status of the research, technical support, workforce training, and development of equipment, including the emissions testing laboratory."

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

Amendments adopted. Report adopted.

Senator Metzen from the Committee on Business, Industry and Jobs, to which was referred

S.F. No. 593: A bill for an act relating to taxes; income; providing an income tax credit for telecommuting conversion expenses and ongoing telecommuting expenses; proposing coding for new law in Minnesota Statutes, chapter 290.

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

Page 2, line 5, delete "Ongoing"

Page 2, line 10, delete "ten" and insert "30"

Page 2, line 14, delete "\$100" and insert "\$500"

Page 2, after line 26, insert:

"Sec. 2. **REPORT.**

The commissioner of revenue must report to the chairs of the house of representatives and senate committees with primary jurisdiction over tax and employment issues on the tax impact of section 1 and on the amount claimed as credits by employers and employees stated separately."

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

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

S.F. No. 680: A bill for an act relating to drivers' licenses; authorizing payment of driver's license reinstatement fee and surcharge in installment payments; removing obsolete language; amending Minnesota Statutes 2006, section 171.29, subdivision 2.

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 2006, section 171.29, subdivision 2, is amended to read:

Subd. 2. **Reinstatement fees and surcharges allocated and appropriated.** (a) An individual whose driver's license has been revoked as provided in subdivision 1, except under section 169A.52, 169A.54, or 609.21, must pay a \$30 fee before the driver's license is reinstated.

(b) A person whose driver's license has been revoked as provided in subdivision 1 under section 169A.52, 169A.54, or 609.21, must pay a \$250 fee plus a ~~\$40~~ \$430 surcharge before the driver's license is reinstated, except as provided in paragraph (f). Beginning July 1, 2002, the surcharge is \$145. Beginning July 1, 2003, the surcharge is \$430. The \$250 fee is to be credited as follows:

(1) Twenty percent must be credited to the driver services operating account in the special revenue fund as specified in section 299A.705.

(2) Sixty-seven percent must be credited to the general fund.

(3) Eight percent must be credited to a separate account to be known as the Bureau of Criminal Apprehension account. Money in this account may be appropriated to the commissioner of public safety and the appropriated amount must be apportioned 80 percent for laboratory costs and 20 percent for carrying out the provisions of section 299C.065.

(4) Five percent must be credited to a separate account to be known as the vehicle forfeiture account, which is created in the special revenue fund. The money in the account is annually appropriated to the commissioner for costs of handling vehicle forfeitures.

(c) The revenue from \$50 of ~~each~~ the surcharge, or \$25 for each year of reinstatement under paragraph (f), must be credited to a separate account to be known as the traumatic brain injury and spinal cord injury account. The money in the account is annually appropriated to the commissioner of health to be used as follows: 83 percent for contracts with a qualified community-based organization to provide information, resources, and support to assist persons with traumatic brain injury and their families to access services, and 17 percent to maintain the traumatic brain injury and spinal cord injury registry created in section 144.662. For the purposes of this paragraph, a "qualified community-based organization" is a private, not-for-profit organization of consumers of traumatic brain injury services and their family members. The organization must be registered with the United States Internal Revenue Service under section 501(c)(3) as a tax-exempt organization and must have as its purposes:

(1) the promotion of public, family, survivor, and professional awareness of the incidence and consequences of traumatic brain injury;

(2) the provision of a network of support for persons with traumatic brain injury, their families, and friends;

(3) the development and support of programs and services to prevent traumatic brain injury;

(4) the establishment of education programs for persons with traumatic brain injury; and

(5) the empowerment of persons with traumatic brain injury through participation in its governance.

A patient's name, identifying information, or identifiable medical data must not be disclosed to the organization without the informed voluntary written consent of the patient or patient's guardian or, if the patient is a minor, of the parent or guardian of the patient.

(d) The remainder of the surcharge must be credited to a separate account to be known as the remote electronic alcohol-monitoring program account. The commissioner shall transfer the balance of this account to the commissioner of finance on a monthly basis for deposit in the general fund.

(e) When these fees are collected by a licensing agent, appointed under section 171.061, a handling charge is imposed in the amount specified under section 171.061, subdivision 4. The reinstatement fees and surcharge must be deposited in an approved depository as directed under section 171.061, subdivision 4.

(f) A person whose driver's license has been revoked as provided in subdivision 1 under section 169A.52 or 169A.54 and who the court certifies as being financially eligible for a public defender under section 611.17, may choose to pay 50 percent of the total amount of the surcharge and fee required under paragraph (b) to reinstate the person's driver's license, provided the person meets all

other requirements of reinstatement. If a person chooses to pay 50 percent of the total, the driver's license must expire after two years. The person must pay an additional 50 percent of the total to extend the license for an additional two years, provided the person is otherwise still eligible for the license. After this final payment of the surcharge and fee, the license may be renewed on a standard schedule, as provided under section 171.27. A handling charge may be imposed for each installment payment.

(g) Any person making installment payments under paragraph (f), whose driver's license subsequently expires, or is canceled, revoked, or suspended before payment of 100 percent of the surcharge and fee, must pay the outstanding balance due for the initial reinstatement before the driver's license is subsequently reinstated. Upon payment of the outstanding balance due for the initial reinstatement, the person may pay any new surcharge and fee imposed under paragraph (b) in installment payments as provided under paragraph (f).

EFFECTIVE DATE. This section is effective July 1, 2007."

Amend the title as follows:

Page 1, line 3, after "payments" insert "in certain circumstances"

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

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

S.F. No. 493: A bill for an act relating to public nuisances; providing that certain criminal gang behavior is a public nuisance; authorizing injunctive relief and other remedies; proposing coding for new law in Minnesota Statutes, chapter 617.

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

Delete everything after the enacting clause and insert:

"Section 1. **[617.91] DEFINITIONS.**

Subdivision 1. **General.** The definitions in this section apply to sections 617.91 to 617.97.

Subd. 2. **Continuously or regularly.** "Continuously or regularly" means at least five separate incidents or occurrences in a period of not more than 12 months.

Subd. 3. **Criminal gang.** "Criminal gang" has the meaning given in section 609.229.

Subd. 4. **Gang activity.** "Gang activity" means the commission of one or more of the offenses listed in section 609.11, subdivision 9; criminal damage to property in the first or second degree under section 609.595, subdivision 1 or 1a; trespass under section 609.605; or disorderly conduct under section 609.72.

Subd. 5. **Place.** "Place" means a structure suitable for human shelter, a commercial structure that is maintained for business activities, a portion of the structure, or the land surrounding the structure that is under the control of the person who owns or is responsible for maintaining the structure. If the place is a multiunit dwelling, a hotel or motel, or a commercial or office building, "place" means only the portion of the place in which a public nuisance is maintained or permitted, such as

a dwelling unit, room, suite of rooms, office, common area, storage area, garage, parking area, or the land surrounding the place.

Sec. 2. [617.92] PUBLIC NUISANCE.

Subdivision 1. **Gang activities.** A criminal gang that continuously or regularly engages in gang activities is a public nuisance.

Subd. 2. **Use of place.** The continuous or regular use of a place by a criminal gang for engaging in gang activity that is knowingly permitted by the person who owns or is responsible for maintaining the place is a public nuisance.

Sec. 3. [617.93] SUIT TO ABATE NUISANCE.

Subdivision 1. **General.** (a) A county or city attorney or the attorney general may sue to enjoin a public nuisance under sections 617.91 to 617.97.

(b) A person who continuously or regularly engages in gang activity as a member of a criminal gang may be made a defendant in a suit.

(c) A person who owns or is responsible for maintaining a place that is continuously or regularly used for engaging in gang activity may be made a defendant in a suit 60 or more days after service of the notice described in subdivision 2.

Subd. 2. **Notice.** The notice required under subdivision 1, paragraph (c), must be in writing and served personally or by certified mail, return receipt requested. The notice must:

(1) state that a nuisance as defined in section 617.92 is occurring in the place and specify the kind of nuisance;

(2) summarize the evidence indicating that a nuisance is occurring, including the dates on which nuisance-related activities are alleged to have occurred;

(3) inform the recipient that failure to abate the conduct constituting the nuisance or to otherwise resolve the matter within 60 days of service of the notice may result in the filing of a complaint for relief in district court that could, among other remedies, result in the imposition of reasonable requirements to prevent the use of the place for gang activity, or, in the case of a tenant, cancellation of a lease; and

(4) inform the owner of the option of cancelling a lease by bringing a motion under subdivision 3.

Subd. 3. **Motion to cancel lease.** After service of the notice under subdivision 2, an owner may bring a motion to cancel a lease in accordance with the provisions of section 617.85.

Sec. 4. [617.94] COURT ORDER.

(a) If the court finds, by a preponderance of the evidence, that a criminal gang constitutes a public nuisance, the court may enter a temporary or permanent order:

(1) enjoining a defendant in the suit from engaging in the gang activities; and

(2) imposing other reasonable requirements to prevent the defendant from engaging in future

gang activities.

(b) "Reasonable requirement" as specified in paragraph (a), clause (2), means an injunctive limitation on gang behavior and social interaction that reduces the opportunity for gang activity, consistent with the constitutional rights of the defendant.

(c) If the court finds, by a preponderance of the evidence, that a place is continuously or regularly used in a manner that constitutes a public nuisance, the court may include in its order reasonable requirements to prevent the use of the place for gang activity. This may include cancellation of any applicable lease pursuant to the procedures in section 617.85 that may involve any tenant or lessee who has maintained or conducted the public nuisance, or other reasonable requirements established in the order.

Sec. 5. [617.95] VIOLATION OF COURT ORDER; FINE AND CRIMINAL PENALTY.

Subdivision 1. **Fine for civil contempt.** A person who violates a temporary or permanent injunctive order issued under section 617.94 is subject to a fine for civil contempt of not less than \$1,000 nor more than \$10,000.

Subd. 2. **Criminal penalty.** A person who knowingly violates a temporary or permanent injunctive order issued under section 617.94 is guilty of a misdemeanor.

Sec. 6. [617.96] ATTORNEY FEES.

In an action brought under sections 617.91 to 617.97, the court may award a prevailing party reasonable attorney fees and costs.

Sec. 7. [617.97] USE OF PLACE; EVIDENCE.

(a) In an action brought under sections 617.91 to 617.97, proof that gang activity by a member of a criminal gang is continuously or regularly committed at a place or proof that a place is continuously or regularly used for engaging in gang activity by a member of a criminal gang is prima facie evidence that the person who owns or is responsible for maintaining the place knowingly permitted the act.

(b) Paragraph (a) does not apply if the person who owns or is responsible for maintaining the place provides credible evidence that the person has made reasonable efforts to prevent the occurrence of the gang activity, which may include cancellation of or an attempt to cancel the lease."

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

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

S.F. No. 1005: A bill for an act relating to crime; creating a motor vehicle theft account; authorizing emergency grants to victims of motor vehicle theft; appropriating money; amending Minnesota Statutes 2006, sections 65B.84, subdivision 1; 168A.40, subdivision 4; 611A.612; 611A.675, subdivisions 1, 2, 3, 4, by adding a subdivision.

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

Pages 1 to 3, delete sections 1 to 3

Page 3, after line 33, insert:

"In addition to reimbursing victims of a motor vehicle theft, grants under clause (6) may reimburse individuals who have loaned their motor vehicles to someone who used the vehicle to violate a criminal law if the individual did not know or have reason to know that the person borrowing the vehicle was likely to use it in that way."

Page 5, after line 12, insert:

"Sec. 6. **APPROPRIATION.**

\$...... for the fiscal year ending June 30, 2008, and \$...... for the fiscal year ending June 30, 2009, are appropriated from the general fund to the commissioner of public safety for grants under Minnesota Statutes, section 611A.675, subdivision 1, clause (6). This amount is added to the department's base budget."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "creating a motor vehicle theft account;"

Amend the title numbers accordingly

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

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

S.F. No. 1250: A bill for an act relating to game and fish; modifying deer hunting license fees for nonresident youth; amending Minnesota Statutes 2006, section 97A.451, subdivision 5.

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 2006, section 84.027, is amended by adding a subdivision to read:

Subd. 13a. **Game and fish expedited permanent rules.** In addition to the authority granted in subdivision 13, the commissioner of natural resources may adopt rules under section 14.389 that are authorized under:

(1) chapters 97A, 97B, and 97C to describe zone or permit area boundaries, to designate fish spawning beds or fish preserves, to select hunters or anglers for areas, to provide for registration of game or fish, to prevent or control wildlife disease, or to correct errors or omissions in rules that do not have a substantive effect on the intent or application of the original rule; or

(2) section 84D.12 to designate prohibited invasive species, regulated invasive species, and unregulated nonnative species.

Sec. 2. Minnesota Statutes 2006, section 84D.03, subdivision 1, is amended to read:

Subdivision 1. **Infested waters; restricted activities.** (a) The commissioner shall designate a water of the state as an infested water if the commissioner determines that:

(1) the water contains a population of an aquatic invasive species that could spread to other waters if use of the water and related activities are not regulated to prevent this; or

(2) the water is highly likely to be infested by an aquatic invasive species because it is connected to a water that contains a population of an aquatic invasive species.

(b) When determining which invasive species comprise infested waters, the commissioner shall consider:

(1) the extent of a species distribution within the state;

(2) the likely means of spread for a species; and

(3) whether regulations specific to infested waters containing a specific species will effectively reduce that species' spread.

(c) The presence of common carp and curly-leaf pondweed shall not be the basis for designating a water as infested.

(d) The designation of infested waters by the commissioner shall be by written order published in the State Register. Designations are not subject to the rulemaking provisions of chapter 14 and section 14.386 does not apply.

Sec. 3. Minnesota Statutes 2006, section 84D.12, subdivision 1, is amended to read:

Subdivision 1. **Required rules.** The commissioner shall adopt rules:

(1) designating ~~infested waters~~, prohibited invasive species, regulated invasive species, and unregulated nonnative species of aquatic plants and wild animals;

(2) governing the application for and issuance of permits under this chapter, which rules may include a fee schedule; and

(3) governing notification under section 84D.08.

Sec. 4. Minnesota Statutes 2006, section 84D.12, subdivision 3, is amended to read:

Subd. 3. **Expedited rules.** The commissioner may adopt rules under section 84.027, subdivision 13, that designate:

(1) prohibited invasive species of aquatic plants and wild animals;

(2) regulated invasive species of aquatic plants and wild animals; and

(3) unregulated nonnative species of aquatic plants and wild animals; ~~and~~

~~(4) infested waters.~~

Sec. 5. Minnesota Statutes 2006, section 93.0015, subdivision 3, is amended to read:

Subd. 3. **Expiration.** Notwithstanding section 15.059, subdivision 5, or other law to the contrary, the committee expires June 30, ~~2007~~ 2011.

Sec. 6. Minnesota Statutes 2006, section 97A.045, is amended by adding a subdivision to read:

Subd. 12. **Establishing fees.** Notwithstanding section 16A.1283, the commissioner may, by written order published in the State Register, establish fees providing for the use of state wildlife management area or aquatic management area lands for specific purposes, including dog trials, special events, and commercial uses. The fees are not subject to the rulemaking provisions of chapter 14 and section 14.386 does not apply.

Sec. 7. Minnesota Statutes 2006, section 97A.405, subdivision 2, is amended to read:

Subd. 2. **Personal possession.** (a) A person acting under a license or traveling from an area where a licensed activity was performed must have in personal possession either: (1) the proper license, if the license has been issued to and received by the person; or (2) the proper license identification number or stamp validation, if the license has been sold to the person by electronic means but the actual license has not been issued and received.

(b) If possession of a license or a license identification number is required, a person must exhibit, as requested by a conservation officer or peace officer, either: (1) the proper license if the license has been issued to and received by the person; or (2) the proper license identification number or stamp validation and a valid state driver's license, state identification card, or other form of identification provided by the commissioner, if the license has been sold to the person by electronic means but the actual license has not been issued and received.

(c) If the actual license has been issued and received, a receipt for license fees, a copy of a license, or evidence showing the issuance of a license, including the license identification number or stamp validation, does not entitle a licensee to exercise the rights or privileges conferred by a license.

(d) A license ~~or stamp~~ issued electronically and not immediately provided to the licensee shall be mailed to the licensee within 30 days of purchase of the license ~~or stamp validation, except for a pictorial turkey stamp or a pictorial trout and salmon stamp.~~ A pictorial turkey stamp ~~or a pictorial, migratory waterfowl, pheasant, or trout and salmon stamp~~ shall be ~~mailed~~ provided to the licensee after purchase of a ~~license or stamp~~ validation only if the licensee pays an additional \$2 fee.

Sec. 8. Minnesota Statutes 2006, section 97A.451, subdivision 3a, is amended to read:

Subd. 3a. **Nonresidents under age 16 18; small game.** (a) A nonresident under age ~~16~~ 18 may obtain a small game license at the resident fee under section 97A.475, subdivision 2, clause (2), if the nonresident:

- (1) possesses a firearms safety certificate; or
- (2) if age 13 or under, is accompanied by a parent or guardian when purchasing the license.

(b) A nonresident age 13 or under must be accompanied by a parent or guardian to take small game. A nonresident age 12 or under is not required to possess a firearms safety certificate under section 97B.020 to take small game.

Sec. 9. Minnesota Statutes 2006, section 97A.465, is amended by adding a subdivision to read:

Subd. 1a. **Spouses of residents on active military duty.** Notwithstanding section 97A.405, subdivision 5, the spouse of a resident who is on active military duty may obtain resident hunting

and fishing licenses.

Sec. 10. Minnesota Statutes 2006, section 97A.475, subdivision 3, is amended to read:

Subd. 3. **Nonresident hunting.** Fees for the following licenses, to be issued to nonresidents, are:

(1) for persons age 18 and older to take small game, \$73;

(2) for persons age 18 and older to take deer with firearms, \$135;

(3) for persons age 18 and older to take deer by archery, ~~the greater of:~~

~~(i) an amount equal to the total amount of license fees and surcharges charged to a Minnesota resident to take deer by archery in the person's state or province of residence; or~~

~~(ii) \$135;~~

(4) to take bear, \$195;

(5) to take turkey, \$73;

(6) to take raccoon, bobcat, fox, or coyote, \$155;

(7) multizone license to take antlered deer in more than one zone, \$270; ~~and~~

(8) to take Canada geese during a special season, \$4;

(9) for persons at least age 12 and under age 18 to take deer with firearms during the regular firearms season in any open zone or time period, \$13; and

(10) for persons at least age 12 and under age 18 to take deer by archery, \$13.

Sec. 11. Minnesota Statutes 2006, section 97B.715, subdivision 1, is amended to read:

Subdivision 1. **Stamp required.** (a) Except as provided in paragraph (b) or section 97A.405, subdivision 2, a person required to possess a small game license may not hunt pheasants without:

~~(1) a pheasant stamp in possession; and~~

~~(2) a pheasant stamp validation on the small game license when issued electronically.~~

(b) The following persons are exempt from this subdivision:

(1) residents under age 18 or over age 65;

(2) persons hunting on licensed commercial shooting preserves; and

(3) resident disabled veterans with a license issued under section 97A.441, subdivision 6a.

Sec. 12. Minnesota Statutes 2006, section 97B.801, is amended to read:

97B.801 MINNESOTA MIGRATORY WATERFOWL STAMP REQUIRED.

(a) Except as provided in this section or section 97A.405, subdivision 2, a person required to possess a small game license may not take migratory waterfowl without:

~~(1) a Minnesota migratory waterfowl stamp in possession; and~~

~~(2) a migratory waterfowl stamp validation on the small game license when issued electronically.~~

(b) Residents under age 18 or over age 65; resident disabled veterans with a license issued under section 97A.441, subdivision 6a; and persons hunting on their own property are not required to possess a stamp or a license validation under this section.

Sec. 13. Minnesota Statutes 2006, section 97C.081, subdivision 3, is amended to read:

Subd. 3. **Contests requiring a permit.** (a) A person must have a permit from the commissioner to conduct a fishing contest that does not meet the criteria in subdivision 2. ~~Permits shall be issued without a fee.~~ The commissioner shall charge a fee for the permit that recovers the costs of issuing the permit and monitoring the activities allowed by the permit. Notwithstanding section 16A.1283, the commissioner may, by written order published in the State Register, establish contest permit fees. The fees are not subject to the rulemaking provisions of chapter 14 and section 14.386 does not apply.

(b) If entry fees are over \$25 per person, or total prizes are valued at more than \$25,000, and if the applicant has either:

(1) not previously conducted a fishing contest requiring a permit under this subdivision; or

(2) ever failed to make required prize awards in a fishing contest conducted by the applicant, the commissioner may require the applicant to furnish the commissioner evidence of financial responsibility in the form of a surety bond or bank letter of credit in the amount of \$25,000."

Delete the title and insert:

"A bill for an act relating to natural resources; modifying rulemaking authority; providing for and modifying certain fees; modifying license and stamp provisions; amending Minnesota Statutes 2006, sections 84.027, by adding a subdivision; 84D.03, subdivision 1; 84D.12, subdivisions 1, 3; 93.0015, subdivision 3; 97A.045, by adding a subdivision; 97A.405, subdivision 2; 97A.451, subdivision 3a; 97A.465, by adding a subdivision; 97A.475, subdivision 3; 97B.715, subdivision 1; 97B.801; 97C.081, subdivision 3."

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

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

S.F. No. 260: A bill for an act relating to natural resources; providing for extension, cancellation, or termination of certain timber permits due to economic infeasibility; amending Minnesota Statutes 2006, section 90.031, subdivision 4.

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

Delete everything after the enacting clause and insert:

"Section 1. **VOLUNTARY TERMINATION OF TIMBER SALE PERMITS.**

(a) Notwithstanding Minnesota Statutes, sections 90.161, 90.173, and 90.211, or other law to the contrary, the commissioner of natural resources shall, in the case of nontrust land, terminate the

permit for an eligible sale of timber without penalty according to this section and upon request of the permit holder. In the case of a permit relating to trust land, the commissioner shall terminate the permit for an eligible sale of timber according to this section only if termination of the permit would secure the maximum long-term economic return from the land consistent with the fiduciary responsibilities imposed by law in regard to the trust lands.

(b) An "eligible sale" means a sale for timber:

(1) the permit for which was issued on or after July 1, 2004, but before January 1, 2007;

(2) that contains aspen as the predominant timber species; and

(3) for which the aspen was sold for \$40 per cord or more.

(c) The maximum amount available for voluntary turn back under this section is 10,000 cords of all species for each permittee.

(d) Upon termination of a permit under this section, the commissioner shall retain the 15 percent down payment made by the permittee under Minnesota Statutes, section 90.14, and shall credit the amount to the permittee. In the case of a bonded sale, the permittee is released from the bond obligation, except that the permittee must pay 15 percent of the turn back amount, in cash, to the commissioner. The commissioner shall credit the amount paid to the permittee. Amounts credited to permittees under this paragraph may be used toward future timber purchases. A credit under this paragraph expires two years after the effective date of the permit termination.

(e) All permit terminations under this section must be completed by December 31, 2007. The commissioner of natural resources must proceed expeditiously to reoffer for sale any timber subject of a turn back under this section.

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

Delete the title and insert:

"A bill for an act relating to natural resources; providing for voluntary termination of certain timber permits."

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

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

S.F. No. 420: A bill for an act relating to natural resources; providing for forest pest control measures; amending Minnesota Statutes 2006, section 89.55.

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 2006, section 89.55, is amended to read:

89.55 INFESTATION CONTROL, COSTS.

Upon the establishment of the zone of infestation, the commissioner may apply measures of infestation control on public and private forest and other lands within ~~such~~ an infected zone and to any trees, timber, plants ~~or~~, shrubs ~~thereon~~, or contaminated soil harboring or which may harbor the forest pests. For this purpose, the duly authorized representatives of the commissioner are authorized to enter upon any lands, public or private within such zone. The commissioner may enter into agreements with owners of the lands in the zone covering the control work on their lands, and fixing the pro rata basis on which the cost of ~~such~~ the work will be shared between the commissioner and said owner.

Sec. 2. [89.551] APPROVED FIREWOOD REQUIRED.

(a) After the commissioner issues an order under paragraph (b), a person may not possess firewood on land administered by the commissioner of natural resources unless the firewood:

(1) was obtained from a firewood distribution facility located on land administered by the commissioner;

(2) was obtained from a firewood dealer who is selling firewood that is approved by the commissioner under paragraph (b); or

(3) has been approved by the commissioner of natural resources under paragraph (b).

(b) The commissioner of natural resources shall, by written order published in the State Register, approve firewood for possession on lands administered by the commissioner. The order is not subject to the rulemaking provisions of chapter 14 and section 14.386 does not apply.

(c) A violation under this section is subject to confiscation of firewood and after May 1, 2008, a petty misdemeanor penalty.

(d) For the purposes of this section, "firewood" means any wood that is intended for use in a campfire, as defined in section 88.01, subdivision 25.

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

Delete the title and insert:

"A bill for an act relating to natural resources; providing for pest control measures; requiring approved firewood on land administered by the commissioner of natural resources; amending Minnesota Statutes 2006, section 89.55; proposing coding for new law in Minnesota Statutes, chapter 89."

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

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

S.F. No. 1343: A bill for an act relating to natural resources; providing for community forest management; providing for control of forest and shade tree pests; amending Minnesota Statutes 2006, sections 18G.03, by adding a subdivision; 18G.11; 84D.14; 88.01, by adding a subdivision; 88.79, subdivisions 1, 2; 88.82; 89.001, subdivision 8, by adding subdivisions; 89.01, subdivisions

1, 2, 4; 89.51, subdivisions 1, 6, 9; 89.52; 89.53; 89.54; 89.55; 89.56, subdivisions 1, 3; 89.57; 89.58; 89.59; 89.60; 89.61; 97A.205; proposing coding for new law in Minnesota Statutes, chapter 89; repealing Minnesota Statutes 2006, sections 18G.16; 89.51, subdivision 8.

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

Page 6, line 19, strike "such" and insert "the"

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

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

S.F. No. 438: A bill for an act relating to natural resources; modifying sales authority; creating an account; modifying decorative boughs provisions; removing expiration of sustainable forest resources provisions; appropriating money; amending Minnesota Statutes 2006, sections 84.025, subdivision 9; 84.026, subdivision 1; 84.0855, subdivisions 1, 2; 88.642, subdivision 1; 88.6435, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 89; repealing Minnesota Statutes 2006, section 89A.11.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 84.025, subdivision 9, is amended to read:

Subd. 9. Professional services support account. The commissioner of natural resources may bill the various programs carried out by the commissioner for the costs of providing them with professional support services. Except as provided under section 89.421, receipts must be credited to a special account in the state treasury and are appropriated to the commissioner to pay the costs for which the billings were made.

The commissioner of natural resources shall submit to the commissioner of finance before the start of each fiscal year a work plan showing the estimated work to be done during the coming year, the estimated cost of doing the work, and the positions and fees that will be necessary. This account is exempted from statewide and agency indirect cost payments.

Sec. 2. Minnesota Statutes 2006, section 84.026, subdivision 1, is amended to read:

Subdivision 1. Contracts. The commissioner of natural resources is authorized to enter into contractual agreements with any public or private entity for the provision of statutorily prescribed natural resources services by the department. The contracts shall specify the services to be provided. Except as provided under section 89.421, funds generated in a contractual agreement made pursuant to this section shall be deposited in the special revenue fund and are appropriated to the department for purposes of providing the services specified in the contracts. The commissioner shall report revenues collected and expenditures made under this subdivision to the chairs of the Committees on Ways and Means in the house and Finance in the senate by January 1 of each odd-numbered year.

Sec. 3. Minnesota Statutes 2006, section 84.0855, subdivision 1, is amended to read:

Subdivision 1. **Sales authorized; gift certificates.** The commissioner may sell natural resources-related publications and maps; forest resource assessment products; federal migratory waterfowl, junior duck, and other federal stamps; and other nature-related merchandise, and may rent or sell items for the convenience of persons using Department of Natural Resources facilities or services. The commissioner may sell gift certificates for any items rented or sold. Notwithstanding section 16A.1285, a fee charged by the commissioner under this section may include a reasonable amount in excess of the actual cost to support Department of Natural Resources programs. The commissioner may advertise the availability of a program or item offered under this section.

Sec. 4. Minnesota Statutes 2006, section 84.0855, subdivision 2, is amended to read:

Subd. 2. **Receipts; appropriation.** Except as provided under section 89.421, money received by the commissioner under this section or to buy supplies for the use of volunteers, may be credited to one or more special accounts in the state treasury and is appropriated to the commissioner for the purposes for which the money was received. Money received from sales at the state fair shall be available for state fair related costs. Money received from sales of intellectual property and software products or services shall be available for development, maintenance, and support of software products and systems.

Sec. 5. **[89.421] FOREST RESOURCE ASSESSMENT PRODUCTS AND SERVICES ACCOUNT.**

Subdivision 1. **Creation.** The forest resource assessment products and services account is created in the state treasury in the natural resources fund.

Subd. 2. **Receipts.** Money received from forest resource assessment product sales and services provided by the commissioner under sections 84.025, subdivision 9; 84.026; and 84.0855 shall be credited to the forest resource assessment products and services account. Forest resource assessment products and services include the sale of aerial photography, remote sensing, and satellite imagery products and services.

Subd. 3. **Use of money in account.** Money credited to the forest resource assessment products and services account under subdivision 2 is annually appropriated to the commissioner and shall be used to maintain the staff and facilities producing the aerial photography, remote sensing, and satellite imagery products and services.

Sec. 6. Minnesota Statutes 2006, section 89A.11, is amended to read:

89A.11 REPEALER.

Sections 89A.01; 89A.02; 89A.03; 89A.04; 89A.05; 89A.06; 89A.07; 89A.08; 89A.09; 89A.10; and 89A.11 are repealed June 30, ~~2007~~ 2017.

Sec. 7. Minnesota Statutes 2006, section 169.8261, is amended to read:

169.8261 GROSS WEIGHT LIMITATIONS; FOREST PRODUCTS.

(a) A vehicle or combination of vehicles hauling raw or unfinished forest products, including wood chips, paper, pulp, oriented strandboard, laminated strand lumber, hardboard, treated lumber, untreated lumber, or barrel staves, by the most direct route to the nearest highway that has been designated under section 169.832, subdivision 11, may be operated on any highway with gross

weights permitted under sections 169.822 to 169.829 without regard to load restrictions imposed on that highway, except that the vehicles must:

- (1) comply with seasonal load restrictions in effect between the dates set by the commissioner under section 169.87, subdivision 2;
- (2) comply with bridge load limits posted under section 169.84;
- (3) be equipped and operated with six axles and brakes;
- (4) not exceed 90,000 pounds gross weight, or 98,000 pounds gross weight during the time when seasonal increases are authorized under section 169.826;
- (5) not be operated on interstate and defense highways;
- (6) obtain an annual permit from the commissioner of transportation;
- (7) obey all road postings; and
- (8) not exceed 20,000 pounds gross weight on any single axle.

(b) A vehicle operated under this section may exceed the legal axle weight limits listed in section 169.824 by not more than 12.5 percent; except that, the weight limits may be exceeded by not more than 22.5 percent during the time when seasonal increases are authorized under section 169.826, subdivision 1.

Sec. 8. Minnesota Statutes 2006, section 282.04, subdivision 1, is amended to read:

Subdivision 1. **Timber sales; land leases and uses.** (a) The county auditor may sell timber upon any tract that may be approved by the natural resources commissioner. The sale of timber shall be made for cash at not less than the appraised value determined by the county board to the highest bidder after not less than one week's published notice in an official paper within the county. Any timber offered at the public sale and not sold may thereafter be sold at private sale by the county auditor at not less than the appraised value thereof, until the time as the county board may withdraw the timber from sale. The appraised value of the timber and the forestry practices to be followed in the cutting of said timber shall be approved by the commissioner of natural resources.

(b) Payment of the full sale price of all timber sold on tax-forfeited lands shall be made in cash at the time of the timber sale, except in the case of oral or sealed bid auction sales, the down payment shall be no less than 15 percent of the appraised value, and the balance shall be paid prior to entry. In the case of auction sales that are partitioned and sold as a single sale with predetermined cutting blocks, the down payment shall be no less than 15 percent of the appraised price of the entire timber sale which may be held until the satisfactory completion of the sale or applied in whole or in part to the final cutting block. The value of each separate block must be paid in full before any cutting may begin in that block. With the permission of the county contract administrator the purchaser may enter unpaid blocks and cut necessary timber incidental to developing logging roads as may be needed to log other blocks provided that no timber may be removed from an unpaid block until separately scaled and paid for. If payment is provided as specified in this paragraph as security under paragraph (a) and no cutting has taken place on the contract, the county auditor may credit the security provided, less any down payment required for an auction sale under this paragraph, to any other contract issued to the contract holder by the county under this chapter to which the contract

holder requests in writing that it be credited, provided the request and transfer is made within the same calendar year as the security was received.

(c) The county board may ~~require final settlement on the basis of a scale of cut products~~ sell any timber, including biomass, as appraised or scaled, at its discretion. Any parcels of land from which timber is to be sold by scale of cut products shall be so designated in the published notice of sale under paragraph (a), in which case the notice shall contain a description of the parcels, a statement of the estimated quantity of each species of timber, and the appraised price of each species of timber for 1,000 feet, per cord or per piece, as the case may be. In those cases any bids offered over and above the appraised prices shall be by percentage, the percent bid to be added to the appraised price of each of the different species of timber advertised on the land. The purchaser of timber from the parcels shall pay in cash at the time of sale at the rate bid for all of the timber shown in the notice of sale as estimated to be standing on the land, and in addition shall pay at the same rate for any additional amounts which the final scale shows to have been cut or was available for cutting on the land at the time of sale under the terms of the sale. Where the final scale of cut products shows that less timber was cut or was available for cutting under terms of the sale than was originally paid for, the excess payment shall be refunded from the forfeited tax sale fund upon the claim of the purchaser, to be audited and allowed by the county board as in case of other claims against the county. No timber, except hardwood pulpwood, may be removed from the parcels of land or other designated landings until scaled by a person or persons designated by the county board and approved by the commissioner of natural resources. Landings other than the parcel of land from which timber is cut may be designated for scaling by the county board by written agreement with the purchaser of the timber. The county board may, by written agreement with the purchaser and with a consumer designated by the purchaser when the timber is sold by the county auditor, and with the approval of the commissioner of natural resources, accept the consumer's scale of cut products delivered at the consumer's landing. No timber shall be removed until fully paid for in cash. Small amounts of timber not exceeding \$3,000 in appraised valuation may be sold for not less than the full appraised value at private sale to individual persons without first publishing notice of sale or calling for bids, provided that in case of a sale involving a total appraised value of more than \$200 the sale shall be made subject to final settlement on the basis of a scale of cut products in the manner above provided and not more than two of the sales, directly or indirectly to any individual shall be in effect at one time.

(d) As directed by the county board, the county auditor may lease tax-forfeited land to individuals, corporations or organized subdivisions of the state at public or private sale, and at the prices and under the terms as the county board may prescribe, for use as cottage and camp sites and for agricultural purposes and for the purpose of taking and removing of hay, stumps, sand, gravel, clay, rock, marl, and black dirt from the land, and for garden sites and other temporary uses provided that no leases shall be for a period to exceed ten years; provided, further that any leases involving a consideration of more than \$12,000 per year, except to an organized subdivision of the state shall first be offered at public sale in the manner provided herein for sale of timber. Upon the sale of any leased land, it shall remain subject to the lease for not to exceed one year from the beginning of the term of the lease. Any rent paid by the lessee for the portion of the term cut off by the cancellation shall be refunded from the forfeited tax sale fund upon the claim of the lessee, to be audited and allowed by the county board as in case of other claims against the county.

(e) As directed by the county board, the county auditor may lease tax-forfeited land to individuals, corporations, or organized subdivisions of the state at public or private sale, at the

prices and under the terms as the county board may prescribe, for the purpose of taking and removing for use for road construction and other purposes tax-forfeited stockpiled iron-bearing material. The county auditor must determine that the material is needed and suitable for use in the construction or maintenance of a road, tailings basin, settling basin, dike, dam, bank fill, or other works on public or private property, and that the use would be in the best interests of the public. No lease shall exceed ten years. The use of a stockpile for these purposes must first be approved by the commissioner of natural resources. The request shall be deemed approved unless the requesting county is notified to the contrary by the commissioner of natural resources within six months after receipt of a request for approval for use of a stockpile. Once use of a stockpile has been approved, the county may continue to lease it for these purposes until approval is withdrawn by the commissioner of natural resources.

(f) The county auditor, with the approval of the county board is authorized to grant permits, licenses, and leases to tax-forfeited lands for the depositing of stripping, lean ores, tailings, or waste products from mines or ore milling plants, upon the conditions and for the consideration and for the period of time, not exceeding 15 years, as the county board may determine. The permits, licenses, or leases are subject to approval by the commissioner of natural resources.

(g) Any person who removes any timber from tax-forfeited land before said timber has been scaled and fully paid for as provided in this subdivision is guilty of a misdemeanor.

(h) The county auditor may, with the approval of the county board, and without first offering at public sale, grant leases, for a term not exceeding 25 years, for the removal of peat and for the production or removal of farm-grown closed-loop biomass as defined in section 216B.2424, subdivision 1, or short-rotation woody crops from tax-forfeited lands upon the terms and conditions as the county board may prescribe. Any lease for the removal of peat, farm-grown closed-loop biomass, or short-rotation woody crops from tax-forfeited lands must first be reviewed and approved by the commissioner of natural resources if the lease covers 320 or more acres. No lease for the removal of peat, farm-grown closed-loop biomass, or short-rotation woody crops shall be made by the county auditor pursuant to this section without first holding a public hearing on the auditor's intention to lease. One printed notice in a legal newspaper in the county at least ten days before the hearing, and posted notice in the courthouse at least 20 days before the hearing shall be given of the hearing.

(i) Notwithstanding any provision of paragraph (c) to the contrary, the St. Louis County auditor may, at the discretion of the county board, sell timber to the party who bids the highest price for all the several kinds of timber, as provided for sales by the commissioner of natural resources under section 90.14. Bids offered over and above the appraised price need not be applied proportionately to the appraised price of each of the different species of timber.

(j) In lieu of any payment or deposit required in paragraph (b), as directed by the county board and under terms set by the county board, the county auditor may accept an irrevocable bank letter of credit in the amount equal to the amount otherwise determined in paragraph (b). If an irrevocable bank letter of credit is provided under this paragraph, at the written request of the purchaser, the county may periodically allow the bank letter of credit to be reduced by an amount proportionate to the value of timber that has been harvested and for which the county has received payment. The remaining amount of the bank letter of credit after a reduction under this paragraph must not be less than 20 percent of the value of the timber purchased. If an irrevocable bank letter of credit or cash deposit is provided for the down payment required in paragraph (b), and no cutting of timber has

taken place on the contract for which a letter of credit has been provided, the county may allow the transfer of the letter of credit to any other contract issued to the contract holder by the county under this chapter to which the contract holder requests in writing that it be credited.

Sec. 9. Minnesota Statutes 2006, section 290.191, subdivision 2, is amended to read:

Subd. 2. Apportionment formula of general application. (a) Except for those trades or businesses required to use a different formula under subdivision 3 or section 290.36, and for those trades or businesses that receive permission to use some other method under section 290.20 or under subdivision 4, a trade or business required to apportion its net income must apportion its income to this state on the basis of the percentage obtained by taking the sum of:

(1) the percent for the sales factor under paragraph (b) of the percentage which the sales made within this state in connection with the trade or business during the tax period are of the total sales wherever made in connection with the trade or business during the tax period;

(2) the percent for the property factor under paragraph (b) of the percentage which the total tangible property used by the taxpayer in this state in connection with the trade or business during the tax period is of the total tangible property, wherever located, used by the taxpayer in connection with the trade or business during the tax period; and

(3) the percent for the payroll factor under paragraph (b) of the percentage which the taxpayer's total payrolls paid or incurred in this state or paid in respect to labor performed in this state in connection with the trade or business during the tax period are of the taxpayer's total payrolls paid or incurred in connection with the trade or business during the tax period.

(b) For purposes of paragraph (a) and subdivision 3, the following percentages apply for the taxable years specified:

Taxable years beginning during calendar year	Sales factor percent	Property factor percent	Payroll factor percent
2007	78	11	11
2008	81 <u>85</u>	9.5 <u>7.5</u>	9.5 <u>7.5</u>
2009	84 <u>90</u>	8 <u>5</u>	8 <u>5</u>
2010	87 <u>95</u>	6.5 <u>2.5</u>	6.5 <u>2.5</u>
2011	90	5	5
2012	93	3.5	3.5
2013	96	2	2
2014 and later calendar years	100	0	0

EFFECTIVE DATE. This section is effective for tax years beginning after December 31, 2006.

Sec. 10. Minnesota Statutes 2006, section 297A.68, subdivision 5, is amended to read:

Subd. 5. Capital equipment. (a) Capital equipment is exempt as follows:

(1) for sales and purchases of capital equipment by the wood products industry, the tax is not imposed;

(2) for sales and purchases of capital equipment by a small business, the tax is not imposed. For purposes of this subdivision, "small business" is as defined in section 645.445, subdivision 2; and

(3) for all other sales and purchases of capital equipment, the tax must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied, and then refunded in the manner provided in section 297A.75.

"Capital equipment" means machinery and equipment purchased or leased, and used in this state by the purchaser or lessee primarily for manufacturing, fabricating, mining, or refining tangible personal property to be sold ultimately at retail if the machinery and equipment are essential to the integrated production process of manufacturing, fabricating, mining, or refining. Capital equipment also includes machinery and equipment used primarily to electronically transmit results retrieved by a customer of an online computerized data retrieval system.

(b) Capital equipment includes, but is not limited to:

(1) machinery and equipment used to operate, control, or regulate the production equipment;

(2) machinery and equipment used for research and development, design, quality control, and testing activities;

(3) environmental control devices that are used to maintain conditions such as temperature, humidity, light, or air pressure when those conditions are essential to and are part of the production process;

(4) materials and supplies used to construct and install machinery or equipment;

(5) repair and replacement parts, including accessories, whether purchased as spare parts, repair parts, or as upgrades or modifications to machinery or equipment;

(6) materials used for foundations that support machinery or equipment;

(7) materials used to construct and install special purpose buildings used in the production process;

(8) ready-mixed concrete equipment in which the ready-mixed concrete is mixed as part of the delivery process regardless if mounted on a chassis, repair parts for ready-mixed concrete trucks, and leases of ready-mixed concrete trucks; and

(9) machinery or equipment used for research, development, design, or production of computer software.

(c) Capital equipment does not include the following:

(1) motor vehicles taxed under chapter 297B;

(2) machinery or equipment used to receive or store raw materials;

(3) building materials, except for materials included in paragraph (b), clauses (6) and (7);

(4) machinery or equipment used for nonproduction purposes, including, but not limited to,

the following: plant security, fire prevention, first aid, and hospital stations; support operations or administration; pollution control; and plant cleaning, disposal of scrap and waste, plant communications, space heating, cooling, lighting, or safety;

(5) farm machinery and aquaculture production equipment as defined by section 297A.61, subdivisions 12 and 13;

(6) machinery or equipment purchased and installed by a contractor as part of an improvement to real property;

(7) machinery and equipment used by restaurants in the furnishing, preparing, or serving of prepared foods as defined in section 297A.61, subdivision 31;

(8) machinery and equipment used to furnish the services listed in section 297A.61, subdivision 3, paragraph (g), clause (6), items (i) to (vi) and (viii);

(9) machinery or equipment used in the transportation, transmission, or distribution of petroleum, liquefied gas, natural gas, water, or steam, in, by, or through pipes, lines, tanks, mains, or other means of transporting those products. This clause does not apply to machinery or equipment used to blend petroleum or biodiesel fuel as defined in section 239.77; or

(10) any other item that is not essential to the integrated process of manufacturing, fabricating, mining, or refining.

(d) For purposes of this subdivision:

(1) "Equipment" means independent devices or tools separate from machinery but essential to an integrated production process, including computers and computer software, used in operating, controlling, or regulating machinery and equipment; and any subunit or assembly comprising a component of any machinery or accessory or attachment parts of machinery, such as tools, dies, jigs, patterns, and molds.

(2) "Fabricating" means to make, build, create, produce, or assemble components or property to work in a new or different manner.

(3) "Integrated production process" means a process or series of operations through which tangible personal property is manufactured, fabricated, mined, or refined. For purposes of this clause, (i) manufacturing begins with the removal of raw materials from inventory and ends when the last process prior to loading for shipment has been completed; (ii) fabricating begins with the removal from storage or inventory of the property to be assembled, processed, altered, or modified and ends with the creation or production of the new or changed product; (iii) mining begins with the removal of overburden from the site of the ores, minerals, stone, peat deposit, or surface materials and ends when the last process before stockpiling is completed; and (iv) refining begins with the removal from inventory or storage of a natural resource and ends with the conversion of the item to its completed form.

(4) "Machinery" means mechanical, electronic, or electrical devices, including computers and computer software, that are purchased or constructed to be used for the activities set forth in paragraph (a), beginning with the removal of raw materials from inventory through completion of the product, including packaging of the product.

(5) "Machinery and equipment used for pollution control" means machinery and equipment used solely to eliminate, prevent, or reduce pollution resulting from an activity described in paragraph (a).

(6) "Manufacturing" means an operation or series of operations where raw materials are changed in form, composition, or condition by machinery and equipment and which results in the production of a new article of tangible personal property. For purposes of this subdivision, "manufacturing" includes the generation of electricity or steam to be sold at retail.

(7) "Mining" means the extraction of minerals, ores, stone, or peat.

(8) "Online data retrieval system" means a system whose cumulation of information is equally available and accessible to all its customers.

(9) "Primarily" means machinery and equipment used 50 percent or more of the time in an activity described in paragraph (a).

(10) "Refining" means the process of converting a natural resource to an intermediate or finished product, including the treatment of water to be sold at retail.

(11) "Wood products industry" means:

(i) manufacturers of pulp, paper, and paperboard;

(ii) sawmills and planing mills;

(iii) manufacturers of panelboard, including veneer, plywood, and reconstituted wood products, such as particleboard, waferboard, and oriented strandboard;

(iv) manufacturers of fabricated wood millwork;

(v) manufacturers of structural wood members; and

(vi) manufacturers of prefabricated wood buildings and components.

(12) Wood products industry does not include:

(i) logging;

(ii) manufacturers of wood cabinets, furniture, office or store fixtures, toys and playground equipment, caskets, or miscellaneous wood products;

(iii) manufacturers of wood containers;

(iv) businesses engaged in wood preserving;

(v) the operation of timber tracts or tree farms;

(vi) forest nurseries and the gathering of forest products; and

(vii) forestry services related to timber production.

(13) This subdivision does not apply to telecommunications equipment as provided in subdivision 35, and does not apply to wire, cable, fiber, poles, or conduit for telecommunications services.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2007.

Sec. 11. Minnesota Statutes 2006, section 297A.69, subdivision 3, is amended to read:

Subd. 3. **Repair and replacement parts.** Repair and replacement parts, except tires, used for maintenance or repair of farm machinery, logging equipment, including skidder tires, and aquaculture production equipment are exempt, if the part replaces a machinery part assigned a specific or generic part number by the manufacturer of the machinery.

Sec. 12. **APPROPRIATIONS, DEPARTMENT OF NATURAL RESOURCES.**

Subdivision 1. **General fund appropriations.** (a) \$1,500,000 in fiscal year 2008 and \$1,500,000 in fiscal year 2009 are appropriated from the general fund to the commissioner of natural resources to support additional technical and cost-share assistance to nonindustrial private forest landowners.

(b) \$780,000 in fiscal year 2008 and \$780,000 in fiscal year 2009 are appropriated from the general fund to the commissioner of natural resources for implementation of the Sustainable Forest Resources Act in Minnesota Statutes, chapter 89A.

(c) \$200,000 in fiscal year 2008 is appropriated from the general fund to the Minnesota Forest Resources Council under Minnesota Statutes, chapter 89A, to review and provide recommendations to the legislature and the governor on policies to maintain the productive forest land base.

(d) \$200,000 in fiscal year 2008 is appropriated from the general fund to the Minnesota Forest Resources Council under Minnesota Statutes, chapter 89A, for the Forest Resources Research Advisory Committee under Minnesota Statutes, section 89A.08, to conduct research on topics recommended by the governor's task force on the competitiveness of Minnesota's primary forest products industry.

(e) \$480,000 in fiscal year 2008 is appropriated from the general fund to the Forest Resources Interagency Information Cooperative under Minnesota Statutes, section 89A.09, to implement technical assistance, technology development, and transfer programs as recommended by the governor's task force on the competitiveness of Minnesota's primary forest products industry.

Subd. 2. **Forest management investment account appropriations.** (a) \$3,167,000 in fiscal year 2008 and \$3,167,000 in fiscal year 2009 are appropriated from the forest management investment account to the commissioner of natural resources to cover the costs attributable to generating revenue to the forest management investment account.

(b) \$750,000 in fiscal year 2008 and \$750,000 in fiscal year 2009 are appropriated from the forest management investment account to the commissioner of natural resources to hire additional field foresters to work on timber sales.

(c) \$1,000,000 in fiscal year 2008 and \$1,000,000 in fiscal year 2009 are appropriated from the forest management investment account to the commissioner of natural resources for forest improvement efforts, including precommercial and noncommercial thinning and seedling protection.

(d) \$1,100,000 in fiscal year 2008 and \$1,100,000 in fiscal year 2009 are appropriated from the forest management investment account to the commissioner of natural resources for forest road maintenance.

(e) \$400,000 in fiscal year 2008 and \$400,000 in fiscal year 2009 are appropriated from the forest management investment account to the commissioner of natural resources to accelerate the continual reinventory of state-administered forest lands."

Delete the title and insert:

"A bill for an act relating to natural resources; modifying sales authority; creating an account; extending expiration of sustainable forest resources provisions; modifying restrictions on vehicles hauling unfinished forest products; modifying timber sales on tax-forfeited lands; modifying apportionment of net income; defining wood products industry; modifying certain tax exemptions; appropriating money; amending Minnesota Statutes 2006, sections 84.025, subdivision 9; 84.026, subdivision 1; 84.0855, subdivisions 1, 2; 89A.11; 169.8261; 282.04, subdivision 1; 290.191, subdivision 2; 297A.68, subdivision 5; 297A.69, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 89."

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

SECOND READING OF SENATE BILLS

S.F. Nos. 357 and 493 were read the second time.

MOTIONS AND RESOLUTIONS

Senator Prettnner Solon moved that S.F. No. 726 be withdrawn from the Committee on Judiciary and re-referred to the Committee on Finance. The motion prevailed.

Senator Marty moved that S.F. No. 1095 be withdrawn from the Committee on Finance and re-referred to the Committee on State and Local Government Operations and Oversight. The motion prevailed.

Senator Lynch moved that S.F. No. 1320 be withdrawn from the Committee on Health, Housing and Family Security and re-referred to the Committee on Finance. The motion prevailed.

Senator Berglin moved that S.F. No. 1461 be withdrawn from the Committee on Health, Housing and Family Security and re-referred to the Committee on Finance. The motion prevailed.

Senator Berglin moved that S.F. No. 1178 be withdrawn from the Committee on Finance and re-referred to the Committee on State and Local Government Operations and Oversight. The motion prevailed.

Senator Berglin moved that S.F. No. 857 be withdrawn from the Committee on Health, Housing and Family Security and re-referred to the Committee on Finance. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Senator Pogemiller moved that the Senate take up the Calendar. The motion prevailed.

CALENDAR

S.F. No. 108: A bill for an act relating to highways; designating the Walter F. Mondale Drive in Duluth; amending Minnesota Statutes 2006, section 161.14, subdivision 18, by adding a subdivision.

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 66 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Fischbach	Larson	Pappas	Skoe
Bakk	Foley	Limmer	Pariseau	Skogen
Berglin	Frederickson	Lourey	Pogemiller	Sparks
Betzold	Gerlach	Lynch	Prettner Solon	Stumpf
Bonoff	Gimse	Marty	Rest	Tomassoni
Carlson	Hann	Metzen	Robling	Torres Ray
Chaudhary	Higgins	Michel	Rosen	Vandever
Clark	Ingebrigtsen	Moua	Rummel	Vickerman
Cohen	Johnson	Murphy	Saltzman	Wergin
Day	Jungbauer	Neuville	Saxhaug	Wiger
Dibble	Koch	Olseen	Scheid	
Dille	Koering	Olson, G.	Senjem	
Doll	Kubly	Olson, M.	Sheran	
Erickson Ropes	Langseth	Ortman	Sieben	

So the bill passed and its title was agreed to.

S.F. No. 112: A bill for an act relating to commerce; prohibiting body piercing services for a person under the age of 18 without parental consent; prescribing a criminal penalty; providing public and private remedies; proposing coding for new law in Minnesota Statutes, chapter 325F.

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 40 and nays 25, as follows:

Those who voted in the affirmative were:

Anderson	Erickson Ropes	Limmer	Olson, M.	Senjem
Berglin	Fischbach	Lourey	Pappas	Sheran
Carlson	Frederickson	Lynch	Pariseau	Sieben
Chaudhary	Gimse	Marty	Prettner Solon	Skogen
Clark	Higgins	Metzen	Rest	Torres Ray
Cohen	Koch	Moua	Rosen	Vandever
Dibble	Kubly	Murphy	Rummel	Wergin
Dille	Larson	Olseen	Scheid	Wiger

Those who voted in the negative were:

Bakk	Foley	Jungbauer	Olson, G.	Skoe
Betzold	Gerlach	Koering	Ortman	Sparks
Bonoff	Hann	Langseth	Pogemiller	Stumpf
Day	Ingebrigtsen	Michel	Saltzman	Tomassoni
Doll	Johnson	Neuville	Saxhaug	Vickerman

So the bill passed and its title was agreed to.

S.F. No. 563: A bill for an act relating to energy; requiring development of an economic strategy to maximize state economic development benefits from the renewable electric energy industry; regulating the Legislative Electric Energy Task Force; amending Minnesota Statutes 2006, section 216C.051, subdivision 9.

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 64 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Fischbach	Larson	Ortman	Sheran
Bakk	Foley	Limmer	Pappas	Sieben
Berglin	Frederickson	Lourey	Pariseau	Skoe
Betzold	Gerlach	Lynch	Pogemiller	Skogen
Bonoff	Gimse	Marty	Prettner Solon	Sparks
Carlson	Hann	Metzen	Rest	Stumpf
Clark	Higgins	Michel	Robling	Tomassoni
Cohen	Johnson	Moua	Rosen	Torres Ray
Day	Jungbauer	Murphy	Rummel	Vandever
Dibble	Koch	Neuville	Saltzman	Vickerman
Dille	Koering	Olseen	Saxhaug	Wergin
Doll	Kubly	Olson, G.	Scheid	Wiger
Erickson Ropes	Langseth	Olson, M.	Senjem	

Those who voted in the negative were:

Ingebrigtsen

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Senator Pogemiller moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Senator Metzen in the chair.

After some time spent therein, the committee arose, and Senator Metzen reported that the committee had considered the following:

S.F. Nos. 805 and 1499, which the committee recommends to pass.

S.F. No. 543, which the committee recommends to pass, after the following motion:

Senator Vandever moved to amend S.F. No. 543 as follows:

Page 2, after line 20, insert:

"BE IT FURTHER RESOLVED that Congress never enact legislation that does not protect the privacy of the employee's vote."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 22 and nays 43, as follows:

Those who voted in the affirmative were:

Day	Gimse	Koch	Olson, G.	Vandevveer
Dille	Hann	Koering	Ortman	Wergin
Fischbach	Ingebrigtsen	Limmer	Pariseau	
Frederickson	Johnson	Michel	Robling	
Gerlach	Jungbauer	Neuville	Senjem	

Those who voted in the negative were:

Anderson	Dibble	Lynch	Prettner Solon	Skogen
Bakk	Doll	Marty	Rest	Sparks
Berglin	Erickson Ropes	Metzen	Rummel	Stumpf
Betzold	Foley	Moua	Saltzman	Tomassoni
Bonoff	Higgins	Murphy	Saxhaug	Torres Ray
Carlson	Kubly	Olseen	Scheid	Vickerman
Chaudhary	Langseth	Olson, M.	Sheran	Wiger
Clark	Larson	Pappas	Sieben	
Cohen	Lourey	Pogemiller	Skoe	

The motion did not prevail. So the amendment was not adopted.

On motion of Senator Pogemiller, the report of the Committee of the Whole, as kept by the Secretary, was adopted.

MOTIONS AND RESOLUTIONS - CONTINUED

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

REPORTS OF COMMITTEES

Senator Pogemiller moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

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

S.F. No. 218: A bill for an act relating to aeronautics; clarifying disclosure requirements for transfers of real property in certain airport safety zones; amending Minnesota Statutes 2006, section 360.065, subdivision 3.

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 2006, section 82.22, subdivision 8, is amended to read:

Subd. 8. **Material facts.** (a) Licensees shall disclose to any prospective purchaser all material facts of which the licensees are aware, which could adversely and significantly affect an ordinary

purchaser's use or enjoyment of the property, or any intended use of the property of which the licensees are aware.

(b) It is not a material fact relating to real property offered for sale the fact or suspicion that the property:

(1) is or was occupied by an owner or occupant who is or was suspected to be infected with human immunodeficiency virus or diagnosed with acquired immunodeficiency syndrome;

(2) was the site of a suicide, accidental death, natural death, or perceived paranormal activity; or

(3) is located in a neighborhood containing any adult family home, community-based residential facility, or nursing home.

(c) A licensee or employee of the licensee has no duty to disclose information regarding an offender who is required to register under section 243.166, or about whom notification is made under that section, if the broker or salesperson, in a timely manner, provides a written notice that information about the predatory offender registry and persons registered with the registry may be obtained by contacting local law enforcement where the property is located or the Department of Corrections.

(d) A licensee or employee of the licensee has no duty to disclose information regarding airport zoning regulations if the broker or salesperson, in a timely manner, provides a written notice that a copy of the airport zoning regulations as adopted can be reviewed or obtained at the office of the county recorder where the zoned area is located.

(e) A licensee is not required to disclose, except as otherwise provided in paragraph ~~(e)~~ (f), information relating to the physical condition of the property or any other information relating to the real estate transaction, if a written report that discloses the information has been prepared by a qualified third party and provided to the person. For the purposes of this paragraph, "qualified third party" means a federal, state, or local governmental agency, or any person whom the broker, salesperson, or a party to the real estate transaction reasonably believes has the expertise necessary to meet the industry standards of practice for the type of inspection or investigation that has been conducted by the third party in order to prepare the written report and who is acceptable to the person to whom the disclosure is being made.

~~(e)~~ (f) A licensee shall disclose to the parties to a real estate transaction any facts known by the broker or salesperson that contradict any information included in a written report, if a copy of the report is provided to the licensee, described in paragraph ~~(d)~~ (e).

~~(f)~~ (g) The limitation on disclosures set forth in paragraphs (b) and (c) shall modify any common law duties with respect to disclosure of material facts.

Sec. 2. Minnesota Statutes 2006, section 513.56, subdivision 3, is amended to read:

Subd. 3. **Inspections.** (a) Except as provided in paragraph (b), a seller is not required to disclose information relating to the real property if a written report that discloses the information has been prepared by a qualified third party and provided to the prospective buyer. For purposes of this paragraph, "qualified third party" means a federal, state, or local governmental agency, or any person whom the seller, or prospective buyer, reasonably believes has the expertise necessary to meet the industry standards of practice for the type of inspection or investigation that has been conducted by

the third party in order to prepare the written report.

(b) A seller shall disclose to the prospective buyer material facts known by the seller that contradict any information included in a written report under paragraph (a) if a copy of the report is provided to the seller.

(c) The seller has no duty to disclose information regarding airport zoning regulations if the seller, in a timely manner, provides a written notice that a copy of the airport zoning regulations as adopted can be reviewed or obtained at the office of the county recorder where the zoned area is located.

Sec. 3. REPEALER.

Minnesota Statutes 2006, section 360.065, subdivision 3, is repealed."

Delete the title and insert:

"A bill for an act relating to airport zoning regulations; establishing disclosure duties regarding airport zoning; amending Minnesota Statutes 2006, sections 82.22, subdivision 8; 513.56, subdivision 3; repealing Minnesota Statutes 2006, section 360.065, subdivision 3."

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

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

S.F. No. 962: A bill for an act relating to state finance; modifying aircraft facilities state financing to allow flexibility in obtaining a new lessee for the facility; amending Minnesota Statutes 2006, sections 116R.02, subdivision 5; 116R.03; 116R.12, by adding a subdivision; repealing Minnesota Statutes 2006, sections 116R.02, subdivisions 3, 6, 7, 9; 116R.16.

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

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

S.F. No. 1169: A bill for an act relating to local government; authorizing municipalities to issue bonds to fund actuarial liabilities to pay postemployment benefits to retired officers and employees; amending Minnesota Statutes 2006, sections 475.52, subdivision 6; 475.58, subdivision 1.

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

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

S.F. No. 1297: A bill for an act relating to elections; providing for automatic voter registration of applicants for a driver's license, instruction permit, or identification card; appropriating money; amending Minnesota Statutes 2006, sections 201.12; 201.13, subdivision 3; 201.161.

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 2006, section 201.12, is amended to read:

201.12 PROPER REGISTRATION; VERIFICATION BY MAIL; CHALLENGES.

Subdivision 1. **Notice of registration.** To prevent fraudulent voting and to eliminate excess names, the county auditor may mail to any registered voter a notice stating the voter's name and address as they appear in the registration files. The notice shall request the voter to notify the county auditor if there is any mistake in the information.

Subd. 2. **Challenges Moved within state.** If the notice is returned as undeliverable but with a permanent forwarding address in this state, the county auditor shall notify the auditor of the county where the voter resides. Upon receipt of the notice, the county auditor shall update the voter's address in the statewide voter registration system and mail to the voter the notice of registration required by section 201.121, subdivision 2. The notice must advise the voter that the voter's voting address has been changed and that the voter must notify the county auditor within 21 days if the new address is not what the voter intended to be their permanent address.

Subd. 3. **Moved out of state.** If the notice is returned as undeliverable but with a permanent forwarding address outside this state, the county auditor shall promptly mail to the voter at the forwarding address a notice advising the voter that the voter's voter registration in this state will be deleted unless the voter notifies the county auditor within 21 days that the voter intends to retain the former address as the voter's permanent address. If the notice is not received by the deadline, the county auditor shall delete the registration.

Subd. 4. **Challenges.** ~~Upon return of any nonforwardable mailing from an election official, the county auditor or the auditor's staff shall ascertain the name and address of that individual. If the individual is no longer at the address recorded in the statewide registration system~~ If the notice is returned as undeliverable but with no forwarding address, the county auditor shall change the registrant's status to "challenged" in the statewide registration system. An individual challenged in accordance with this subdivision shall comply with the provisions of section 204C.12, before being allowed to vote. If a notice mailed at least 60 days after the return of the first nonforwardable mailing is also returned by the postal service, the county auditor shall change the registrant's status to "inactive" in the statewide registration system.

Sec. 2. Minnesota Statutes 2006, section 201.13, subdivision 3, is amended to read:

Subd. 3. **Use of change of address system.** ~~The county auditor may delete the records in the statewide registration system of voters whose change of address can be confirmed by the United States Postal Service. The secretary of state may provide the county auditors with periodic reports on voters whose change of address can be confirmed by the United States Postal Service.~~

(a) At least once each month the secretary of state shall obtain a list of individuals in this state who have filed with the United States Postal Service a change of their permanent address. If an individual is registered as a voter in the statewide voter registration system and the change is to another address in this state, the secretary of state shall transmit the registration by electronic means to the county auditor of the county where the voter resides. Upon receipt of the registration, the county auditor shall update the voter's address in the statewide voter registration system and mail

to the voter the notice of registration required by section 201.121, subdivision 2. The notice must advise the voter that the voter's permanent address has been changed and that the voter must notify the county auditor within 21 days if the new address is not what the voter intended to be the voter's permanent address.

(b) If the change of permanent address is to a forwarding address outside this state, the secretary of state shall notify by electronic means the auditor of the county where the voter formerly resided that the voter has left the state. The county auditor shall promptly mail to the voter at the forwarding address a notice advising the voter that the voter's voter registration in this state will be deleted unless the voter notifies the county auditor within 21 days that the voter intends to retain the former address as the voter's permanent address. If the notice is not received by the deadline, the county auditor shall delete the registration.

Sec. 3. Minnesota Statutes 2006, section 201.161, is amended to read:

201.161 AUTOMATIC REGISTRATION OF DRIVER'S LICENSE, INSTRUCTION PERMIT, AND IDENTIFICATION CARD APPLICANTS-APPLICANTS.

Subdivision 1. **Automatic registration.** An individual who properly completes an application for a new or renewed Minnesota driver's license, instruction permit, or identification card, and who is eligible to vote under section 201.014, must be registered to vote as provided in this section, unless the applicant declines to be registered.

Subd. 2. **Applications.** The Department commissioner of public safety, in consultation with the secretary of state, shall change its the applications for an original, duplicate, or change of address driver's license, instruction permit, or identification card so that the forms may also serve as voter registration applications. The forms must contain spaces for all information collected by voter registration applications prescribed by the secretary of state and a box for the applicant to decline to be registered to vote. Applicants for driver's licenses or identification cards must be asked if they want to register to vote at the same time and that Unless the applicant has declined to be registered to vote, the commissioner shall transmit the information must be transmitted at least weekly daily by electronic means to the secretary of state. Pursuant to the Help America Vote Act of 2002, Public Law 107-252, the computerized driver's license record containing the voter's name, address, date of birth, citizenship, driver's license number or state identification number, county, town, and city or town, and signature must be made available for access by the secretary of state and interaction with the statewide voter registration system.

Subd. 3. **Registration.** (a) The secretary of state shall determine whether the applicant is currently registered in the statewide voter registration system. For each currently registered voter whose registration is not changed, the secretary of state shall update the voter's registration date in the statewide voter registration system. For each currently registered voter whose registration is changed, the secretary of state shall transmit the registration daily by electronic means to the county auditor of the county where the voter resides.

(b) If the applicant is not currently registered in the statewide voter registration system, the secretary of state shall determine whether the applicant is 18 years of age or older and a citizen of the United States and compare the voter registration information received from the commissioner of public safety with the information on wards, incompetents, and felons received from the state court administrator under sections 201.15 and 201.155, to determine whether the applicant is eligible to vote. If an applicant is less than 18 years of age, the secretary of state shall wait until the applicant has

turned 18 years of age to determine whether the applicant is eligible to vote. For each applicant the secretary of state determines is an eligible voter, the secretary of state shall transmit the registration daily by electronic means to the county auditor of the county where the voter resides.

Subd. 4. **Notice.** Upon receipt of the registration, the county auditor shall mail to the voter the notice of registration required by section 201.121, subdivision 2.

Subd. 5. **Effective date.** An application for registration that is dated during the 20 days before an election in any jurisdiction within which the voter resides is not effective until the day after the election.

Sec. 4. **APPROPRIATIONS.**

Subdivision 1. **Secretary of state.** \$.,000,000 are appropriated from the general fund to the secretary of state to design and install an automatic voter registration system under this act to be available until June 30, 2009.

Subd. 2. **Commissioner of public safety.** \$.,000 are appropriated from the general fund to the commissioner of public safety to revise the form of the driver's license, instruction permit, and state identification card applications and to facilitate the electronic exchange of voter registration information with the secretary of state as required by section 3 to be available until June 30, 2009.

Subd. 3. **Supreme Court.** \$.,000 are appropriated from the general fund to the Supreme Court to pay costs incurred by the state court administrator in providing information on wards, incompetents, and felons to the secretary of state for the purpose of automatic voter registration under this act to be available until June 30, 2009.

Sec. 5. **EFFECTIVE DATE.**

Subdivision 1. **Generally.** This act is effective August 1, 2007, except as provided in this section.

Subd. 2. **Automatic registration.** An applicant for a Minnesota driver's license, instruction permit, or identification card must not be registered to vote under section 3 until the secretary of state has certified that the system for automatic registration of those applicants has been tested and shown to properly determine whether an applicant is eligible to vote."

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

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

S.F. No. 655: A bill for an act relating to agriculture; providing for a checkoff for fertilizer, soil amendment, and plant amendment; establishing a Minnesota Agricultural Fertilizer Research and Education Council and program; exempting on-farm storage from fertilizer facility safeguarding and permitting; appropriating money; amending Minnesota Statutes 2006, section 18C.305, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 18C.

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

Page 2, line 10, after the period, insert "The commissioner of agriculture must convene the first

meeting of the council. The council must select its chair at its first meeting."

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

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

S.F. No. 471: A bill for an act relating to state government; requiring state agencies to certify that no state employees on recall lists are able to perform specified services before seeking approval of certain contracts; amending Minnesota Statutes 2006, section 16C.08, subdivision 2.

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

Page 1, line 18, delete the new language

Page 2, line 7, strike the second "and"

Page 2, line 12, strike the period and insert "; and"

Page 2, after line 12, insert:

"(8) the agency will not contract out its previously eliminated jobs for four years without first considering the same former employees who are on the seniority unit layoff list who meet the minimum qualifications determined by the agency."

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

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

S.F. No. 148: A bill for an act relating to human services; changing mental health provisions; requiring mental health assessments for certain inmates; establishing children's mental health grants and training; requiring a study to determine the feasibility of requiring students of higher education to carry health insurance; creating a loan forgiveness program; establishing the Crisis Intervention Team State Council; making changes to mental health funding provisions; establishing pilot projects; authorizing grant funding; requiring reports; appropriating money; amending Minnesota Statutes 2006, sections 245.4712, subdivision 1; 245.50, subdivision 5; 256B.038; 256B.0623, subdivision 8; 256B.0625, subdivisions 38, 43, 46; 256B.0943, by adding subdivisions; 256B.69, subdivisions 5g, 5h; 256B.763; 256D.03, subdivisions 3, 4; 256D.44, subdivision 5; 256L.03, subdivisions 1, 5; 256L.035; 256L.07, subdivision 3; 256L.12, subdivision 9a; 641.15, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 144; 245; 245A; 256; 626; 641.

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

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

S.F. No. 128: A bill for an act relating to commerce; regulating vehicle protection products; establishing registration and oversight requirements; requiring certain disclosures; providing

remedies and penalties; proposing coding for new law as Minnesota Statutes, chapter 59C.

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

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 2006, section 13.712, is amended by adding a subdivision to read:

Subd. 3. **Vehicle protection product warrantors.** Financial information provided to the commissioner of commerce by vehicle protection product warrantors is classified under section 59C.05, subdivision 3."

Page 4, line 33, delete everything after the period

Page 4, line 34, delete everything before the period and insert "The financial information provided to the commissioner under this paragraph is trade secret information for purposes of section 13.37"

Page 7, delete lines 19 to 21

Page 7, line 27, after "warrantor" insert "and transactions regulated under this chapter"

Renumber the sections in sequence

Amend the title numbers accordingly

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

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

S.F. No. 276: A bill for an act relating to insurance; creating a statewide health insurance pool for school district employees; appropriating money; amending Minnesota Statutes 2006, sections 62E.02, subdivision 23; 62E.10, subdivision 1; 62E.11, subdivision 5; 297I.05, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 62A.

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

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 2006, section 13.203, is amended to read:

13.203 SERVICE COOPERATIVE AND SCHOOL EMPLOYEE INSURANCE BOARD CLAIMS DATA.

(a) Claims experience and all related information received from carriers and claims administrators participating in a group health or dental plan, including any long-term disability plan, offered through the Minnesota service cooperatives to Minnesota school districts and other political subdivisions or by the Minnesota school employee insurance board created under section 62A.662, and survey information collected from employees and employers participating in these plans and programs, except when the executive director of a Minnesota service cooperative determines that release of the data will not be detrimental to the plan or program, are classified as

nonpublic data ~~not on individuals~~.

(b) Data that are classified as nonpublic data under paragraph (a) may be disclosed if the executive director of a Minnesota service cooperative or the Minnesota school employee insurance board determines that release of the data will not be detrimental to the plan or program."

Page 4, after line 27, insert:

"Subd. 9. **Applicability of data practices laws.** The board is a government entity subject to chapter 13."

Page 7, line 4, delete "4 and 5" and insert "5 and 6"

Renumber the sections in sequence

Amend the title numbers accordingly

And when so amended the bill do pass and be re-referred to the Committee on Health, Housing and Family Security. Amendments adopted. Report adopted.

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

S.F. No. 1346: A bill for an act relating to the Office of the Secretary of State; regulating registrations, filings, and dissolutions of certain entities; providing fees; regulating foreign limited partnership name changes; regulating notaries public; amending Minnesota Statutes 2006, sections 5.12, subdivision 1; 302A.821, subdivision 4; 308A.995, subdivisions 1, 4; 308B.121, subdivisions 1, 4; 308B.215, subdivision 2; 317A.823, subdivision 1; 321.0206; 336.1-110; 336.9-516; 336.9-525; 358.41; 358.42; 358.50; 359.085, subdivisions 2, 3; proposing coding for new law in Minnesota Statutes, chapters 308B; 321; repealing Minnesota Statutes 2006, sections 69.051, subdivision 1c; 359.085, subdivision 8.

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

Page 7, after line 4, insert:

"Sec. 11. Minnesota Statutes 2006, section 321.0210, is amended to read:

321.0210 ANNUAL REPORT FOR SECRETARY OF STATE.

(a) Subject to subsection (b):

(1) in each calendar year following the calendar year in which a limited partnership becomes subject to this chapter, the limited partnership must deliver to the secretary of state for filing an annual registration containing the information required by subsection (c); and

(2) in each calendar year following the calendar year in which there is first on file with the secretary of state a certificate of authority under section 321.0904 pertaining to a foreign limited partnership, the foreign limited partnership must deliver to the secretary of state for filing an annual registration containing the information required by subsection (c).

(b) A limited partnership's obligation under subsection (a) ends if the limited partnership delivers to the secretary of state for filing a statement of termination under section 321.0203 and the statement becomes effective under section 321.0206. A foreign limited partnership's obligation

under subsection (a) ends if the secretary of state issues and files a certificate of revocation under section 321.0906 or if the foreign limited partnership delivers to the secretary of state for filing a notice of cancellation under section 321.0907(a) and that notice takes effect under section 321.0206. If a foreign limited partnership's obligations under subsection (a) end and later the secretary of state files, pursuant to section 321.0904, a new certificate of authority pertaining to that foreign limited partnership, subsection (a)(2), again applies to the foreign limited partnership and, for the purposes of subsection (a)(2), the calendar year of the new filing is treated as the calendar year in which a certificate of authority is first on file with the secretary of state.

(c) The annual registration must contain:

(1) the name of the limited partnership or foreign limited partnership;

(2) the address of its designated office and the name and street and mailing address of its agent for service of process in Minnesota and, if the agent is not an individual, the name, street and mailing address, and telephone number of an individual who may be contacted for purposes other than service of process with respect to the limited partnership;

(3) in the case of a limited partnership, the street and mailing address of its principal office; and

(4) in the case of a foreign limited partnership, the name of the state or other jurisdiction under whose law the foreign limited partnership is formed and any alternate name adopted under section 321.0905(a).

(d) The secretary of state shall:

(1) administratively dissolve under section 321.0809 a limited partnership that has failed to file a registration pursuant to subsection (a); and

(2) revoke under section 321.0906 the certificate of authority of a foreign limited partnership that has failed to file a registration pursuant to subsection (a)."

Page 7, after line 8, insert:

"Sec. 13. Minnesota Statutes 2006, section 323A.1003, is amended to read:

323A.1003 ANNUAL REGISTRATION.

(a) Each calendar year beginning in the calendar year following the calendar year in which a partnership files a statement of qualification or in which a foreign partnership becomes authorized to transact business in this state, the secretary of state must mail by first class mail an annual registration form to the street address of the partnership's chief executive office, if located in Minnesota, the office in this state, if the chief executive office is not located in Minnesota, or address of the registered agent of the partnership as shown on the records of the secretary of state when the chief executive office is not located in Minnesota and no other Minnesota office exists. The form must include the following notice:

"NOTICE: Failure to file this form by December 31 of this year will result in the revocation of the statement of qualification of this limited liability partnership without further notice from the secretary of state pursuant to Minnesota Statutes, section 323A.1003, subsection (d)."

(b) A limited liability partnership, and a foreign limited liability partnership authorized to

transact business in this state, shall file an annual registration in the office of the secretary of state which contains:

(1) the name of the limited liability partnership and the state or other jurisdiction under whose laws the foreign limited liability partnership is formed;

(2) the street address, including the zip code, of the partnership's chief executive office and, if different, the street address, including the zip code, of an office of the partnership in this state, if any; ~~and~~

(3) if the partnership does not have an office in this state, the name and street address, including the zip code, of the partnership's current agent for service of process; and

(4) if the agent for service of process under clause (3) is not an individual, the name, street address, and telephone number of an individual who may be contacted for purposes other than service of process with respect to the limited liability partnership.

(c) An annual registration must be filed once each calendar year beginning in the year following the calendar year in which a partnership files a statement of qualification or a foreign partnership becomes authorized to transact business in this state.

(d) The secretary of state must revoke the statement of qualification of a partnership that fails to file an annual registration when due or pay the required filing fee. The secretary of state must issue a certificate of revocation which must be filed in the office of the secretary of state. The secretary of state must also make available in an electronic format the names of the revoked limited liability companies.

(e) A revocation under subsection (d) only affects a partnership's status as a limited liability partnership and is not an event of dissolution of the partnership.

(f) A partnership whose statement of qualification has been revoked may apply to the secretary of state for reinstatement within one year after the effective date of the revocation. A partnership must file an annual registration to apply for reinstatement and pay a reinstatement fee of \$135.

(g) A reinstatement under subsection (f) relates back to and takes effect as of the effective date of the revocation, and the partnership's status as a limited liability partnership continues as if the revocation had never occurred."

Page 10, line 1, delete "14" and insert "16"

Page 10, line 2, after the first period, insert "Sections 11 and 13 apply to annual reports and registrations made for calendar year 2008 and after that."

Renumber the sections in sequence

Amend the title numbers accordingly

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

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

S.F. No. 1179: A bill for an act relating to public safety; expanding drug free and prostitution free zones; appropriating money for pilot projects in Minneapolis and St. Paul; amending Minnesota Statutes 2006, sections 152.01, by adding subdivisions; 152.021, subdivision 1; 152.022, subdivision 1; 152.023, subdivision 2; 152.024, subdivision 1; 609.3242.

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

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 2006, section 152.01, subdivision 14a, is amended to read:

Subd. 14a. **School zone.** "School zone" means:

(1) any property owned, leased, or controlled by a school district or an organization operating a nonpublic school, as defined in section 123B.41, subdivision 9, where an elementary, middle, secondary school, secondary vocational center or other school providing educational services in grade one through grade 12 is located, or used for educational purposes, or where extracurricular or cocurricular activities are regularly provided;

(2) the area surrounding school property as described in clause (1) to a distance of 300 feet or one city block, whichever distance is greater, beyond the school property; ~~and~~

(3) the area within a school bus when that bus is being used to transport one or more elementary or secondary school students; and

(4) school bus stops established by a school board under section 123B.88, while school children are waiting for the bus.

EFFECTIVE DATE. This section is effective August 1, 2007, and applies to crimes committed on or after that date."

Page 1, line 10, delete "has the meaning given" and insert "means a child care center licensed under chapter 245A"

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

Page 5, line 2, delete the new language and strike "SCHOOL" and strike "PARK" and insert "CERTAIN"

Page 5, line 3, delete the new language

Page 5, line 6, strike ", and"

Page 5, strike line 7

Page 5, line 8, strike "school children are waiting for the bus"

Page 5, line 10, delete "and"

Page 5, line 12, delete the period and insert "; and"

Page 5, after line 12, insert:

"(6) "public housing zone" has the meaning given in section 152.01, subdivision 19."

Page 5, line 14, after the second comma, insert "public housing zone,"

Renumber the sections in sequence

Amend the title numbers accordingly

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

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

S.F. No. 1081: A bill for an act relating to state government; establishing the Minnesota Commission on New Americans; providing appointments; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 3.

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

Page 1, delete subdivision 2 and insert:

"Subd. 2. **Membership.** (a) The Minnesota Commission on New Americans consists of ten members. The governor shall appoint two public members; the Subcommittee on Committees of the Committee on Rules and Administration of the senate shall appoint two public members and two senators, one from the majority party and one from the minority party; and the speaker of the house of representatives shall appoint two public members and two members of the house of representatives, one from the majority party and one from the minority party.

(b) Public members must have experience in working with the immigrant community, including training, special skills, and experience that would benefit the commission, such as training and experience in business, management, economics, public policy, legal affairs, and social work. Each of the legislative appointing authorities must strive to appoint public members who are:

(1) a business executive or employer with policymaking or hiring authority, including the owner, chief executive, or operating officer of a business in this state; or

(2) a representative of a private business with employment opportunities that reflect the employment opportunities available within the state.

The legislative appointing authorities are encouraged to consult with business and business trade organizations in the state.

The appointing authorities shall seek to collaborate with each other and with the councils established in sections 3.9223, 3.9225, and 3.9226, to ensure that the public membership of the commission is ethnically and geographically diverse and is reasonably balanced by gender.

(c) Compensation and the filling of vacancies for appointed members are as provided in section 15.0575. The appointments required under this subdivision must be completed no later than September 1, 2007."

Page 1, line 8, delete "capitalize upon and develop" and insert "identify"

Page 1, line 9, delete everything after "shall"

Page 1, line 10, delete "effectively" and before "to" insert "make recommendations to the legislature and state agencies"

Page 1, line 11, delete "political" and insert "economic"

Page 2, line 18, after "state" insert "and nonprofit" and delete the third "and"

Page 2, line 20, delete the period and insert "; and"

Page 2, before line 21, insert:

"(7) integration into civic life."

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

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

S.F. No. 131: A bill for an act relating to state government; establishing Preservation of State Documents Act; proposing coding for new law in Minnesota Statutes, chapter 16E.

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

Delete everything after the enacting clause and insert:

"Section 1. **ELECTRONIC DATA STUDY AND REPORT.**

Subdivision 1. **Study.** The chief information officer shall study how electronic data, hardware, software, and media can be created, maintained, exchanged, and preserved by the state to ensure access, competition, and interoperability. The evaluation must consider, but not be limited to, the policies of other states and nations with regard to electronic records management guidelines for state archives, public access to information, expected storage life of electronic data, costs of implementation, and potential cost savings. The chief information officer shall solicit comments from stakeholders.

Subd. 2. **Report.** The chief information officer shall report the officer's findings and recommendations to the chairs of the senate State and Local Government Operations and Oversight Committee, house of representatives Governmental Operations, Reform, Technology and Elections Committee, and the senate and house of representatives State Government Finance Divisions by January 15, 2008."

Delete the title and insert:

"A bill for an act relating to state government; requiring the chief information officer to prepare an electronic data preservation study."

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

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

S.F. No. 1298: A bill for an act relating to elections; changing certain definitions, voter registration procedures and requirements, filing requirements, voting procedures, election day prohibitions, and ballot preparation requirements; establishing a complaint and resolution process; requiring certain notices; providing for assessment of certain costs; changing a petition requirement; imposing penalties; appropriating money; amending Minnesota Statutes 2006, sections 200.02, subdivisions 7, 23; 201.056; 201.061, subdivision 1, by adding a subdivision; 201.071, subdivision 1; 201.091, by adding a subdivision; 201.121, by adding a subdivision; 201.171; 204B.06, subdivision 1; 204B.09, subdivision 1; 204B.11, subdivision 2; 204B.27, by adding a subdivision; 204B.45, subdivision 1; 204C.06, subdivision 8; 204D.09, subdivision 2; 204D.16; 205.16, subdivisions 2, 3; 205A.07, subdivision 2; 206.89, subdivision 1; 211A.05; 211B.37; 325L.03; 410.12, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 204B; repealing Minnesota Statutes 2006, sections 200.04; 201.061, subdivision 7.

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 2006, section 200.02, subdivision 7, is amended to read:

Subd. 7. **Major political party.** (a) "Major political party" means a political party that maintains a party organization in the state, political division, or precinct in question and that has presented at least one candidate for election to the office of:

(1) governor and lieutenant governor, secretary of state, state auditor, or attorney general at the last preceding state general election for those offices; or

(2) presidential elector or U.S. senator at the last preceding state general election for presidential electors; and

whose candidate received votes in each county in that election and received votes from not less than five percent of the total number of individuals who voted in that election.

(b) "Major political party" also means a political party that maintains a party organization in the state, political subdivision, or precinct in question and that has presented at least 45 candidates for election to the office of state representative, 23 candidates for election to the office of state senator, four candidates for election to the office of representative in Congress, and one candidate for election to each of the following offices: governor and lieutenant governor, attorney general, secretary of state, and state auditor, at the last preceding state general election for those offices.

(c) "Major political party" also means a political party that maintains a party organization in the state, political subdivision, or precinct in question and whose members present to the secretary of state at any time before the close of filing for the state partisan primary ballot at least six weeks before the start of the filing period a petition for a place on the state partisan primary ballot, which petition contains signatures of a number of the party members equal to at least five percent of the total number of individuals who voted in the preceding state general election. The petition may be circulated at any time after January 1 and more than six weeks before the start of the filing period in the year the petition is submitted.

(d) A political party whose candidate receives a sufficient number of votes at a state general election described in paragraph (a) or a political party that presents candidates at an election as required by paragraph (b) becomes a major political party as of January 1 following that election

and retains its major party status for at least two state general elections even if the party fails to present a candidate who receives the number and percentage of votes required under paragraph (a) or fails to present candidates as required by paragraph (b) at subsequent state general elections.

(e) A major political party whose candidates fail to receive the number and percentage of votes required under paragraph (a) and that fails to present candidates as required by paragraph (b) at each of two consecutive state general elections described by paragraph (a) or (b), respectively, loses major party status as of December 31 following the later of the two consecutive state general elections.

Sec. 2. Minnesota Statutes 2006, section 200.02, subdivision 23, is amended to read:

Subd. 23. **Minor political party.** (a) "Minor political party" means a political party that has adopted a state constitution, designated a state party chair, held a state convention in the last two years, filed with the secretary of state no later than December 31 following the most recent state general election a certification that the party has met the foregoing requirements, and met the requirements of paragraph (b) or (e), as applicable.

(b) To be considered a minor party in all elections statewide, the political party must have presented at least one candidate for election to the office of:

(1) governor and lieutenant governor, secretary of state, state auditor, or attorney general, at the last preceding state general election for those offices; or

(2) presidential elector or U.S. senator at the preceding state general election for presidential electors; and

who received votes in each county that in the aggregate equal at least one percent of the total number of individuals who voted in the election, or its members must have presented to the secretary of state ~~at any time before the close of filing for the state partisan primary ballot at least six weeks before the start of the filing period~~ a nominating petition in a form prescribed by the secretary of state containing the signatures of party members in a number equal to at least one percent of the total number of individuals who voted in the preceding state general election. The petition may be circulated at any time after January 1 and more than six weeks before the start of the filing period in the year the petition is submitted.

(c) A political party whose candidate receives a sufficient number of votes at a state general election described in paragraph (b) becomes a minor political party as of January 1 following that election and retains its minor party status for at least two state general elections even if the party fails to present a candidate who receives the number and percentage of votes required under paragraph (b) at subsequent state general elections.

(d) A minor political party whose candidates fail to receive the number and percentage of votes required under paragraph (b) at each of two consecutive state general elections described by paragraph (b) loses minor party status as of December 31 following the later of the two consecutive state general elections.

(e) A minor party that qualifies to be a major party loses its status as a minor party at the time it becomes a major party. Votes received by the candidates of a major party must be counted in determining whether the party received sufficient votes to qualify as a minor party, notwithstanding that the party does not receive sufficient votes to retain its major party status. To be considered a minor party in an election in a legislative district, the political party must have presented at least

one candidate for a legislative office in that district who received votes from at least ten percent of the total number of individuals who voted for that office, or its members must have presented to the secretary of state a nominating petition in a form prescribed by the secretary of state containing the signatures of party members in a number equal to at least ten percent of the total number of individuals who voted in the preceding state general election for that legislative office.

Sec. 3. Minnesota Statutes 2006, section 201.016, subdivision 1a, is amended to read:

Subd. 1a. **Violations; penalty.** (a) The county auditor shall mail a violation notice to any voter who the county auditor can determine has voted ~~in a precinct other than the precinct in~~ using an address at which the voter ~~maintains~~ does not maintain residence on election day. The notice must be in the form provided by the secretary of state. The county auditor shall also change the status of the voter in the statewide registration system to "challenged" and the voter shall be required to provide proof of residence to either the county auditor or to the election judges in the voter's precinct before voting in the next election. Any of the forms authorized by section 201.061 for registration at the polling place may be used for this purpose.

(b) A voter who votes in a precinct other than the precinct in which the voter maintains residence after receiving an initial violation notice as provided in this subdivision is guilty of a petty misdemeanor.

(c) A voter who votes in a precinct other than the precinct in which the voter maintains residence after having been found to have committed a petty misdemeanor under paragraph (b) is guilty of a misdemeanor.

(d) Reliance by the voter on inaccurate information regarding the location of the voter's polling place provided by the state, county, or municipality is an affirmative defense to a prosecution under this subdivision.

Sec. 4. Minnesota Statutes 2006, section 201.056, is amended to read:

201.056 SIGNATURE OF REGISTERED VOTER; MARKS ALLOWED.

An individual who is unable to write the individual's name shall be required to sign a registration card ~~by making the individual's mark~~ application in the manner provided by section 645.44, subdivision 14. If the individual registers in person and ~~signs by making a mark,~~ the clerk or election judge accepting the registration shall certify the mark by signing the individual's name. If the individual registers by mail and ~~signs by making a mark,~~ the mark shall be certified by having a voter registered in the individual's precinct sign the individual's name and the voter's own name and give the voter's own address.

Sec. 5. Minnesota Statutes 2006, section 201.061, subdivision 1, is amended to read:

Subdivision 1. **Prior to election day.** At any time except during the 20 days immediately preceding any regularly scheduled election, an eligible voter or any individual who will be an eligible voter at the time of the next election may register to vote in the precinct in which the voter maintains residence by completing a paper voter registration application as described in section 201.071, subdivision 1, and submitting it in person or by mail to the county auditor of that county or to the Secretary of State's Office. If the individual has a Minnesota driver's license, identification card, or learner's permit, the individual may register online using the Web site maintained by the secretary of state. A registration that is received no later than 5:00 p.m. on the 21st day preceding

any election shall be accepted. An improperly addressed or delivered registration application shall be forwarded within two working days after receipt to the county auditor of the county where the voter maintains residence. A state or local agency or an individual that accepts completed voter registration applications from a voter must submit the completed applications to the secretary of state or the appropriate county auditor within ten business days after the applications are dated by the voter.

For purposes of this section, mail registration is defined as a voter registration application delivered to the secretary of state, county auditor, or municipal clerk by the United States Postal Service or a commercial carrier.

Sec. 6. Minnesota Statutes 2006, section 201.061, is amended by adding a subdivision to read:

Subd. 1b. **Prohibited methods of compensation; penalty.** (a) No individual may be compensated for the solicitation, collection, or acceptance of voter registration applications from voters for submission to the secretary of state, a county auditor, or other local election official in a manner in which payment is calculated by multiplying (1) either a set or variable payment rate, by (2) the number of voter registration applications solicited, collected, or accepted.

(b) No individual may be deprived of compensation or have compensation automatically reduced exclusively for failure to solicit, collect, or accept a minimum number of voter registration applications and no individual may receive additional compensation for reaching or exceeding a minimum number of voter registration applications.

(c) A person who violates this subdivision is guilty of a petty misdemeanor.

Sec. 7. Minnesota Statutes 2006, section 201.061, subdivision 3, is amended to read:

Subd. 3. **Election day registration.** (a) An individual who is eligible to vote may register on election day by appearing in person at the polling place for the precinct in which the individual maintains residence, by completing a registration application, making an oath in the form prescribed by the secretary of state and providing proof of residence. An individual may prove residence for purposes of registering by:

(1) presenting a driver's license or Minnesota identification card issued pursuant to section 171.07;

(2) presenting any document approved by the secretary of state as proper identification;

(3) presenting one of the following:

(i) a current valid student identification card from a postsecondary educational institution in Minnesota, if a list of students from that institution has been prepared under section 135A.17 and certified to the county auditor in the manner provided in rules of the secretary of state; or

(ii) a current student fee statement that contains the student's valid address in the precinct together with a picture identification card; or

(4) having a voter who is registered to vote in the precinct, or who is an employee employed by and working in a residential facility in the precinct and vouching for a resident in the facility, sign an oath in the presence of the election judge vouching that the voter or employee personally knows that the individual is a resident of the precinct. A voter who has been vouched for on election day may

not sign a proof of residence oath vouching for any other individual on that election day. A voter who is registered to vote in the precinct may sign up to 15 proof-of-residence oaths on any election day. This limitation does not apply to an employee of a residential facility described in this clause. The secretary of state shall provide a form for election judges to use in recording the number of individuals for whom a voter signs proof-of-residence oaths on election day. The form must include space for the maximum number of individuals for whom a voter may sign proof-of-residence oaths. For each proof-of-residence oath, the form must include a statement that the voter is registered to vote in the precinct, personally knows that the individual is a resident of the precinct, and is making the statement on oath. The form must include a space for the voter's printed name, signature, telephone number, and address.

The oath required by this subdivision and Minnesota Rules, part 8200.9939, must be attached to the voter registration application ~~and the information on the oath must be recorded on the records of both the voter registering on election day and the voter who is vouching for the person's residence, and entered into the statewide voter registration system by the county auditor when the voter registration application is entered into that system.~~

(b) The operator of a residential facility shall prepare a list of the names of its employees currently working in the residential facility and the address of the residential facility. The operator shall certify the list and provide it to the appropriate county auditor no less than 20 days before each election for use in election day registration.

(c) "Residential facility" means transitional housing as defined in section 256E.33, subdivision 1; a supervised living facility licensed by the commissioner of health under section 144.50, subdivision 6; a nursing home as defined in section 144A.01, subdivision 5; a residence registered with the commissioner of health as a housing with services establishment as defined in section 144D.01, subdivision 4; a veterans home operated by the board of directors of the Minnesota Veterans Homes under chapter 198; a residence licensed by the commissioner of human services to provide a residential program as defined in section 245A.02, subdivision 14; a residential facility for persons with a developmental disability licensed by the commissioner of human services under section 252.28; group residential housing as defined in section 256I.03, subdivision 3; a shelter for battered women as defined in section 611A.37, subdivision 4; or a supervised publicly or privately operated shelter or dwelling designed to provide temporary living accommodations for the homeless.

(d) For tribal band members, an individual may prove residence for purposes of registering by:

(1) presenting an identification card issued by the tribal government of a tribe recognized by the Bureau of Indian Affairs, United States Department of the Interior, that contains the name, address, signature, and picture of the individual; or

(2) presenting an identification card issued by the tribal government of a tribe recognized by the Bureau of Indian Affairs, United States Department of the Interior, that contains the name, signature, and picture of the individual and also presenting one of the documents listed in Minnesota Rules, part 8200.5100, subpart 2, item B.

(e) A county, school district, or municipality may require that an election judge responsible for election day registration initial each completed registration application.

Sec. 8. Minnesota Statutes 2006, section 201.071, subdivision 1, is amended to read:

Subdivision 1. **Form.** A voter registration application must ~~be of suitable size and weight for mailing and~~ contain spaces for the following required information: voter's first name, middle name, and last name; voter's previous name, if any; voter's current address; voter's previous address, if any; voter's date of birth; voter's municipality and county of residence; voter's telephone number, if provided by the voter; date of registration; current and valid Minnesota driver's license number or Minnesota state identification number, or if the voter has no current and valid Minnesota driver's license or Minnesota state identification, and the last four digits of the voter's Social Security number; ~~and voter's signature.~~ The registration application may include the voter's e-mail address, if provided by the voter, and the voter's interest in serving as an election judge, if indicated by the voter. The application must also contain the following certification of voter eligibility:

"I certify that I:

- (1) will be at least 18 years old on election day;
- (2) am a citizen of the United States;
- (3) will have resided in Minnesota for 20 days immediately preceding election day;
- (4) maintain residence at the address given on the registration form;
- (5) am not under court-ordered guardianship in which the court order revokes my right to vote;
- (6) have not been found by a court to be legally incompetent to vote;
- (7) have the right to vote because, if I have been convicted of a felony, my felony sentence has expired (been completed) or I have been discharged from my sentence; and
- (8) have read and understand the following statement: that giving false information is a felony punishable by not more than five years imprisonment or a fine of not more than \$10,000, or both."

The certification must include boxes for the voter to respond to the following questions:

"(1) Are you a citizen of the United States?" and

"(2) Will you be 18 years old on or before election day?"

And the instruction:

"If you checked 'no' to either of these questions, do not complete this form."

The form of the voter registration application and the certification of voter eligibility must be as provided in this subdivision and approved by the secretary of state. Voter registration forms authorized by the National Voter Registration Act must also be accepted as valid. The federal postcard application form must also be accepted as valid if it is not deficient and the voter is eligible to register in Minnesota.

An individual may use a voter registration application to apply to register to vote in Minnesota or to change information on an existing registration.

A paper voter registration application must include space for the voter's signature and be of suitable size and weight for mailing.

Sec. 9. Minnesota Statutes 2006, section 201.121, is amended by adding a subdivision to read:

Subd. 4. **Biennial verification.** At least seven weeks before the state general election, the secretary of state shall mail a nonforwardable notice about the upcoming election to every registered voter in the state. The notice must include the voter's polling place location and the legislative, congressional, county commissioner, and school district in which the voter resides. It must also include information on voting eligibility and how to register to vote on election day.

Sec. 10. Minnesota Statutes 2006, section 201.171, is amended to read:

201.171 POSTING VOTING HISTORY; FAILURE TO VOTE; REGISTRATION REMOVED.

Within six weeks after every election, the county auditor shall post the voting history for every person who voted in the election. After the close of the calendar year, the secretary of state shall determine if any registrants have not voted during the preceding ~~four~~ six years. The secretary of state shall perform list maintenance by changing the status of those registrants to "inactive" in the statewide registration system. The list maintenance performed must be conducted in a manner that ensures that the name of each registered voter appears in the official list of eligible voters in the statewide registration system. A voter must not be removed from the official list of eligible voters unless the voter is not eligible or is not registered to vote. List maintenance must include procedures for eliminating duplicate names from the official list of eligible voters.

The secretary of state shall also prepare a report to the county auditor containing the names of all registrants whose status was changed to "inactive."

Registrants whose status was changed to "inactive" must register in the manner specified in section 201.054 before voting in any primary, special primary, general, school district, or special election, as required by section 201.018.

Although not counted in an election, a late or rejected absentee or mail ballot must be considered a vote for the purpose of continuing registration.

Sec. 11. Minnesota Statutes 2006, section 203B.07, subdivision 2, is amended to read:

Subd. 2. **Design of envelopes.** The return envelope shall be of sufficient size to conveniently enclose and contain the ballot envelope and a voter registration ~~card~~ application folded along its perforations. The return envelope shall be designed to open on the left-hand end. ~~Notwithstanding any rule to the contrary, the return envelope must be designed in one of the following ways:~~

~~(1) it must be of sufficient size to contain an additional envelope that when sealed, conceals the signature, identification, and other information; or~~

~~(2) it must provide an additional flap that when sealed, conceals the signature, identification, and other information. Election officials may open the flap or the additional envelope at any time after receiving the returned ballot to inspect the returned certificate for completeness or to ascertain other information.~~ A certificate of eligibility to vote by absentee ballot shall be printed on the back of the envelope. The certificate shall contain a statement to be signed and sworn by the voter indicating that the voter meets all of the requirements established by law for voting by absentee ballot. The certificate shall also contain a statement signed by a person who is registered to vote in Minnesota or by a notary public or other individual authorized to administer oaths stating that:

(a) the ballots were displayed to that individual unmarked;

(b) the voter marked the ballots in that individual's presence without showing how they were marked, or, if the voter was physically unable to mark them, that the voter directed another individual to mark them; and

(c) if the voter was not previously registered, the voter has provided proof of residence as required by section 201.061, subdivision 3.

The county auditor or municipal clerk shall affix first class postage to the return envelopes.

Sec. 12. Minnesota Statutes 2006, section 203B.081, is amended to read:

203B.081 LOCATIONS FOR ABSENTEE VOTING IN PERSON.

An eligible voter may vote by absentee ballot during the 30 days before the election in the office of the county auditor and at any other polling place designated by the county auditor. The county auditor shall make such designations at least 90 days before the election. At least one voting booth and at least one electronic ballot marker in each polling place must be made available by the county auditor for this purpose.

Sec. 13. Minnesota Statutes 2006, section 203B.12, subdivision 4, is amended to read:

Subd. 4. **Placement in container; opening and counting of ballots.** The ballot envelopes from return envelopes marked "Accepted" shall be placed by the election judges in a separate absentee ballot container. The container and each ballot envelope may be opened only after ~~the last regular mail delivery by the United States postal service~~ noon on election day. The ballots shall then be initialed by the election judges in the same manner as ballots delivered by them to voters in person and shall be deposited in the appropriate ballot box.

If more than one ballot of any kind is enclosed in the ballot envelope, none of the ballots of that kind shall be counted but all ballots of that kind shall be returned in the manner provided by section 204C.25 for return of spoiled ballots.

Sec. 14. Minnesota Statutes 2006, section 203B.13, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The governing body of any county ~~that has established a counting center as provided in section 206.85, subdivision 2,~~ any municipality, or any school district may by ordinance or resolution, authorize an absentee ballot board. The board shall consist of a sufficient number of election judges appointed as provided in sections 204B.19 to 204B.22.

Sec. 15. Minnesota Statutes 2006, section 203B.13, subdivision 2, is amended to read:

Subd. 2. **Duties.** The absentee ballot board may ~~do any of the following:~~

~~(a) receive from each precinct in the municipality or school district all ballot envelopes marked "Accepted" by the election judges; provided that the governing body of a municipality or the school board of a school district may authorize the board to examine all return absentee ballot envelopes and receive accept or reject absentee ballots in the manner provided in section 203B.12;~~

~~(b) open and count the absentee ballots, tabulating the vote in a manner that indicates each vote of the absentee voter and the total absentee vote cast for each candidate or question in each precinct;~~
or

~~(e) report the vote totals tabulated for each precinct.~~

The absentee ballot board may begin the process of examining the return envelopes and marking them "accepted" or "rejected" at any time during the 30 days before the election. If an envelope has been rejected at least five days before the election, the ballots in the envelope must be considered spoiled ballots and the official in charge of the absentee ballot board shall provide the voter with a replacement absentee ballot and return envelope in place of the spoiled ballot. ~~The secretary of state shall provide samples of the replacement ballot and return envelope for use by the county auditor.~~

Sec. 16. Minnesota Statutes 2006, section 204B.09, subdivision 1, is amended to read:

Subdivision 1. **Candidates in state and county general elections.** (a) Except as otherwise provided by this subdivision, affidavits of candidacy and nominating petitions for county, state, and federal offices filled at the state general election shall be filed not more than 70 days nor less than 56 days before the state primary. The affidavit may be prepared and signed at any time between 60 days before the filing period opens and the last day of the filing period.

(b) Notwithstanding other law to the contrary, the affidavit of candidacy must be signed in the presence of a notarial officer or an individual authorized to administer oaths under section 358.10.

(c) This provision does not apply to candidates for presidential elector nominated by major political parties. Major party candidates for presidential elector are certified under section 208.03. Other candidates for presidential electors may file petitions on or before the state primary day pursuant to section 204B.07, but no earlier than 70 days before the state primary. Nominating petitions to fill vacancies in nominations shall be filed as provided in section 204B.13. No affidavit or petition shall be accepted later than 5:00 p.m. on the last day for filing.

~~(d) Affidavits and petitions for county offices to be voted on in only one county shall must be filed with the county auditor of that county. Affidavits and petitions for federal offices to be voted on in more than one county shall must be filed with the secretary of state. Affidavits and petitions for state offices must be filed with the secretary of state or with the county auditor of the county in which the candidate resides.~~

Sec. 17. Minnesota Statutes 2006, section 204B.09, subdivision 1a, is amended to read:

Subd. 1a. **Absent candidates.** (a) A candidate for special district, county, state, or federal office who will be absent from the state during the filing period may submit a properly executed affidavit of candidacy, the appropriate filing fee, and any necessary petitions in person to the filing officer. The candidate shall state in writing the reason for being unable to submit the affidavit during the filing period. The affidavit, filing fee, and petitions must be submitted to the filing officer during the seven days immediately preceding the candidate's absence from the state. Nominating petitions may be signed during the 14 days immediately preceding the date when the affidavit of candidacy is filed.

(b) In extraordinary circumstances beyond the candidate's control that prevent the candidate from filing an affidavit of candidacy authenticated by the candidate's handwritten or other signature meeting the requirements of section 645.44, subdivision 14, the affidavit of candidacy may be filed electronically with the secretary of state along with a written statement of the extraordinary circumstances. The affidavit and statement may be authenticated either by the electronic facsimile signature of the candidate, by an electronic signature consisting of a password assigned by the

secretary of state, or by another form of electronic signature approved by the secretary of state. The secretary of state may adopt rules governing the electronic filing of an affidavit of candidacy under this paragraph.

Sec. 18. Minnesota Statutes 2006, section 204B.09, subdivision 3, is amended to read:

Subd. 3. **Write-in candidates.** (a) A candidate for county, state, or federal office who wants write-in votes for the candidate to be counted must file a written request with the filing office for the office sought no later than the ~~fifth~~ seventh day before the general election. The filing officer shall provide copies of the form to make the request.

(b) A candidate for president of the United States who files a request under this subdivision must include the name of a candidate for vice-president of the United States. The request must also include the name of at least one candidate for presidential elector. The total number of names of candidates for presidential elector on the request may not exceed the total number of electoral votes to be cast by Minnesota in the presidential election.

(c) A candidate for governor who files a request under this subdivision must include the name of a candidate for lieutenant governor.

Sec. 19. Minnesota Statutes 2006, section 204B.11, subdivision 2, is amended to read:

Subd. 2. **Petition in place of filing fee.** At the time of filing an affidavit of candidacy, a candidate may present a petition in place of the filing fee. The petition may be circulated from the date of precinct caucuses to the end of the period for filing affidavits of candidacy. The petition may be signed by any individual eligible to vote for the candidate. A nominating petition filed pursuant to section 204B.07 or 204B.13, subdivision 4, is effective as a petition in place of a filing fee if the nominating petition includes a prominent statement informing the signers of the petition that it will be used for that purpose.

The number of signatures on a petition in place of a filing fee shall be as follows:

(a) for a state office voted on statewide, or for president of the United States, or United States senator, 2,000;

(b) for a congressional office, 1,000;

(c) for a county or legislative office, or for the office of district judge, 500; and

(d) for any other office which requires a filing fee as prescribed by law, municipal charter, or ordinance, the lesser of 500 signatures or five percent of the total number of votes cast in the municipality, ward, or other election district at the preceding general election at which that office was on the ballot.

An official with whom petitions are filed shall make sample forms for petitions in place of filing fees available upon request.

Sec. 20. Minnesota Statutes 2006, section 204B.16, subdivision 1, is amended to read:

Subdivision 1. **Authority; location.** The governing body of each municipality and of each county with precincts in unorganized territory shall designate by ordinance or resolution a polling place for each election precinct. Polling places must be designated and ballots must be distributed

so that no one is required to go to more than one polling place to vote in a school district and municipal election held on the same day. The polling place for a precinct in a city or in a school district located in whole or in part in the metropolitan area defined by section 200.02, subdivision 24, shall be located within the boundaries of the precinct or within ~~3,000 feet~~ one mile of one of those boundaries unless a single polling place is designated for a city pursuant to section 204B.14, subdivision 2, or a school district pursuant to section 205A.11. The polling place for a precinct in unorganized territory may be located outside the precinct at a place which is convenient to the voters of the precinct. If no suitable place is available within a town or within a school district located outside the metropolitan area defined by section 200.02, subdivision 24, then the polling place for a town or school district may be located outside the town or school district within five miles of one of the boundaries of the town or school district.

Sec. 21. Minnesota Statutes 2006, section 204B.27, is amended by adding a subdivision to read:

Subd. 12. **Information to naturalized citizens.** Each month, the secretary of state shall obtain a list of the name and residential address of each citizen newly naturalized in this state during the previous month and shall mail to each person on the list information on registering to vote and serving as an election judge.

Sec. 22. **[204B.445] VOTER COMPLAINT AND RESOLUTION PROCESS.**

Subdivision 1. **Scope.** An eligible voter may file a complaint to seek the resolution of any of the following conditions that have occurred or are about to occur:

(1) voter records in the statewide registration system are not maintained by the secretary of state or a county auditor in the manner provided in chapter 201;

(2) voters are unable to register to vote in the manner provided by section 201.061;

(3) a voting system, including an electronic ballot marker, meeting the requirements of section 206.80 is not available for use by voters either casting an absentee ballot in person at the locations designated by the county auditor or local election official, or for voting at any polling place on election day; or

(4) the secretary of state, county auditor, or local election official has failed to carry out a duty required by Title III of the Help America Vote Act of 2002.

A complaint against a municipal or school district clerk must be filed with the county auditor of the county in which the action has occurred or is about to occur. A complaint against a county auditor must be filed with the secretary of state. A complaint against the secretary of state must be filed with the Office of Administrative Hearings. The secretary of state shall provide a standard form for a complaint under this section. The form must provide space for the complainant to specify the legal basis for the complaint. The proceedings authorized by this section are not subject to the requirements of chapter 14.

Subd. 2. **Notice of complaint.** The official with whom the complaint is filed must, within seven days after the complaint was filed, provide written notice of the complaint, including a copy of the complaint, to the official against whom the complaint has been made.

Subd. 3. **Response.** Within 14 days after the notice of complaint is received, the official complained against must respond in writing to the complainant and state the manner in which the

respondent proposes to resolve the complaint.

Subd. 4. **Hearing.** If the complainant believes the response does not resolve the complaint, the complainant may file with the official with whom the complaint was filed a request for a hearing. The request must state the objection to the response and propose to resolve the complaint in a way that is consistent with the Minnesota Election Law. The official with whom the complaint was filed must rule on the complaint within 14 days after the hearing.

Subd. 5. **Appeal.** No later than 30 days after the ruling, the complainant may appeal the ruling. If the complaint was filed against a municipal clerk, school district clerk, or county auditor, the appeal must be filed with the secretary of state. If the complaint was filed against the secretary of state, the appeal must be filed with the Ramsey County District Court. The appeal must be heard within 14 days. Upon hearing the appeal, the secretary of state or district court may affirm, reverse, or modify the ruling and give appropriate instructions, as needed, to the secretary of state, county auditor, or local election official to resolve the complaint.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 23. Minnesota Statutes 2006, section 204B.45, subdivision 1, is amended to read:

Subdivision 1. **Authorization.** A municipality having fewer than ~~400~~ 1,000 registered voters on June 1 of an election year and not located in a metropolitan county as defined by section 473.121 may provide balloting by mail at any municipal, county, or state election with no polling place other than the office of the auditor or clerk or other locations designated by the auditor or clerk. The governing body may apply to the county auditor for permission to conduct balloting by mail. The county board may provide for balloting by mail in unorganized territory. The governing body of any municipality may designate for mail balloting any precinct having fewer than 50 registered voters, subject to the approval of the county auditor.

Voted ballots may be returned in person to any location designated by the county auditor or municipal clerk.

Sec. 24. Minnesota Statutes 2006, section 204B.45, subdivision 2, is amended to read:

Subd. 2. **Procedure.** Notice of the election and the special mail procedure must be given at least six weeks prior to the election. ~~No earlier~~ Not more than 20 30 days ~~or~~ nor later than 14 days prior to the election, the auditor shall mail ballots by nonforwardable mail to all voters registered in the ~~town~~ municipality or unorganized territory. No later than 14 days before the election, the auditor must make a subsequent mailing of ballots to those voters who register to vote after the initial mailing but before the 20th day before the election. Eligible voters not registered at the time the ballots are mailed may apply for ballots as provided in chapter 203B. Ballot return envelopes, with return postage provided, must be preaddressed to the auditor or clerk and the voter may return the ballot by mail or in person to the office of the auditor or clerk. The auditor or clerk may appoint election judges to examine the return envelopes and mark them "accepted" or "rejected" during the 30 days before the election. If an envelope has been rejected at least five days before the election, the ballots in the envelope must be considered spoiled ballots and the auditor or clerk shall provide the voter with a replacement ballot and return envelope in place of the spoiled ballot. The costs of the mailing shall be paid by the election jurisdiction in which the voter resides. Any ballot received by 8:00 p.m. on the day of the election must be counted.

Sec. 25. Minnesota Statutes 2006, section 204C.06, subdivision 1, is amended to read:

Subdivision 1. **Lingering near polling place.** An individual shall be allowed to go to and from the polling place for the purpose of voting without unlawful interference. No one except an election official or an individual who is waiting to register or to vote shall stand within 100 feet of the ~~entrance to a polling place. The entrance to a polling place is the doorway or point of entry leading into the room or area where voting is occurring~~ building in which a polling place is located.

Sec. 26. Minnesota Statutes 2006, section 204C.06, subdivision 8, is amended to read:

Subd. 8. **Access for news media.** A news media representative may enter a polling place during voting hours only to observe the voting process. A media representative must present photo identification to the head election judge upon arrival at the polling place, along with either a recognized media credential or written statement from a local election official attesting to the media representative's credentials. A media representative must not:

- (1) approach within six feet of a voter;
- (2) converse with a voter while in the polling place;
- (3) make a list of persons voting or not voting; ~~or~~
- (4) photograph a voter if the voter objects; or
- (5) interfere with the voting process.

Sec. 27. Minnesota Statutes 2006, section 204D.09, subdivision 2, is amended to read:

Subd. 2. **Sample ballot.** At least two weeks before the state primary the county auditor shall prepare a sample state partisan primary ~~ballot~~ ballots and a sample state and county nonpartisan primary ~~ballot~~ ballots showing the offices and questions to be voted on in each precinct in the county and make them available for public inspection in the county auditor's office. The names of all of the candidates to be voted for in the county shall be placed on the sample ballots, with the names of the candidates for each office arranged alphabetically according to the surname. Only one sample state partisan primary ballot and one sample state and county nonpartisan ballot shall be prepared for any county. The county auditor shall post the sample ballots in a conspicuous place in the auditor's office and shall cause them to be published at least one week before the state primary in at least one newspaper of general circulation in the county. The county auditor must also either publish the sample ballot for each precinct electronically on the county's Web site and on the Web site of at least one newspaper of general circulation in the county at least two weeks before the primary or publish a single sample ballot in at least one newspaper of general circulation in the county at least one week before the primary. If the sample ballots are posted on the Web sites, the county auditor must publish a notice in a newspaper of general circulation in the county that the sample ballots for the election are posted and the Web site addresses where they are posted. The published sample ballot must list the candidates in base rotation order for every office on the ballot and include all questions that will appear on the ballot.

Sec. 28. Minnesota Statutes 2006, section 204D.16, is amended to read:

204D.16 SAMPLE GENERAL ELECTION BALLOTS; POSTING; PUBLICATION.

At least two weeks before the state general election the county auditor shall prepare sample

~~copies of the white and canary ballots and shall post copies of these sample ballots and a sample of the pink ballot in the auditor's office for public inspection. No earlier than 15 days and no later than two days before the state general election for each precinct in the county and make them available for public inspection in the county auditor's office. The county auditor shall cause the sample white and canary ballots to be published~~ also either publish the sample ballot for each precinct electronically on the county's Web site and on the Web site of at least one newspaper of general circulation in the county at least two weeks before the general election or publish a single sample ballot in at least one newspaper of general circulation in the county at least one week before the general election. If the sample ballots are posted on the Web sites, the county auditor must publish a notice in a newspaper of general circulation in the county that the sample ballots for the election are posted and the Web site addresses where they are posted. The published sample ballot must list the candidates in base rotation order for every office on the ballot and include all questions that will appear on the ballot.

Sec. 29. Minnesota Statutes 2006, section 205.10, is amended by adding a subdivision to read:

Subd. 6. **Cancellation.** A special election ordered by the governing body of the municipality on its own motion under subdivision 1 may be canceled by motion of the governing body, but not less than 46 days before the election.

Sec. 30. Minnesota Statutes 2006, section 205.13, is amended by adding a subdivision to read:

Subd. 7. **Write-in candidates.** A candidate for a city office who wants write-in votes for the candidate to be counted must file a written request with the filing officer for the office sought no later than the seventh day before the general election. The filing officer must provide copies of the form to make the request.

Sec. 31. Minnesota Statutes 2006, section 205.16, subdivision 2, is amended to read:

Subd. 2. **Sample ballot, publication.** For every municipal election, the municipal clerk shall, at least one week before the election, either publish the sample ballot for each precinct electronically on the municipality's Web site and on the Web site of at least one newspaper of general circulation in the municipality at least two weeks before the election or publish a single sample ballot in the official at least one newspaper of the municipality, except that general circulation in the municipality at least one week before the election. If the sample ballots are posted on the Web sites, the municipal clerk must publish a notice in a newspaper of general circulation in the municipality that the sample ballots for the election are posted and the Web site addresses where they are posted. The published sample ballot must list the candidates in base rotation order for every municipal office on the ballot and include all municipal questions that will appear on the ballot. The governing body of a fourth class city or a town not located within a metropolitan county as defined in section 473.121 may dispense with publication.

Sec. 32. Minnesota Statutes 2006, section 205.16, subdivision 3, is amended to read:

Subd. 3. **Sample ballot, posting.** For every municipal election, the municipal clerk shall at least four days two weeks before the election post prepare a sample ballot for each precinct in the municipality, make them available for public inspection in the clerk's office for public inspection, and post a sample ballot in each polling place on election day.

Sec. 33. Minnesota Statutes 2006, section 205.16, subdivision 4, is amended to read:

Subd. 4. **Notice to auditor.** At least 53 days prior to every municipal election, the municipal

clerk shall provide a written notice to the county auditor, including the date of the election, the offices to be voted on at the election, and the title and language for each ballot question to be voted on at the election. Not less than 46 days before the election, the municipal clerk must provide written notice to the county auditor of any special election canceled under section 205.10, subdivision 6.

Sec. 34. Minnesota Statutes 2006, section 205A.05, is amended by adding a subdivision to read:

Subd. 3. **Cancellation.** A special election ordered by the school board on its own motion under subdivision 1 may be canceled by motion of the school board, but not less than 46 days before the election.

Sec. 35. Minnesota Statutes 2006, section 205A.07, subdivision 3, is amended to read:

Subd. 3. **Notice to auditor.** At least 53 days prior to every school district election, the school district clerk shall provide a written notice to the county auditor of each county in which the school district is located. The notice must include the date of the election, the offices to be voted on at the election, and the title and language for each ballot question to be voted on at the election. For the purposes of meeting the timelines of this section, in a bond election, a notice, including a proposed question, may be provided to the county auditor prior to receipt of a review and comment from the commissioner of education and prior to actual initiation of the election. Not less than 46 days before the election, the school district clerk must provide written notice to the county auditor of any special election canceled under section 205A.05, subdivision 3.

Sec. 36. Minnesota Statutes 2006, section 205A.07, subdivision 3a, is amended to read:

Subd. 3a. **Notice to commissioner of education.** At least 49 days prior to every school district election, under section 123B.62, 123B.63, 126C.17, 126C.69, or 475.58, the school district clerk shall provide a written notice to the commissioner of education. The notice must include the date of the election and the title and language for each ballot question to be voted on at the election. Not less than 46 days before the election, the school district clerk must provide a written notice to the commissioner of education of any special election canceled under section 205A.05, subdivision 3. The certified vote totals for each ballot question shall be provided in a written notice to the commissioner in a timely manner.

Sec. 37. Minnesota Statutes 2006, section 206.57, subdivision 5, is amended to read:

Subd. 5. **Voting system for disabled voters.** In federal and state elections held after December 31, 2005, and in county, municipal city, and school district elections held after December 31, 2007, and in township elections held after December 31, 2009, the voting method used in each polling place must include a voting system that is accessible for individuals with disabilities, including nonvisual accessibility for the blind and visually impaired in a manner that provides the same opportunity for access and participation, including privacy and independence, as for other voters.

Sec. 38. Minnesota Statutes 2006, section 206.89, subdivision 1, is amended to read:

Subdivision 1. **Definition.** For purposes of this section "postelection review official" means the election administration official who is responsible for the conduct of elections in a precinct selected for review under this section county auditor, unless the county auditor designates the municipal clerk as the "postelection review official" within 24 hours after the canvass of the state general election.

Sec. 39. Minnesota Statutes 2006, section 206.89, subdivision 5, is amended to read:

Subd. 5. **Additional review.** (a) If the postelection review in one of the reviewed precincts reveals a difference greater than one-half of one percent, or greater than two votes in a precinct where 400 or fewer voters cast ballots, the postelection review official must, within two days, conduct an additional review of the races indicated in subdivision 3 in at least three precincts in the same jurisdiction where the discrepancy was discovered. If all precincts in that jurisdiction have been reviewed, the county auditor must immediately publicly select by lot at least three additional precincts for review. The postelection review official must complete the additional review within two days after the precincts are selected and report the results immediately to the county auditor. If the second review in any of the reviewed precincts also indicates a difference in the vote totals compiled by the voting system that is greater than one-half of one percent from the result indicated by the postelection review, or greater than two votes in a precinct where 400 or fewer voters cast ballots, the county auditor must conduct a review of the ballots from all the remaining precincts in the county for the races indicated in subdivision 3. This review must be completed no later than six weeks after the state general election.

(b) If the results from the countywide reviews from one or more counties comprising in the aggregate more than ten percent of the total number of persons voting in the election clearly indicate that an error in vote counting has occurred, the postelection review official must conduct a manual recount of all the ballots in the district for the affected office. The recount must be completed and the results reported to the appropriate canvassing board no later than ten weeks after the state general election.

Sec. 40. Minnesota Statutes 2006, section 211A.02, subdivision 2, is amended to read:

Subd. 2. **Information required.** The report to be filed by a candidate or committee must include:

- (1) the name of the candidate or ballot question;
- (2) the printed name and, address, phone number, signature, and e-mail address, if available, of the person responsible for filing the report;
- (3) the total amount of receipts and expenditures for the period from the last previous report to five days before the current report is due;
- (4) the amount, date, and purpose for each expenditure; and
- (5) the name, address, and employer, or occupation if self-employed, of any individual or committee that during the year has made one or more contributions that in the aggregate are ~~equal to~~ greater than \$100, and the amount and date of each contribution.

The filing officer must restrict public access to the address of any individual who has made a contribution greater than \$100 and who has filed with the filing officer a written statement signed by the individual that withholding the individual's address from the financial report is required for the safety of the individual or the individual's family.

Sec. 41. Minnesota Statutes 2006, section 211A.05, is amended to read:

211A.05 FAILURE TO FILE STATEMENT.

Subdivision 1. **Penalty.** A candidate who intentionally fails to file a report required by section 211A.02 or a certification required by this section is guilty of a misdemeanor. The treasurer of a

committee formed to promote or defeat a ballot question who intentionally fails to file a report required by section 211A.02 or a certification required by this section is guilty of a misdemeanor. Each candidate or treasurer of a committee formed to promote or defeat a ballot question shall certify to the filing officer that all reports required by section 211A.02 have been submitted to the filing officer or that the candidate or committee has not received contributions or made disbursements exceeding \$750 in the calendar year. The certification shall be submitted to the filing officer no later than seven days after the general or special election. The secretary of state shall prepare blanks for this certification. An officer who issues a certificate of election to a candidate who has not certified that all reports required by section 211A.02 have been filed is guilty of a misdemeanor.

~~Subd. 2. **Notice of failure to file; penalty.** If a candidate or committee fails to file a report on the date it is due, the filing officer shall immediately notify the candidate or committee of the failure to file. If a report is not filed within ten days after the notification is mailed, the filing officer shall file a complaint under section 211B.32. No later than four business days after the date on which a report is due, the filing officer must send a notice by certified mail to any individual who fails to file a statement required by this chapter. If an individual fails to file a statement within ten business days after the notice of failure to file was sent, the filing officer must impose a late filing fee of \$10 per day, not to exceed \$200, commencing with the 11th day after the notice was sent. If the individual fails to file the statement within 30 days after the notice was sent, the filing officer must file a complaint under section 211B.32 and the late filing fee must be made payable to the Office of Administrative Hearings in lieu of any payment that would otherwise be assessed to the county from which the complaint was filed.~~

Sec. 42. Minnesota Statutes 2006, section 211B.11, subdivision 1, is amended to read:

Subdivision 1. **Soliciting near polling places.** A person may not display campaign material, post signs, ask, solicit, or in any manner try to induce or persuade a voter within a polling place or within 100 feet of the building in which a polling place is situated, ~~or anywhere on the public property on which a polling place is situated~~ located, on primary or election day to vote for or refrain from voting for a candidate or ballot question. A person may not provide political badges, political buttons, or other political insignia to be worn at or about the polling place on the day of a primary or election. A political badge, political button, or other political insignia may not be worn at or about the polling place on primary or election day. This section applies to areas established by the county auditor or municipal clerk for absentee voting as provided in chapter 203B.

The secretary of state, county auditor, municipal clerk, or school district clerk may provide stickers which contain the words "I VOTED" and nothing more. Election judges may offer a sticker of this type to each voter who has signed the polling place roster.

Sec. 43. Minnesota Statutes 2006, section 410.12, subdivision 1, is amended to read:

Subdivision 1. **Proposals.** The charter commission may propose amendments to such charter and shall do so upon the petition of voters equal in number to five percent of the total votes cast at the last previous state general election in the city. Proposed charter amendments must be submitted at least 12 weeks before the general election. Petitions may be signed no earlier than 26 weeks before the general election. Only registered voters are eligible to sign the petition. All petitions circulated with respect to a charter amendment shall be uniform in character and shall have attached thereto the text of the proposed amendment in full; except that in the case of a proposed amendment containing more than 1,000 words, a true and correct copy of the same may be filed with the city clerk, and

the petition shall then contain a summary of not less than 50 nor more than 300 words setting forth in substance the nature of the proposed amendment. Such summary shall contain a statement of the objects and purposes of the amendment proposed and an outline of any proposed new scheme or frame work of government and shall be sufficient to inform the signers of the petition as to what change in government is sought to be accomplished by the amendment. The summary, together with a copy of the proposed amendment, shall first be submitted to the charter commission for its approval as to form and substance. The commission shall within ten days after such submission to it, return the same to the proposers of the amendment with such modifications in statement as it may deem necessary in order that the summary may fairly comply with the requirements above set forth.

Sec. 44. Minnesota Statutes 2006, section 447.32, subdivision 4, is amended to read:

Subd. 4. **Candidates; ballots; certifying election.** A person who wants to be a candidate for the hospital board shall file an affidavit of candidacy for the election either as member at large or as a member representing the city or town where the candidate resides. The affidavit of candidacy must be filed with the city or town clerk not more than 70 days nor less than 56 days before the first Tuesday after the first Monday in November of the year in which the general election is held. The city or town clerk must forward the affidavits of candidacy to the clerk of the hospital district or, for the first election, the clerk of the most populous city or town immediately after the last day of the filing period. A candidate may withdraw from the election by filing an affidavit of withdrawal with the clerk of the district no later than 5:00 p.m. two days after the last day to file affidavits of candidacy. A candidate for a hospital district office who wants write-in votes for the candidate to be counted must file a written request with the filing officer for the office sought no later than the seventh day before the general election. The filing officer must provide copies of the form to make the request.

Voting must be by secret ballot. The clerk shall prepare, at the expense of the district, necessary ballots for the election of officers. Ballots must be printed on tan paper and prepared as provided in the rules of the secretary of state. The ballots must be marked and initialed by at least two judges as official ballots and used exclusively at the election. Any proposition to be voted on may be printed on the ballot provided for the election of officers. The hospital board may also authorize the use of voting systems subject to chapter 206. Enough election judges may be appointed to receive the votes at each polling place. The election judges shall act as clerks of election, count the ballots cast, and submit them to the board for canvass.

After canvassing the election, the board shall issue a certificate of election to the candidate who received the largest number of votes cast for each office. The clerk shall deliver the certificate to the person entitled to it in person or by certified mail. Each person certified shall file an acceptance and oath of office in writing with the clerk within 30 days after the date of delivery or mailing of the certificate. The board may fill any office as provided in subdivision 1 if the person elected fails to qualify within 30 days, but qualification is effective if made before the board acts to fill the vacancy.

Sec. 45. **APPROPRIATION.**

\$...... in fiscal year 2008 and \$...... in fiscal year 2009 are appropriated from the general fund to the secretary of state for the purpose of implementing this act.

Sec. 46. **REPEALER.**

Minnesota Statutes 2006, sections 200.04; 201.061, subdivision 7; 201.096; 203B.02,

subdivision 1a; and 203B.13, subdivision 3a, are repealed."

Delete the title and insert:

"A bill for an act relating to elections; changing certain definitions, voter registration procedures and requirements, filing requirements, voting procedures, election day prohibitions, and ballot preparation requirements; establishing a complaint and resolution process; requiring certain notices; providing for assessment of certain costs; changing a petition requirement; imposing penalties; appropriating money; amending Minnesota Statutes 2006, sections 200.02, subdivisions 7, 23; 201.016, subdivision 1a; 201.056; 201.061, subdivisions 1, 3, by adding a subdivision; 201.071, subdivision 1; 201.121, by adding a subdivision; 201.171; 203B.07, subdivision 2; 203B.081; 203B.12, subdivision 4; 203B.13, subdivisions 1, 2; 204B.09, subdivisions 1, 1a, 3; 204B.11, subdivision 2; 204B.16, subdivision 1; 204B.27, by adding a subdivision; 204B.45, subdivisions 1, 2; 204C.06, subdivisions 1, 8; 204D.09, subdivision 2; 204D.16; 205.10, by adding a subdivision; 205.13, by adding a subdivision; 205.16, subdivisions 2, 3, 4; 205A.05, by adding a subdivision; 205A.07, subdivisions 3, 3a; 206.57, subdivision 5; 206.89, subdivisions 1, 5; 211A.02, subdivision 2; 211A.05; 211B.11, subdivision 1; 410.12, subdivision 1; 447.32, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 204B; repealing Minnesota Statutes 2006, sections 200.04; 201.061, subdivision 7; 201.096; 203B.02, subdivision 1a; 203B.13, subdivision 3a."

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

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

S.F. No. 1369: A bill for an act relating to state employees; requiring that health insurance benefits be made available to domestic partners of state employees if they are also made available to spouses; amending Minnesota Statutes 2006, sections 43A.02, by adding a subdivision; 43A.24, subdivision 1.

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

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

S.F. No. 828: A bill for an act relating to employee health; establishing the "Safe Patient Handling Act"; requiring safe patient handling programs and committees to be established; requiring training programs on safe patient handling; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 182.

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

Page 3, delete section 5

Renumber the sections in sequence

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

Amendments adopted. Report adopted.

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

S.F. No. 1061: A bill for an act relating to state government; requiring certificates of pay equity compliance as a condition for certain state contracts; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 363A.

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

Page 1, line 8, delete "\$100,000" insert "\$500,000"

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

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

S.F. No. 104: A bill for an act relating to retiree health insurance coverage; providing for the inclusion of certain former University of Minnesota steam plant employees in the state health insurance group; amending Minnesota Statutes 2006, section 43A.27, subdivision 3.

Reports the same back with the recommendation that the bill be re-referred to the Committee on Finance without recommendation. Report adopted.

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

S.F. No. 892: A bill for an act relating to local government; authorizing local governments and school districts to establish trusts to pay postemployment benefits to retired employees and officers; appropriating money; 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 2, line 23, delete "in the supplemental investment funds"

Page 2, line 28, delete the second comma and insert "or"

Page 2, line 29, delete the comma and delete "an"

Page 3, line 31, delete "actuarial"

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

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

S.F. No. 1143: A bill for an act relating to education finance; creating a unified technology funding stream; developing a school district technology plan; establishing a task force; authorizing

technology grants; 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. **TECHNOLOGY GRANTS; TASK FORCE ESTABLISHED.**

Subdivision 1. **Task force established.** A school technology task force is established.

Subd. 2. **Task force goals.** The goals of the school technology task force include:

- (1) developing minimum standards for technology infrastructure and capacity;
- (2) creating standards for local and state online student assessments;
- (3) creating standards for electronic student records;
- (4) developing school interoperability frameworks;
- (5) developing policies and procedures that ensure instructional resource availability to help students successfully achieve education excellence and state standards;
- (6) developing databases that are accessible to and within each district and on the Internet;
- (7) developing policies, procedures, and systems that stimulate and promote teacher and student curriculum and learning collaboration;
- (8) developing uniform technology standards;
- (9) establishing adequate Internet and bandwidth capacity; and
- (10) analyzing the Department of Education's data collection procedures under each of the department's major data reporting systems, and developing recommendations for streamlining the reporting of school district data and eliminating duplication.

Subd. 3. **Task force members.** The commissioner of education shall appoint the members of the task force from each of the following:

- (1) one member from the Department of Education who shall serve as chair;
- (2) one member from the Office of Enterprise Technology;
- (3) one member from a list of school technology experts submitted to the commissioner by Education Minnesota;
- (4) one member from a list of school technology experts submitted to the commissioner by the Minnesota School Boards Association;
- (5) one member from a list of school technology experts submitted to the commissioner by the Association of Metropolitan School Districts;
- (6) one member from a list of school technology experts submitted to the commissioner by the Minnesota Rural Education Association;

(7) one member from a list of school technology experts submitted to the commissioner by the Schools for Equity in Education;

(8) one member from a list of school technology experts submitted to the commissioner by the service cooperatives;

(9) one member from a list of school technology experts submitted to the commissioner by the Minnesota Association of School Administrators;

(10) one member from a list of school technology experts submitted to the commissioner by Minnesota Educational Media Organization;

(11) one member from a list of school technology experts submitted to the commission by the Minnesota State Colleges and Universities; and

(12) one member from a list of school technology experts submitted to the commissioner by the president of the University of Minnesota.

The commissioner of education shall provide necessary materials and assistance to the task force.

Subd. 4. **Task force recommendations.** The task force must submit a report to the education committees of the legislature by January 15, 2008, describing the minimum technology standards that it has established. The commissioner of education must use these recommendations and standards when awarding grants under section 2.

Subd. 5. **Expiration.** This section expires after the submission of the report required in subdivision 4.

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

Sec. 2. **SCHOOL TECHNOLOGY GRANTS.**

Subdivision 1. **Establishment; eligibility.** A school technology grant program is established to assist school districts, consortiums of school districts, and charter schools to achieve the technology standards established under section 1. School districts, consortium of districts, and charter schools eligible to participate under this section must submit to the commissioner an approved district technology plan that describes how the district, consortium of districts, or charter school will meet the goals and standards of the task force. The commissioner shall develop a competitive grant process to determine recipients. Districts, consortiums of districts, and charter schools must propose how the grant funds will be used to support the goals described in section 1, subdivision 2, to achieve the following components in rank order by:

(1) obtaining minimum statewide standards of technology infrastructure and capacity;

(2) incorporating student technology content standards within the district curriculum and the professional development necessary for effective instruction of those standards;

(3) developing data-driven decision-making models in the classroom, school, and district; and

(4) developing innovation in student learning and teacher professional development.

Subd. 2. **Application and review process; funding priority.** A district, consortium of districts, or a charter school eligible under subdivision 1 may apply to the commissioner, in the form and

manner the commissioner determines, for competitive funding to achieve technology standards set by the commissioner. The application must identify, through a commonly used technology audit process that determines the district's, consortium of districts', or charter school's current technology capabilities, the disparity between the district's, consortium of districts', or charter school's current technology infrastructure and capacity and the minimum statewide standards that are established by the commissioner. The application must detail the specific efforts the applicant intends to undertake to achieve the components, consistent with subdivision 1, and a proposed budget detailing the district's, consortium of districts', or charter school's current and proposed expenditures. The proposed budget must demonstrate that the applicant's efforts will support the components in subdivision 1 in rank order. Expenditures for administration must not exceed five percent of the proposed budget. The commissioner may require an applicant to provide additional information. When reviewing applications, the commissioner must determine whether the applicant satisfied all the requirements in this subdivision and subdivision 1. The commissioner must give first priority in awarding grants to a district, consortium of districts, or charter schools showing the greatest disparity between their current technology infrastructure and capabilities and the minimum statewide technology standards. The commissioner may give subsequent priority to an otherwise qualified applicant that demonstrates:

(1) previous attempts through district referenda or other funding mechanisms to increase its technology infrastructure and capacity;

(2) an effective plan to focus on closing the disparity between the district's, consortium of districts', or charter school's current technology infrastructure and capabilities and the minimum statewide technology standards established by the commissioner;

(3) previous efforts to participate in online field testing of statewide assessments; or

(4) an effective ability to actively involve local business and community organizations in efforts to stimulate and promote teacher and student curriculum and learning collaboration.

Subd. 3. Application review; grant awards. The commissioner shall award grants to applicant school districts, consortiums of districts, and charter schools that meet the requirements of subdivisions 1 and 2. The commissioner may award grants as funding allows and, to the extent feasible, must distribute the grant awards on an equitable geographical basis. The commissioner must base the amount of the grant award on the number of students in the participating district or charter school. District expenditures of the grant proceeds must be consistent with budget information the grantee periodically submits to the commissioner. School districts, consortiums of school districts, and charter schools that submit an application and receive funding under this section must use the funding, consistent with the components in subdivision 1, as stated in the application. The commissioner may spend up to one percent of the appropriation for administering the program.

Subd. 4. Annual reports. Each school district, consortium of school districts, and charter school that receives a grant under this section must demonstrate and measure the extent to which the district, consortium of districts, or charter school achieved the goals set forth in the grant application and consistent with section 1, subdivision 2. This report is due at the end of the grant period and must be submitted to the commissioner in the form and manner the commissioner determines. The commissioner must make summary data about this program available to the education policy and finance committees of the legislature by February 15, 2010. Each school district, consortium of

school districts, 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 school technology funding. The report must demonstrate that the school district, consortium of school districts, or charter school has maintained its effort from other sources for technology and capacity compared with the previous fiscal year, and the district, consortium of districts, or charter school has expended all grant funds, consistent with its approved budget.

EFFECTIVE DATE. This section is effective for fiscal years 2008 and 2009.

Sec. 3. **ONLINE LEARNING EXPANSION GRANTS.**

Subdivision 1. **Outcomes.** The general framework outcomes for expanding online learning in education are:

(1) provide grant funding to encourage expansion and access to online learning courses and opportunities for Minnesota students;

(2) expand academic opportunities, increase graduation rates, increase college eligibility and preparedness, and provide online resources for remediation;

(3) increase the number of students successfully completing online courses; and

(4) develop innovative online courses or programming.

Subd. 2. **Establishment; eligibility.** To promote the outcomes of subdivision 1, a program is established to expand online learning courses and programs to school districts, charter schools, consortiums of school districts, intermediate school districts, service cooperatives, or higher education institutions. The commissioner shall develop a competitive grant process for the purpose of determining recipients. Districts, charter schools, consortiums of school districts, intermediate school districts, service cooperatives, or higher education institutions must propose to use the grant funds that support the outcomes of subdivision 1 in a manner that develops or expands online courses or programs in one or more of the following areas:

(1) dual high school or postsecondary education credit;

(2) science, technology, engineering, and math fields;

(3) preadvanced placement, advanced placement, or international baccalaureate; and

(4) remediation efforts.

Subd. 3. **Application and review process; funding priority.** Districts, charter schools, consortiums of school districts, service cooperatives, intermediate school districts, or higher education institutions that are eligible under subdivision 2 may apply to the commissioner, in the form and manner the commissioner determines, for competitive funding to achieve the grant goals. The application must detail the specific efforts the applicant intends to undertake to achieve the components, consistent with subdivisions 1 and 2, and propose the budget detailing the district's, charter school's, consortiums of school districts', intermediate districts', service cooperative's, or higher education institution's current and proposed expenditures. The proposed budget must demonstrate that the applicant's efforts will support the components of subdivisions 1 and 2. Expenditures for administration must not exceed five percent of the proposed budget. The commissioner may require an applicant to provide additional information. When reviewing

applications, the commissioner must determine whether the applicant satisfied all the requirements in this subdivision and subdivisions 1 and 2.

Subd. 4. **Application review; grant awards.** The commissioner shall award grants to eligible applicants that meet the requirements of subdivisions 1 and 2.

The commissioner shall award grants as funding allows and, to the extent feasible, must distribute the grant awards on an equitable geographical basis. The commissioner must base the amount of the grant award on the number of students in the participating district charter school, consortium of school districts, intermediate school, or higher education institutions. Expenditures of the grant proceeds must be consistent with budget information the grantee periodically submits to the commissioner. School districts and charter schools that submit an application and receive funding under this section must use the funding, consistent with the components in subdivisions 1 and 2 as stated in the application. The commissioner may spend up to one percent of the appropriation for administering the program.

Subd. 5. **Annual reports.** Each applicant that receives a grant under this section must demonstrate and measure the extent to which the applicant achieved the outcomes set forth in the grant application and consistent with subdivisions 1 and 2. This report is due at the end of the grant period and must be submitted to the commissioner in the form and manner the commissioner determines. The commissioner must make summary data about this program available to the education policy and finance committees of the legislature by February 15, 2010. Each applicant that receives a grant under this section must annually report to the commissioner, consistent with the uniform financial accounting and reporting standards, its actual expenditures for online learning courses.

EFFECTIVE DATE. This section is effective for revenue for fiscal years 2008 and 2009.

Sec. 4. **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. **School technology grants.** For school technology grants under section 2:

\$ 50,000,000 2009

This is a onetime appropriation.

Subd. 3. **Online learning grants.** For online learning grants under section 3:

\$ 2,500,000 2008

\$ 2,500,000 2009

This is a onetime appropriation.

Subd. 4. **Per pupil technology.** (a) For per pupil technology funding consistent with commissioner of education approved district technology plans:

\$ 50,000,000 2008

(b) The commissioner must calculate a per pupil technology allowance by dividing the appropriation in paragraph (a) by the total number of adjusted marginal cost pupil units for fiscal year 2008 and award each district an amount equal to that allowance times each district's adjusted marginal cost pupil units for that year.

(c) This is a onetime appropriation.

Subd. 5. Task force expenses. For expenses of the task force established in section 1:

\$ 20,000 2008"

Delete the title and insert:

"A bill for an act relating to education finance; creating a unified technology funding stream; developing a school district technology plan; establishing a task force; authorizing technology grants; appropriating money."

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

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

S.F. No. 954: A bill for an act relating to elections; requiring certain postsecondary institutions to submit student residential housing lists; adding certain forms of identification as eligible proof of residence; eliminating employee-list submission by residential facility operators; requiring challengers to prove residence in Minnesota; amending Minnesota Statutes 2006, sections 135A.17, subdivision 2; 201.061, subdivision 3; 204C.07, subdivision 3a; 204C.12, subdivision 2.

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 2006, section 135A.17, subdivision 2, is amended to read:

Subd. 2. Residential housing list. All public postsecondary institutions ~~that enroll students accepting state or federal financial aid may~~ in the state, and all private postsecondary institutions regulated by chapter 136A or 141, must prepare a current list of students enrolled in the institution and residing in the institution's housing or within ~~ten miles of the institution's campus.~~ the county or city where one or more of the institution's campuses are located. Institutions that do not consider student addresses to be public information under applicable federal and state privacy laws must make release forms available to all students authorizing the institution to provide the addresses to the secretary of state. ~~The list shall include each student's current address.~~ must be based on the most recent residence address in this state that the student has provided to the institution. A student may submit a written request to the institution to withhold the student's name and address from the list no later than 45 days before the next state or city general election in the jurisdiction where the campus is located. The list shall be certified and sent to the ~~appropriate county auditor or auditors~~ secretary of state for use in election day registration as provided under section 201.061, subdivision 3. The electronic format must be mutually agreed to by Minnesota State Colleges and Universities, the University of Minnesota, the Private College Association, and the secretary of state. At least

14 days before the state or city general election, the secretary of state shall provide the appropriate county auditor with a single list for each precinct that includes the names of all students provided by the postsecondary institutions for that election. The format of the list provided to county auditors shall be determined by the secretary of state.

Sec. 2. Minnesota Statutes 2006, section 201.061, subdivision 3, is amended to read:

Subd. 3. **Election day registration.** (a) The definitions in this paragraph apply to this subdivision:

(1) "current" means dated within 30 days before the election day or due within 30 days before or after the election;

(2) "photo identification" means identification that displays the name and photo of an individual and that was issued by:

(i) another state for use as a driver's license or identification card; or

(ii) a Minnesota college, university, or other postsecondary educational institution or high school as a student identification card;

(3) "residential facility" means transitional housing as defined in section 256E.33, subdivision 1; a supervised living facility licensed by the commissioner of health under section 144.50, subdivision 6; a nursing home as defined in section 144A.01, subdivision 5; a residence registered with the commissioner of health as a housing with services establishment as defined in section 144D.01, subdivision 4; a veterans home operated by the board of directors of the Minnesota Veterans Homes under chapter 198; a residence licensed by the commissioner of human services to provide a residential program as defined in section 245A.02, subdivision 14; a residential facility for persons with a developmental disability licensed by the commissioner of human services under section 252.28; group residential housing as defined in section 256I.03, subdivision 3; a shelter for battered women as defined in section 611A.37, subdivision 4; or a supervised publicly or privately operated shelter or dwelling designed to provide temporary living accommodations for the homeless; and

(4) "utility bill" means a written or electronic bill for gas, electricity, telephone, wireless telephone, cable television, satellite television, solid waste, water, sewer services, or an itemized rent statement.

(b) An individual who is eligible to vote may register on election day by appearing in person at the polling place for the precinct in which the individual maintains residence, by completing a registration application, making an oath in the form prescribed by the secretary of state and providing proof of residence. An individual may prove residence for purposes of registering by:

(1) presenting a driver's license or Minnesota identification card issued pursuant to section 171.07;

(2) presenting a photo identification along with a current utility bill or lease that shows the individual's name and valid residential address in the precinct;

~~(2)~~ (3) presenting any document approved by the secretary of state as proper identification;

~~(3)~~ (4) presenting one of the following:

(i) a current valid student identification card from a postsecondary educational institution in Minnesota, if a list of students from that institution has been prepared under section 135A.17 and certified to the county auditor in the manner provided in rules of the secretary of state; or

(ii) a current student fee statement that contains the student's valid address in the precinct together with a picture identification card; or

~~(4)~~ (5) having a voter who is registered to vote in the precinct, or who is an employee employed by and working in a residential facility in the precinct and vouching for a resident in the facility, sign an oath in the presence of the election judge vouching that the voter or employee personally knows that the individual is a resident of the precinct.

A voter who has been vouched for on election day may not sign a proof of residence oath vouching for any other individual on that election day. ~~A voter who is registered to vote in the precinct may sign up to 15 proof of residence oaths on any election day. This limitation does not apply to an employee of a residential facility described in this clause.~~

~~The secretary of state shall provide a form for election judges to use in recording the number of individuals for whom a voter signs proof of residence oaths on election day. The form must include space for the maximum number of individuals for whom a voter may sign proof of residence oaths. For each proof of residence oath, the form must include a statement that the voter is registered to vote in the precinct, personally knows that the individual is a resident of the precinct, and is making the statement on oath. The form must include a space for the voter's printed name, signature, telephone number, and address.~~

The oath required by this subdivision and Minnesota Rules, part 8200.9939, must be attached to the voter registration application and the information on the oath must be recorded on the records of both the voter registering on election day and the voter who is vouching for the person's residence, and entered into the statewide voter registration system by the county auditor when the voter registration application is entered into that system.

~~(b) The operator of a residential facility shall prepare a list of the names of its employees currently working in the residential facility and the address of the residential facility. The operator shall certify the list and provide it to the appropriate county auditor no less than 20 days before each election for use in election day registration.~~

~~(c) "Residential facility" means transitional housing as defined in section 256E.33, subdivision 1; a supervised living facility licensed by the commissioner of health under section 144.50, subdivision 6; a nursing home as defined in section 144A.01, subdivision 5; a residence registered with the commissioner of health as a housing with services establishment as defined in section 144D.01, subdivision 4; a veterans home operated by the board of directors of the Minnesota Veterans Homes under chapter 198; a residence licensed by the commissioner of human services to provide a residential program as defined in section 245A.02, subdivision 14; a residential facility for persons with a developmental disability licensed by the commissioner of human services under section 252.28; group residential housing as defined in section 256I.03, subdivision 3; a shelter for battered women as defined in section 611A.37, subdivision 4; or a supervised publicly or privately operated shelter or dwelling designed to provide temporary living accommodations for the homeless.~~

(c) An employee of a residential facility must prove employment with that facility by presenting

a current identification card issued by the facility or other official documentation verifying the employee's current status with the facility on election day to be eligible to vouch for individuals residing in that facility.

(d) For tribal band members, an individual may prove residence for purposes of registering by:

(1) presenting an identification card issued by the tribal government of a tribe recognized by the Bureau of Indian Affairs, United States Department of the Interior, that contains the name, address, signature, and picture of the individual; or

(2) presenting an identification card issued by the tribal government of a tribe recognized by the Bureau of Indian Affairs, United States Department of the Interior, that contains the name, signature, and picture of the individual and also presenting one of the documents listed in Minnesota Rules, part 8200.5100, subpart 2, item B.

(e) A county, school district, or municipality may require that an election judge responsible for election day registration initial each completed registration application.

Sec. 3. Minnesota Statutes 2006, section 204C.07, subdivision 3a, is amended to read:

Subd. 3a. **Residence requirement.** A challenger must be a resident of this state. Appointed challengers seeking admission to a polling place to serve in that capacity must prove their status as a resident of this state by presenting one of the documents listed in section 201.061, subdivision 3, paragraph (b), clauses (1) to (4). Challengers need not prove residence in the precinct in which they seek to act as a challenger.

Sec. 4. Minnesota Statutes 2006, section 204C.07, is amended by adding a subdivision to read:

Subd. 3b. **Oath to obey the law.** A challenger must state under oath that the challenger understands and will abide by the laws and rules governing challengers as described in this section and in section 204C.12 and governing challenges to voters as described in section 204C.12."

Amend the title numbers accordingly

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

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

S.F. No. 1527: A bill for an act relating to elections; establishing a nonbinding presidential primary; proposing coding for new law in Minnesota Statutes, chapter 207A.

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

Delete everything after the enacting clause and insert:

"Section 1. [207A.11] PRESIDENTIAL PRIMARY.

A nonbinding presidential primary must be held on the first Tuesday after the first Monday in February of each year in which a president and vice president of the United States are to be nominated and elected. The voters of this state may express their preference among the candidates

of the major political party of their choice for that party's nomination to be president of the United States or may indicate a preference for uncommitted delegates to the national party convention. For the purposes of sections 207A.11 to 207A.18, "major political party" or "party" means a major political party as defined in section 200.02, subdivision 7.

Sec. 2. [207A.12] CANDIDATES ON BALLOT.

Subdivision 1. **Required listing.** (a) Any individual who files an affidavit of candidacy as prescribed by this subdivision, along with a filing fee of \$500, must be listed as a candidate on the presidential primary ballot.

(b) A candidate who seeks the nomination of a major political party for president of the United States shall state on the affidavit of candidacy that the candidate is a natural born citizen of the United States and will have been 14 years a resident within the United States and attained the age of 35 years on the next January 20.

(c) The candidates must be listed on the presidential primary ballot in the order that the affidavits of candidacy for the candidates were filed with the secretary of state.

(d) In addition, the presidential primary ballot must contain a place for a voter to indicate a preference for having delegates to the party's national convention remain uncommitted, and a blank line printed below the other choices on the ballot so that a voter may write in the name of a person who is not listed on the ballot.

Subd. 2. **Time for filing.** The period for filing an affidavit of candidacy for the presidential primary must begin 16 weeks before the primary and end 14 weeks before the primary.

Subd. 3. **Announcement.** The determination of which candidates must be listed on the presidential primary ballot must be made by the secretary of state not later than eight weeks before the presidential primary. The secretary of state shall certify to the county auditor of each county the names of all candidates in the presidential primary at least seven weeks before the primary.

Sec. 3. [207A.13] PRESIDENTIAL PRIMARY; HOW CONDUCTED.

Except as otherwise provided in sections 207A.11 to 207A.18, the presidential primary must be conducted and the results canvassed and returned in the manner provided by law for the state primary.

Sec. 4. [207A.14] AUDITOR FURNISHED INFORMATION BY SECRETARY OF STATE; BALLOT PREPARATION.

Subdivision 1. **Notice of filing period.** Twenty weeks before a presidential primary is to be held, the secretary of state shall provide notice to the county auditor of each county of the date of the presidential primary. Within ten days after notification by the secretary of state, each county auditor shall provide notice of the date of the presidential primary to each municipal clerk in the county.

Subd. 2. **Notice of primary.** At least two weeks before the date of the presidential primary, each municipal clerk shall post a public notice stating the date of the presidential primary, the location of each polling place in the municipality, and the hours during which the polling places in the municipality will be open. The county auditor shall post a similar notice in the auditor's office

with information for any polling places in unorganized territory in the county. The governing body of a municipality or county may publish the notice in addition to posting it. Failure to give notice does not invalidate the election.

Subd. 3. **Ballot preparation.** At least ten weeks before the presidential primary, the secretary of state shall supply each county auditor with examples of ballots, absentee ballot envelopes, ballot return envelopes, election return envelopes, and summary statements for use in the presidential primary. Ballots must follow the form required for state primary elections, as described in sections 204D.04 to 204D.08.

Sec. 5. [207A.15] SELECTION OF DELEGATES; NATIONAL CONVENTION BALLOTING.

Subdivision 1. **Apportionment of delegates.** The delegates to the national convention of each major political party whose candidates appear on the presidential primary ballot must be chosen through the caucus and convention procedures as described in chapter 202A. Caucus and convention participants may, but are not required to, consider the presidential primary results when selecting delegates to attend the party's national convention. The secretary of each party's state convention or congressional district convention shall promptly notify the secretary of state of the names of the delegates to the national convention chosen as supporters of each presidential candidate.

Subd. 2. **Delegate votes.** At the national convention, delegates chosen because of their support for a presidential candidate must vote for that candidate on the first ballot, unless they have been released from that obligation by the candidate. This subdivision does not apply to delegates to the extent that it is inconsistent with the rules of the national party or state party.

Sec. 6. [207A.16] USE OF VOTING MACHINES.

The county auditor of each county shall provide all ballots, ballot labels, ballot cards, and other necessary printed forms and supplies needed for electronic voting systems. The total cost of printing and providing the forms must be paid by the state.

Sec. 7. [207A.17] RULEMAKING AUTHORITY.

The secretary of state shall adopt rules to determine the manner of paying or reimbursing the costs to the counties of conducting the presidential primary.

Sec. 8. [207A.18] REIMBURSEMENT OF ELECTION EXPENSES.

Subdivision 1. **Duties of secretary of state.** The secretary of state shall reimburse the counties and municipalities for expenses incurred in the administration of the presidential primary from money appropriated by the legislature for this purpose, as provided in this section. Up to \$7,500 of the appropriation for reimbursement of election expenses may be retained by the secretary of state to administer the reimbursement program.

Subd. 2. **Reimbursable expenses.** The following expenses are eligible for reimbursement: salaries of election judges; postage for absentee ballots; preparation of polling places, in an amount not to exceed \$25 per polling place; preparation of electronic voting systems, in an amount not to exceed \$50 per precinct; compensation of county canvassing board members; publication of the sample ballot; and compensation for temporary staff or overtime payments.

Subd. 3. **Certification of costs.** The county auditor shall certify to the secretary of state the costs incurred by the county for the presidential primary. The municipal clerk shall certify to the secretary of state the costs incurred by the municipality for the presidential primary. If the total amount certified by all units for temporary staff and overtime payments exceeds \$480,000, the secretary of state shall reduce those amounts so that they do not exceed \$480,000. The secretary of state shall provide each county and municipality with the appropriate forms for this certification. The secretary of state may require that the county auditor or municipal clerk provide documentation of actual expenditures made for the presidential primary. The certification of costs must be submitted to the secretary of state no later than 60 days after the presidential primary. No reimbursement of expenses must be made unless the certification of costs has been submitted as provided in this subdivision.

Subd. 4. **Apportionment of reimbursements.** If the total amount of requests for reimbursement of expenses exceeds the total amount appropriated to the secretary of state for this purpose, the secretary of state shall proportionately reduce the reimbursements so that they do not exceed the amount appropriated.

Sec. 9. **APPROPRIATION.**

\$...... is appropriated from the general fund to the secretary of state to pay the costs of conducting the presidential primary, to be available for the fiscal year ending June 30, 2008."

Delete the title and insert:

"A bill for an act relating to elections; establishing a nonbinding presidential primary; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 207A."

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

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

S.F. No. 279: A bill for an act relating to public safety; requiring the Criminal and Juvenile Justice Information Policy Group to study and make recommendations to the legislature on the automatic sealing of arrest records for persons not subsequently convicted of the offense; making the existing Collateral Sanctions Committee permanent, expanding its membership, and requiring it to report to the legislature; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 244.

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

Page 1, line 10, delete "[244.092]"

Page 1, line 21, after "chair" insert "and convening authority"

Page 2, delete lines 1 to 6

Page 2, line 7, delete "(8)" and insert "(6)"

Page 2, line 8, delete "(9)" and insert "(7)"

Page 2, line 9, delete "(10)" and insert "(8)"

Page 2, line 10, delete "(11)" and insert "(9)"

Page 2, line 11, delete "(12)" and insert "(10)"

Page 2, line 13, delete "(13)" and insert "(11)"

Page 2, line 15, delete "(14)" and insert "(12)"

Page 2, line 17, delete everything before "with" and insert "(13) two members"

Page 2, line 19, delete everything before "from" and insert "(14) a member"

Page 2, line 21, delete everything before "from" and insert "(15) a member"

Page 2, line 23, delete everything before "from" and insert "(16) a member"

Page 2, line 25, delete everything before "who" and insert "(17) a member"

Page 2, line 27, delete everything before "from" and insert "(18) a member"

Page 2, delete subdivision 4

Page 2, line 32, delete "Subd. 5." and insert "Subd. 4." and delete "; committee is permanent" and after "of" insert "Minnesota Statutes," and after "15.059" insert a comma

Page 2, line 33, delete "except that it does not expire"

Page 2, line 34, delete "Subd. 6." and insert "Subd. 5."

Page 2, line 35, after "in" insert "Minnesota Statutes,"

Page 3, line 3, delete "Minnesota Statutes,"

Page 3, line 4, delete "244.092," and insert "1"

Page 3, line 10, after "policy" insert "it deems appropriate"

Page 3, after line 13, insert:

"(c) The committee expires after the submission of the report required by paragraph (b)."

Page 3, line 18, delete "S.F. No. 279, as"

Page 3, line 19, delete everything before the period, and insert "the following framework"

Page 3, delete lines 22 and 23, and insert "address issues related to implementing this concept under the framework below:"

Page 3, before line 24, insert:

"(1) arrest data not leading to a referral for prosecution shall be sealed by the arresting law enforcement agency on the expiration of 180 days from the date of the arrest. The arresting agency shall also notify all other criminal justice agencies to which it has transmitted the data that the data in their possession shall be sealed;

(2) upon a declination of charges or upon successful completion of a precharge diversion program, arrest and prosecution data shall thereafter be sealed. It shall be the responsibility of the prosecuting agency to seal the prosecution data pertaining to the action and to notify the superintendent of the Bureau of Criminal Apprehension, and the heads of all appropriate law enforcement agencies that the records related to the action shall be sealed;

(3) (i) upon a favorable resolution as defined below all criminal justice agency and court records pertaining to the action shall thereafter be sealed. A favorable resolution means the following:

(A) charges against a person were dismissed without a plea of guilt;

(B) the person was acquitted;

(C) charges against the person were dismissed pursuant to a continuance for dismissal or a stay of adjudication;

(D) charges against the person were dismissed upon successful completion of a pretrial diversion program with or without a plea of guilt; and

(E) upon the dismissal and discharge of proceedings against a person under Minnesota Statutes, section 152.18; and

(ii) it shall be the responsibility of the clerk of courts to seal the judicial records pertaining to the action, and to notify the superintendent of the Bureau of Criminal Apprehension, the Department of Corrections, the prosecuting attorney, and the heads of all appropriate law enforcement agencies that the criminal justice agency records related to the action shall be sealed;

(4) automatically sealed data shall be transmittable between and among criminal justice agencies and the courts. Sealed records shall be available to evaluate a prospective employee in a criminal justice agency;

(5) data relating to arrests, charges, or convictions for the following crimes shall not be automatically sealed:

(i) domestic abuse data, as defined in Minnesota Statutes, section 13.82, subdivision 5, and to court and prosecution data related to a domestic abuse charge;

(ii) data for crime victims as defined in Minnesota Statutes, section 13.82, subdivision 13; and

(iii) arrests or charges for crimes listed in Minnesota Statutes, section 364.09, paragraph (a), clauses (1) to (3); and

(6) the provisions of an automatic sealing statute shall not affect or repeal Minnesota Statutes, chapter 609A, or Minnesota Statutes, section 299C.11.

The policy group shall review how other states address the sealing"

Page 3, line 25, delete "language or concepts in the original bill" and insert "policy framework set out above"

Page 3, line 27, delete everything after "roadblocks"

Page 3, line 28, delete "279, as introduced" and after the second comma, insert "to implement the framework set out above"

Page 4, line 7, delete everything after "of" and insert "the policy framework set out above,"

Page 4, line 8, delete "279, as introduced,"

Page 4, line 16, delete "Minnesota Statutes,"

Page 4, line 17, delete "244.092" and insert "1"

Amend the title accordingly

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

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

S.F. No. 971: A bill for an act relating to human services; requiring the commissioner of human services to provide notice when a prescription drug is removed from the formulary; amending Minnesota Statutes 2006, section 256B.0625, subdivision 13d.

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

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

S.F. No. 36: A bill for an act relating to health; modifying provisions for ambulance service and interhospital transfer; amending Minnesota Statutes 2006, sections 144E.101, subdivision 6; 144E.127; 144E.35, subdivision 1.

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

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

S.F. No. 594: A bill for an act relating to human services; changing eligibility requirements for an adoption assistance program; amending Minnesota Statutes 2006, section 259.67, 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 Marty from the Committee on Health, Housing and Family Security, to which was referred

S.F. No. 312: A bill for an act relating to human services; increasing the MFIP transitional standard; amending Minnesota Statutes 2006, section 256J.24, subdivision 5.

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

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

S.F. No. 1055: A bill for an act relating to human services; modifying the parental contribution for services for persons with developmental disabilities; amending Minnesota Statutes 2006, section 252.27, subdivision 2a.

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

Page 1, line 12, after the period, insert "The parental contribution is a partial or full payment for medical services provided for diagnostic, therapeutic, curing, treating, mitigating, rehabilitation, maintenance, and personal care services as defined in United States Code, title 26, section 213, needed by the child with a chronic illness or disability."

Page 2, line 15, delete "fee" and insert "contribution"

Page 2, line 16, strike "\$2,400 prior to calculating the parental contribution" and insert "\$100 per month"

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

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

S.F. No. 102: A bill for an act relating to health; providing for a universal health care system that provides affordable access to high quality medical care for all Minnesotans; requiring a focus on preventive care and early intervention; providing comprehensive benefits; reducing costs through prevention, efficiency, and elimination of bureaucracy; directing the commissioner of health to prepare a plan to be implemented by 2010; proposing coding for new law in Minnesota Statutes, chapter 144.

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

Page 3, after line 15, insert:

"Sec. 2. Minnesota Statutes 2006, section 62J.07, subdivision 2, is amended to read:

Subd. 2. **Membership.** The Legislative Commission on Health Care Access consists of five ten members of the senate appointed under the rules of the senate and five ten members of the house of representatives appointed under the rules of the house of representatives. The Legislative Commission on Health Care Access must include three seven members of the majority party and two three members of the minority party in each house."

Page 3, delete subdivision 1 and insert:

"Subdivision 1. **Legislative Commission on Health Care Access.** The Legislative Commission on Health Care Access established under section 62J.07 shall design a universal health care system for Minnesota that meets the requirements specified in subdivision 2. The commission shall prepare proposed legislation for submission to the legislature by January 31, 2008, to establish a universal health care system for Minnesota to take effect in January 2010. The proposed legislation must meet

all of the requirements specified in subdivision 2."

Page 3, line 27, delete "commissioner's" and insert "commission's"

Page 4, line 14, delete "2" and insert "3"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete "commissioner of health" and insert "Legislative Commission on Health Care Access"

Amend the title numbers accordingly

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

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

S.F. No. 641: A bill for an act relating to health; establishing a Health Care Access Fund Oversight Commission; proposing coding for new law in Minnesota Statutes, chapter 62J.

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

Page 1, delete lines 18 to 21 and insert:

"(1) one member who is a physician appointed by the Minnesota Medical Association;

(2) one member who is a hospital representative appointed by the Minnesota Hospital Association;

(3) one member who is a dentist appointed by the Minnesota Dental Association;

(4) one member who is a health plan representative appointed by the Minnesota Council of Health Plans;

(5) two members who are advocates for MinnesotaCare program enrollees appointed by the Children's Defense Fund;"

Page 1, line 22, delete "(3)" and insert "(6)"

Page 2, line 3, delete "(4)" and insert "(7)"

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

Senator Marty from the Committee on Health, Housing and Family Security, to which was re-referred

S.F. No. 1033: A bill for an act relating to gambling; providing for compulsive gambling education, treatment, and assessment; providing for a study on the social and economic costs of

gambling; appropriating money; amending Minnesota Statutes 2006, sections 240.15, subdivision 6; 245.98, subdivision 5; 297A.94; 609.115, subdivision 9; proposing coding for new law in Minnesota Statutes, chapter 297E.

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

Page 1, delete section 1 and insert:

"Section 1. Minnesota Statutes 2006, section 245.98, subdivision 2, is amended to read:

Subd. 2. **Program.** The commissioner of human services shall establish a program for the treatment of compulsive gamblers. The commissioner may contract with an entity with expertise regarding the treatment of compulsive gambling to operate the program. The program may include the establishment of a statewide toll-free number, resource library, public education programs; regional in-service training programs and conferences for health care professionals, educators, treatment providers, employee assistance programs, and criminal justice representatives; and the establishment of certification standards for programs and service providers. The commissioner may enter into agreements with other entities and may employ or contract with consultants to facilitate the provision of these services or the training of individuals to qualify them to provide these services. The program may also include inpatient and outpatient treatment and rehabilitation services and for residents in a temporary or permanent residential setting for mental health or chemical dependency, and individuals in jails or correctional facilities. The program may also include research studies. The research studies must include baseline and prevalence studies for adolescents and adults to identify those at the highest risk. The program must be approved by the commissioner before it is established."

Page 2, line 8, delete "gambling" and insert "gamblers"

Page 2, delete section 3

Page 4, delete section 4

Page 4, line 33, delete "Study" and insert "Report" and delete "shall coordinate"

Page 4, delete line 34, and insert ", in consultation with the state affiliate of the National Council on Problem Gambling, stakeholders, and licensed vendors, shall prepare a report that provides a process and funding mechanism to study the issues in subdivisions 2 and 3. The commissioner, in consultation with the state affiliate of the National Council on Problem Gambling, stakeholders, and licensed vendors, shall include in the report potential financial commitments made by stakeholders and others, in order to fund the study. The report is due to the legislative committees having jurisdiction over compulsive gambling issues by December 1, 2007."

Page 5, delete lines 1 to 5

Page 5, delete subdivision 4

Page 5, delete section 7 and insert:

"Sec. 5. **APPROPRIATION.**

Subdivision 1. **Compulsive gambling.** \$300,000 in fiscal year 2008 is appropriated from the

lottery prize fund to the commissioner of human services for purposes of compulsive gambling education, assessment, and treatment under Minnesota Statutes, section 245.98.

Subd. 2. **Study on the effectiveness of compulsive gambling treatment.** \$100,000 in fiscal year 2008 is appropriated to the commissioner of human services to continue the study currently being done on compulsive gambling treatment effectiveness and long-term effects of gambling."

Renumber the sections in sequence

Amend the title accordingly

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

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

S.F. No. 439: A bill for an act relating to health; requiring disclosure of employers of applicants for publicly funded health programs; proposing coding for new law in Minnesota Statutes, chapter 62J.

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

Delete everything after the enacting clause and insert:

"Section 1. **EMPLOYER DISCLOSURE FOR THE MINNESOTA HEALTH CARE PROGRAMS.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following definitions apply.

(b) "Commissioner" means the commissioner of human services.

(c) "Minnesota health care program" means medical assistance under Minnesota Statutes, chapter 256B, general assistance medical care under Minnesota Statutes, section 256D.03, and MinnesotaCare under Minnesota Statutes, chapter 256L.

Subd. 2. **Report.** (a) By January 15, 2008, for the previous fiscal year, the commissioner shall submit to the legislature a report identifying all employers that employ 50 or more employees who are Minnesota health care program enrollees. In determining whether the 50-employee threshold is met, the commissioner shall include all employees employed by an employer and its subsidiaries at all locations within the state. The report shall include the following information:

(1) the name of the employer and, as appropriate, the names of its subsidiaries that employ Minnesota health care program enrollees;

(2) the number of Minnesota health care program enrollees who are employees of the employer, and if known, whether the enrollees work full-time or part-time;

(3) the number of Minnesota health care program enrollees who are spouses or dependents of employees of the employer; and

(4) the cost to the state of providing health care benefits for these employers' employees and enrolled dependents.

(b) In preparing and publishing the report, the commissioner shall take reasonable precautions to protect the identity of Minnesota health care program enrollees:

(1) the report shall include only nonindividually identifiable summary data as defined in Minnesota Statutes, section 13.02, subdivision 19;

(2) the commissioner shall employ generally accepted statistical and scientific principles and methods for rendering information as not individually identifiable; and

(3) the commissioner shall comply with all other applicable privacy and security provisions of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, and its corresponding regulations, Code of Federal Regulations, title 45, sections 160, 162, and 164; Minnesota Statutes, chapter 13; Minnesota Statutes, section 144.355; and any other applicable state and federal law.

(c) The commissioner shall make the report available to the public on the Department of Human Services' Web site, and shall provide a copy of the report to any member of the public upon request."

Amend the title accordingly

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

Senator Prettner Solon from the Committee on Energy, Utilities, Technology and Communications, to which was referred

S.F. No. 144: A bill for an act relating to counties; authorizing counties to own and operate electric power generation facilities; proposing coding for new law in Minnesota Statutes, chapter 373.

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

Delete everything after the enacting clause and insert:

"Section 1. **WINONA COUNTY; ELECTRIC POWER PLANT.**

The county of Winona may own, construct, acquire, purchase, issue bonds and certificates of indebtedness for, maintain, and operate any renewable electric power generation facility, or any portion of a renewable electric power generation facility, within its corporate limits, and may sell the output from that facility at wholesale on such terms and conditions as the county board deems is in the best interests of the public; but output from that facility may not be sold or distributed at retail or provided for end use by the county. With respect to any renewable electric power generation facility, or any portion of a renewable electric power generation facility, the county may exercise the powers granted to a municipal power agency and to a city under Minnesota Statutes, sections 453.52, subdivisions 1, 6, 7, and 9 to 13; 453.54, subdivisions 1, 2, 4 to 6, 10, 11, 14, 15, and 17 to 21; 453.55; 453.57; 453.58, subdivisions 2, 3 (except as limited by this section), and 4; 453.59; 453.60; 453.61; and 453.62, provided, however, that output from that facility may not be sold or distributed at retail or provided for end use by the county. The grant of powers under Minnesota Statutes, section 453.58, subdivision 3, is limited and does not include the authority to, by resolution of its governing body and without approval of the electors or performance of other conditions provided in any charter or other law, enter into contracts with a municipal power agency for the purchase, sale, exchange,

or transmission of electric energy and other services, on such terms and for such period of time as the resolution may provide.

EFFECTIVE DATE. This law is effective the day after the governing body of the county of Winona and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3."

Delete the title and insert:

"A bill for an act relating to the county of Winona; authorizing ownership of electric power generation facilities and granting related powers."

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

Senator Prettner Solon from the Committee on Energy, Utilities, Technology and Communications, to which was referred

S.F. No. 1510: A bill for an act relating to energy; authorizing grant to Chisago, Isanti, and Pine Counties to study feasibility of a renewable energy facility.

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

Senator Prettner Solon from the Committee on Energy, Utilities, Technology and Communications, to which was re-referred

S.F. No. 1244: A bill for an act relating to energy; providing for a rural wind development assistance program; 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. **[116J.9861] RURAL WIND ENERGY DEVELOPMENT REVOLVING LOAN FUND.**

Subdivision 1. **Establishment.** A rural wind energy development revolving loan fund is established as an account in the special revenue fund in the state treasury. The commissioner of finance shall credit to the account the amounts authorized under this section and appropriations and transfers to the account. Earnings, such as interest, dividends, and any other earnings arising from fund assets must be credited to the account.

Subd. 2. **Purpose.** The rural wind energy development revolving loan fund is created to provide financial assistance, through partnership with local owners and communities, in development of community wind energy projects as defined in sections 216B.1612 and 216B.2426.

Subd. 3. **Expenditures.** Money in the fund is appropriated to the commissioner of commerce, and may be used to provide qualifying owners of community energy projects, as defined in sections 216B.1612 and 216B.2426, with loans to assist in the funding of wind studies and transmission interconnection studies. The loans shall be structured for repayment within six months of operations

of the project.

Subd. 4. **Limitations.** A loan may not be approved for an amount in excess of \$100,000. This limit covers all money paid to complete the same project, whether paid to one or more qualifying owners and whether paid in one or more fiscal years.

Subd. 5. **Eligible projects.** Assistance to community wind energy projects must be evaluated on the existence of the following conditions:

- (1) the project can demonstrate substantial benefits to qualifying owners;
- (2) the project can demonstrate likelihood of development of the community wind energy project and the leveraging of private funds if assistance is provided; and
- (3) the project can demonstrate that assistance is necessary for the development of the community wind energy project.

Sec. 2. **RURAL WIND ENERGY DEVELOPMENT PROGRAM.**

(a) The Initiative for Renewable Energy and the Environment at the University of Minnesota shall make a grant to a nonprofit organization with experience dealing with energy and community wind issues to design and implement a rural wind energy development assistance program. The program must be designed to maximize rural economic development and stabilize rural community institutions, including hospitals and schools, by increasing the income of local residents and increasing local tax revenues. The grant may be disbursed in two installments. The program must provide assistance to rural entities seeking to develop wind energy electric generation projects and to sell the energy from the projects. Among other strategies, the program must consider combining rural entities and others into groups with the size and market power necessary for planning and developing significant rural wind energy projects.

(b) The program must provide assistance by, among other things:

- (1) providing legal, engineering, and financial services;
- (2) identifying target communities with favorable wind resources, community interest, and local political support;
- (3) providing assistance to reserve, obtain, and assure the maintenance over time of wind turbines;
- (4) creating market opportunities for utilities to meet their renewable energy obligations through purchases of rural community wind;
- (5) assisting in the negotiation of fair power purchase agreements;
- (6) facilitating transmission interconnection and delivery of energy from rural and community wind projects; and
- (7) lowering the market risk facing potential wind investors by supporting local wind development from start to finish.

The grantee must demonstrate an ability to sustain program functions with ongoing revenue from sources other than state funding and shall provide a 35 percent grant match. The grant must be

awarded on a competitive basis. The initiative shall use best practices regarding grant management functions, including selection and monitoring of the grantee, compliance review, and financial oversight. Grant management fees shall be limited to 2.5 percent of the grant.

Sec. 3. **APPROPRIATION.**

(a) \$1,000,000 in fiscal year 2008 and \$1,000,000 in fiscal year 2009 are appropriated from the general fund to the Board of Regents of the University of Minnesota for its Initiative for Renewable Energy and the Environment for the purpose of making the grant under section 2. This is a onetime appropriation and is not added to the agency's budget base.

(b) \$1,000,000 in fiscal year 2008 and \$1,000,000 in fiscal year 2009 are appropriated from the general fund to the Department of Commerce for deposit with the rural wind energy development revolving loan fund created under section 1. This is a onetime appropriation and is not added to the department's budget base."

Delete the title and insert:

"A bill for an act relating to energy; creating a rural wind energy development revolving loan fund; providing for a rural wind development assistance program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116J."

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

Senator Prettner Solon from the Committee on Energy, Utilities, Technology and Communications, to which was referred

S.F. No. 997: A bill for an act relating to energy; requiring commissioner of commerce to engage in activities designed to increase energy savings under conservation investment program; amending Minnesota Statutes 2006, section 216B.241, subdivision 1c, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 216B.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

ENERGY EFFICIENCY AND CONSERVATION

Section 1. Minnesota Statutes 2006, section 216B.16, subdivision 1, is amended to read:

Subdivision 1. **Notice.** Unless the commission otherwise orders, no public utility shall change a rate which has been duly established under this chapter, except upon 60 days' notice to the commission. The notice shall include statements of facts, expert opinions, substantiating documents, and exhibits, supporting the change requested, and state the change proposed to be made in the rates then in force and the time when the modified rates will go into effect. If the filing utility does not have an approved energy conservation improvement plan on file with the department, it shall also include in its notice an energy conservation plan pursuant to section 216B.241. A filing subject to rate regulation under section 216B.026 shall reference in its notice

the energy conservation improvement plans of the generation and transmission cooperative providing energy conservation improvement programs to members of the filing utility pursuant to section 216B.241. The filing utility shall give written notice, as approved by the commission, of the proposed change to the governing body of each municipality and county in the area affected. All proposed changes shall be shown by filing new schedules or shall be plainly indicated upon schedules on file and in force at the time.

Sec. 2. Minnesota Statutes 2006, section 216B.16, subdivision 6b, is amended to read:

Subd. 6b. **Energy conservation improvement.** (a) Except as otherwise provided in this subdivision, all investments and expenses of a public utility as defined in section 216B.241, subdivision 1, paragraph ~~(e)~~ (i), incurred in connection with energy conservation improvements shall be recognized and included by the commission in the determination of just and reasonable rates as if the investments and expenses were directly made or incurred by the utility in furnishing utility service.

(b) ~~After December 31, 1999,~~ Investments and expenses for energy conservation improvements shall not be included by the commission in the determination of (i) just and reasonable electric and gas rates for retail electric and gas service provided to large electric customer facilities that have been exempted by the commissioner of the department pursuant to section 216B.241, subdivision 1a, paragraph (b); or (ii) just and reasonable gas rates for large energy facilities. ~~However, no public utility shall be prevented from recovering its investment in energy conservation improvements from all customers that were made on or before December 31, 1999, in compliance with the requirements of section 216B.241.~~

(c) The commission may permit a public utility to file rate schedules providing for annual recovery of the costs of energy conservation improvements. These rate schedules may be applicable to less than all the customers in a class of retail customers if necessary to reflect the ~~differing minimum spending~~ requirements of section 216B.241, ~~subdivision 1a.~~ ~~After December 31, 1999,~~ The commission shall allow a public utility, without requiring a general rate filing under this section, to reduce the electric and gas rates applicable to large electric customer facilities that have been exempted by the commissioner of the department pursuant to section 216B.241, subdivision 1a, paragraph (b), and to reduce the gas rate applicable to a large energy facility by an amount that reflects the elimination of energy conservation improvement investments or expenditures for those facilities ~~required on or before December 31, 1999.~~ In the event that the commission has set electric or gas rates based on the use of an accounting methodology that results in the cost of conservation improvements being recovered from utility customers over a period of years, the rate reduction may occur in a series of steps to coincide with the recovery of balances due to the utility for conservation improvements made by the utility on or before December 31, ~~1999~~ 2007.

Sec. 3. [216B.1636] RECOVERY OF ELECTRIC UTILITY INFRASTRUCTURE COSTS.

Subdivision 1. **Definitions.** (a) "Electric utility" means a public utility as defined in section 216B.02, subdivision 4, that furnishes electric service to retail customers.

(b) "Electric utility infrastructure costs" or "EUIC" means electric utility infrastructure projects that:

(1) are in service but were not included in the electric utility's rate base in its most recent general

rate case; and

(2) replace or modify existing electric utility infrastructure if the replacement or modification is shown to conserve energy or use energy more efficiently, consistent with section 216B.241, subdivision 1c.

(c) "Electric utility infrastructure projects" means projects to the extent that they result in energy savings that can be counted toward an electric utility's energy savings goal under section 216B.241, subdivision 1c, and includes equipment, infrastructure, or programs designed to increase the energy efficiency of the utility's transmission and distribution system.

Subd. 2. **Filing.** (a) The commission may approve an electric utility's petition for a rate schedule to recover EUIC under this section. An electric utility may petition the commission to recover a rate of return, income taxes on the rate of return, incremental property taxes, if any, plus incremental depreciation expense associated with EUIC.

(b) The filing is subject to the following:

(1) an electric utility may submit a filing under this section no more than once per year; and

(2) an electric utility must file sufficient information to satisfy the commission regarding the proposed EUIC or be subject to denial by the commission. The information includes, but is not limited to:

(i) the location, description, and costs associated with the project;

(ii) evidence that the electric utility infrastructure project will conserve energy or use energy more efficiently than similar utility facilities currently used by the electric utility;

(iii) the proposed schedule for implementation;

(iv) a description of the costs, and salvage value, if any, associated with the existing infrastructure replaced or modified as a result of the project;

(v) the proposed rate design and an explanation of why the proposed rate design is in the public interest;

(vi) the magnitude of timing of any known future electric utility projects that the utility may seek to recover under this section;

(vii) the magnitude of EUIC in relation to the electric utility's base revenue as approved by the commission in the electric utility's most recent general rate case, exclusive of fuel cost adjustments;

(viii) the magnitude of EUIC in relation to the electric utility's capital expenditures since its most recent general rate case;

(ix) the amount of time since the utility last filed a general rate case and the utility's reasons for seeking recovery outside of a general rate case; and

(x) documentation supporting the calculation of the EUIC.

Upon approval of the proposed projects and associated EUIC rate schedule, the utility may implement the electric utility infrastructure projects.

Subd. 3. **Commission authority; rules.** The commission may issue orders necessary to implement and administer this section.

Sec. 4. **[216B.2401] ENERGY CONSERVATION POLICY GOAL.**

It is the energy policy of the state of Minnesota to achieve annual energy savings equal to 1.5 percent of annual retail energy sales of electricity and natural gas directly through energy conservation improvement programs and rate design, and indirectly through energy codes and appliance standards, programs designed to transform the market or change consumer behavior, electric utility infrastructure projects, energy savings resulting from efficiency improvements to the utility infrastructure and system, and other efforts to promote energy efficiency and energy conservation.

Sec. 5. Minnesota Statutes 2006, section 216B.241, is amended to read:

216B.241 ENERGY CONSERVATION IMPROVEMENT.

Subdivision 1. **Definitions.** For purposes of this section and section 216B.16, subdivision 6b, the terms defined in this subdivision have the meanings given them.

(a) "Commission" means the Public Utilities Commission.

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

(c) "Customer facility" means all buildings, structures, equipment, and installations at a single site.

(d) "Department" means the Department of Commerce.

(e) "Energy conservation" means demand-side management of energy supplies resulting in a net reduction in energy use. Load management that reduces overall energy use is energy conservation.

(f) "Energy efficiency" means measures or programs, including energy conservation measures or programs, that target consumer behavior, equipment, processes, or devices designed to produce either an absolute decrease in consumption of electric energy or natural gas or a decrease in consumption of electric energy or natural gas on a per unit of production basis without a reduction in the quality or level of service provided to the energy consumer.

(g) "Energy conservation improvement" means a project that results in energy efficiency or energy conservation. Energy conservation improvement does not include electric utility infrastructure projects approved by the commission under section 216B.1636.

~~(g)~~ (h) "Gross annual retail energy sales" means annual electric sales to all retail customers in a utility's or association's Minnesota service territory or natural gas throughput to all retail customers, including natural gas transportation customers, on a utility's distribution system in Minnesota. For purposes of this section, gross annual retail energy sales exclude gas sales to a large energy facility and gas and electric sales to a large electric customer facility exempted by the commissioner under subdivision 1a, paragraph (b).

(i) "Investments and expenses of a public utility" includes the investments and expenses incurred by a public utility in connection with an energy conservation improvement, including but not limited to:

(1) the differential in interest cost between the market rate and the rate charged on a no-interest or below-market interest loan made by a public utility to a customer for the purchase or installation of an energy conservation improvement;

(2) the difference between the utility's cost of purchase or installation of energy conservation improvements and any price charged by a public utility to a customer for such improvements.

~~(h)~~ (j) "Large electric customer facility" means a customer facility that imposes a peak electrical demand on an electric utility's system of not less than 20,000 kilowatts, measured in the same way as the utility that serves the customer facility measures electrical demand for billing purposes, and for which electric services are provided at retail on a single bill by a utility operating in the state.

~~(i)~~ (k) "Large energy facility" has the meaning given it in section 216B.2421, subdivision 2, clause (1).

(l) "Load management" means an activity, service, or technology to change the timing or the efficiency of a customer's use of energy that allows a utility or a customer to respond to wholesale market fluctuations or to reduce ~~the overall~~ peak demand for energy or capacity.

(m) "Low income programs" means energy conservation improvement programs that directly serve the needs of low income persons, including low income renters.

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

(1) for a utility that furnishes gas service, 0.5 percent of its gross operating revenues from service provided in the state;

(2) for a utility that furnishes electric service, 1.5 percent of its gross operating revenues from service provided in the state; and

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

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

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

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

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

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

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

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

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

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

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

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

electric customer facilities indirectly through a distribution cooperative electric association.

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

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

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

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

~~(g) At least every four years, on a schedule determined by the commissioner, each municipality or cooperative shall file an overview of its conservation improvement plan with the commissioner. With this overview, Each municipality or cooperative shall file energy efficiency and conservation improvement plans by June 1 on a schedule determined by order of the commissioner, but at least every three years. Plans received by June 1 must be approved or approved as modified by the commissioner by December 1 of the same year. The municipality or cooperative shall also provide an evaluation to the commissioner detailing its energy conservation improvement spending and investments for the previous period. The evaluation must briefly describe each conservation program and must specify the energy savings or increased efficiency in the use of energy within the service territory of the utility or association that is the result of the spending and investments. The evaluation must analyze the cost-effectiveness of the utility's or association's conservation programs, using a list of baseline energy and capacity savings assumptions developed in consultation with the department. The commissioner shall review each evaluation and make recommendations, where appropriate, to the municipality or association to increase the effectiveness of conservation improvement activities. Up to three percent of a utility's conservation spending obligation under this section may be used for program pre-evaluation, testing, and monitoring and program evaluation. The overview and evaluation filed by a municipality with less than 60,000,000 kilowatt hours in annual retail sales of electric service may consist of a letter from the governing board of the municipal utility to the department providing the amount of annual conservation spending required of that municipality and certifying that the required amount has been spent on conservation programs pursuant to this~~

subdivision.

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

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

~~(j) (h) A municipality may spend up to 50 percent of its required spending under this section to refurbish an existing district heating or cooling system. This paragraph expires until July 1, 2007. From July 1, 2007, through June 30, 2011, expenditures made to refurbish a district heating or cooling system are considered to be load-management activities under paragraph (e). This paragraph expires July 1, 2011.~~

~~(i) The commissioner shall consider and may require a utility, association, or other entity providing energy efficiency and conservation services under this section to undertake a program suggested by an outside source, including a political subdivision, nonprofit corporation, or community organization.~~

Subd. 1c. **Energy-saving goals.** (a) The commissioner shall establish energy-saving goals for energy conservation improvement expenditures and shall evaluate an energy conservation improvement program on how well it meets the goals set.

(b) Each individual utility and association shall have an annual energy-savings goal equivalent to 1.5 percent of gross annual retail energy sales unless modified by the commissioner under paragraph (d). The savings must be calculated based on the most recent three-year weather normalized average.

(c) The commissioner must adopt a filing schedule that is designed to have all utilities and associations operating under an energy savings plan by calendar year 2010.

(d) In its energy conservation improvement plan filing, a utility or association may request the commissioner to adjust its annual energy savings percentage goal based on its historical conservation investment experience, customer class makeup, load growth, a conservation potential study, or other factors the commissioner determines warrants an adjustment. The commissioner may not approve a plan that provides for an annual energy savings goal of less than one percent of gross annual retail energy sales. A utility or association may include in its energy conservation plan measures or programs designed to increase the efficiency of the utility system and waste heat recovery converted into electricity that may count as energy savings if the one percent floor has been achieved by other energy savings. Measures or programs must result in increased energy efficiency greater than that which would have occurred through normal maintenance activity. For the purpose of this paragraph, "waste heat recovery converted into electricity" means an energy recovery process that converts otherwise lost energy from the heat of exhaust stacks or pipes used for engines or manufacturing or industrial processes, or the reduction of high pressure in water or gas pipelines.

(e) An energy savings goal is not satisfied by attaining the revenue expenditure requirements of subdivisions 1a and 1b, but can only be satisfied by meeting the energy savings goal established in this subdivision.

(f) An association or utility is not required to make energy conservation investments that are not cost-effective even if the investment is necessary to attain the energy savings goals. For the purpose of this paragraph, in determining cost-effectiveness, the commissioner shall consider the costs and benefits to ratepayers, the utility, participants, and society.

(g) On an annual basis, the commissioner shall produce and make publicly available a report on the annual energy savings and estimated carbon dioxide reductions achieved by the energy conservation improvement programs for the two most recent years for which data is available. The commissioner shall report on program performance both in the aggregate and for each entity filing an energy conservation improvement plan for approval or review by the commissioner under subdivisions 1a and 1b.

(h) By January 15, 2010, the commissioner shall report to the legislature whether the spending requirements under subdivisions 1a and 1b are necessary to achieve the energy savings goals established in this subdivision.

Subd. 1d. ~~Cooperative conservation investment increase phase-in~~ **Technical assistance.** ~~The increase in required conservation improvement expenditures by a cooperative electric association that results from the amendments in Laws 2001, chapter 212, article 8, section 6, to subdivision 1b, paragraph (a), clause (1), must be phased in as follows:~~

- ~~(1) at least 25 percent shall be effective in year 2002;~~
- ~~(2) at least 50 percent shall be effective in year 2003;~~
- ~~(3) at least 75 percent shall be effective in year 2004; and~~
- ~~(4) all of the increase shall be effective in year 2005 and thereafter.~~

The commissioner shall evaluate energy conservation improvement programs on the basis of cost-effectiveness and the reliability of the technologies employed. The commissioner shall, by order, establish, maintain and update energy savings assumptions that must be used when filing energy conservation improvement programs. The commissioner shall establish an inventory of the most effective energy conservation programs, techniques, and technologies, and encourage all Minnesota utilities to implement them, where appropriate, in their service territories. The commissioner shall describe these programs in sufficient detail to provide a utility reasonable guidance concerning implementation. The commissioner shall prioritize the opportunities in order of potential energy savings and in order of cost-effectiveness and to evaluate energy conservation improvement programs. The commissioner may contract with a third party to carry out any of the commissioner's duties under this subdivision, and to obtain technical assistance to evaluate the effectiveness of any conservation improvement program. The commissioner may assess up to \$800,000 annually until June 30, 2009, and \$450,000 annually thereafter for the purposes of this subdivision. The assessments must be deposited into the energy and conservation account.

Subd. 1e. **Applied research and development grants.** The commissioner may, by order, approve and make grants for applied research and development projects of general applicability that identify new technologies or strategies to maximize energy savings, improve the effectiveness

of energy conservation programs, or document the carbon dioxide reductions from energy conservation programs. When approving projects, the commissioner shall consider proposals and comments from utilities and other interested parties. The commissioner may assess up to \$3,600,000 annually for the purposes of this subdivision. The assessments must be deposited into the energy and conservation account.

Subd. 1f. **Facilities energy efficiency.** (a) The Department of Administration and the Department of Commerce shall maintain and, as needed, revise the sustainable building design guidelines developed under section 16B.325.

(b) The Department of Administration and the Department of Commerce shall maintain and update the benchmarking tool developed under Laws 2001, chapter 212, article 1, section 3, so that all public buildings can use the benchmarking tool to maintain energy use information for the purposes of establishing energy efficiency benchmarks, tracking building performance and measuring the results of energy efficiency and conservation improvements.

(c) The commissioner shall require that utilities include in their conservation improvement plans programs that facilitate professional engineering verification to qualify a building as Energy Star-labeled or as Leadership in Energy and Environmental Design (LEED) certified. The state goal is to achieve certification of 1,000 commercial buildings as Energy Star-certified, and 100 commercial buildings as LEED-certified by December 31, 2010.

(d) The commissioner may assess up to \$500,000 annually for the purposes of this subdivision. The assessments must be deposited into the energy and conservation account.

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

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

(c) Each public utility subject to subdivision 1a may spend and invest annually up to ten percent of the total amount required to be spent and invested on energy conservation improvements under

this section by the utility on research and development projects that meet the definition of energy conservation improvement in subdivision 1 and that are funded directly by the public utility.

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

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

~~(f) The commissioner shall ensure that a portion of the money spent on residential conservation improvement programs is devoted to programs that directly address the needs of renters and low income persons, in proportion to the amount the utility has historically spent on such programs based on the most recent three year average relative to the utility's total conservation spending under this section, unless an insufficient number of appropriate programs are available.~~

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

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

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

Subd. 2a. **Energy and conservation account.** The commissioner must deposit money contributed under subdivisions 1a and 1b assessed or contributed under subdivisions 1d, 1e, 1f, and 7 in the energy and conservation account in the general fund. Money in the account is appropriated to the department for programs designed to meet the energy conservation needs of low income persons and to make energy conservation improvements in areas not adequately served

~~under subdivision 2, including research and development projects included in the definition of energy conservation improvement in subdivision 1 the purposes of subdivisions 1d, 1e, 1f, and 7. Interest on money in the account accrues to the account. Using information collected under section 216C.02, subdivision 1, paragraph (b), the commissioner must, to the extent possible, allocate enough money to programs for low-income persons to assure that their needs are being adequately addressed. The commissioner must request the commissioner of finance to transfer money from the account to the commissioner of education for an energy conservation program for low-income persons. In establishing programs, the commissioner must consult political subdivisions and nonprofit and community organizations, especially organizations engaged in providing energy and weatherization assistance to low-income persons. At least one program must address the need for energy conservation improvements in areas in which a high percentage of residents use fuel oil or propane to fuel their source of home heating. The commissioner may contract with a political subdivision, a nonprofit or community organization, a public utility, a municipality, or a cooperative electric association to implement its programs. The commissioner may provide grants to any person to conduct research and development projects in accordance with this section.~~

Subd. 2b. **Recovery of expenses.** The commission shall allow a utility to recover expenses resulting from a conservation improvement program required by the department and contributions to the energy and conservation account, unless the recovery would be inconsistent with a financial incentive proposal approved by the commission. The commission shall allow a cooperative electric association subject to rate regulation under section 216B.026 to recover expenses resulting from energy conservation improvement programs, load management programs, and contributions to the energy and conservation account unless the recovery would be inconsistent with a financial incentive proposal approved by the commission. In addition, a utility may file annually, or the Public Utilities Commission may require the utility to file, and the commission may approve, rate schedules containing provisions for the automatic adjustment of charges for utility service in direct relation to changes in the expenses of the utility for real and personal property taxes, fees, and permits, the amounts of which the utility cannot control. A public utility is eligible to file for adjustment for real and personal property taxes, fees, and permits under this subdivision only if, in the year previous to the year in which it files for adjustment, it has spent or invested at least 1.75 percent of its gross revenues from provision of electric service, excluding gross operating revenues from electric service provided in the state to large electric customer facilities for which the commissioner has issued an exemption under subdivision 1a, paragraph (b), and 0.6 percent of its gross revenues from provision of gas service, excluding gross operating revenues from gas services provided in the state to large electric customer facilities for which the commissioner has issued an exemption under subdivision 1a, paragraph (b), for that year for energy conservation improvements under this section.

Subd. 2c. **Performance incentives.** By December 31, 2008, the commission shall review any incentive plan for energy conservation improvement it has approved under 216B.16, subdivision 6c, and adjust the utility performance incentives to recognize making progress toward and meeting the energy savings goals established in subdivision 1c.

Subd. 3. **Ownership of energy conservation improvement.** An energy conservation improvement made to or installed in a building in accordance with this section, except systems owned by the utility and designed to turn off, limit, or vary the delivery of energy, are the exclusive property of the owner of the building except to the extent that the improvement is subjected to a security interest in favor of the utility in case of a loan to the building owner. The utility has

no liability for loss, damage or injury caused directly or indirectly by an energy conservation improvement except for negligence by the utility in purchase, installation, or modification of the product.

Subd. 4. **Federal law prohibitions.** If investments by public utilities in energy conservation improvements are in any manner prohibited or restricted by federal law and there is a provision under which the prohibition or restriction may be waived, then the commission, the governor, or any other necessary state agency or officer shall take all necessary and appropriate steps to secure a waiver with respect to those public utility investments in energy conservation improvements included in this section.

Subd. 5. **Efficient lighting program.** (a) Each public utility, cooperative electric association, and municipal utility that provides electric service to retail customers shall include as part of its conservation improvement activities a program to strongly encourage the use of fluorescent and high-intensity discharge lamps. The program must include at least a public information campaign to encourage use of the lamps and proper management of spent lamps by all customer classifications.

(b) A public utility that provides electric service at retail to 200,000 or more customers shall establish, either directly or through contracts with other persons, including lamp manufacturers, distributors, wholesalers, and retailers and local government units, a system to collect for delivery to a reclamation or recycling facility spent fluorescent and high-intensity discharge lamps from households and from small businesses as defined in section 645.445 that generate an average of fewer than ten spent lamps per year.

(c) A collection system must include establishing reasonably convenient locations for collecting spent lamps from households and financial incentives sufficient to encourage spent lamp generators to take the lamps to the collection locations. Financial incentives may include coupons for purchase of new fluorescent or high-intensity discharge lamps, a cash back system, or any other financial incentive or group of incentives designed to collect the maximum number of spent lamps from households and small businesses that is reasonably feasible.

(d) A public utility that provides electric service at retail to fewer than 200,000 customers, a cooperative electric association, or a municipal utility that provides electric service at retail to customers may establish a collection system under paragraphs (b) and (c) as part of conservation improvement activities required under this section.

(e) The commissioner of the Pollution Control Agency may not, unless clearly required by federal law, require a public utility, cooperative electric association, or municipality that establishes a household fluorescent and high-intensity discharge lamp collection system under this section to manage the lamps as hazardous waste as long as the lamps are managed to avoid breakage and are delivered to a recycling or reclamation facility that removes mercury and other toxic materials contained in the lamps prior to placement of the lamps in solid waste.

(f) If a public utility, cooperative electric association, or municipal utility contracts with a local government unit to provide a collection system under this subdivision, the contract must provide for payment to the local government unit of all the unit's incremental costs of collecting and managing spent lamps.

(g) All the costs incurred by a public utility, cooperative electric association, or municipal utility for promotion and collection of fluorescent and high-intensity discharge lamps under this

subdivision are conservation improvement spending under this section.

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

(b) Research funded under this subdivision shall include:

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

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

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

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

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

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

(d) This subdivision expires June 30, 2008.

Subd. 7. **Low-income programs.** (a) The commissioner shall ensure that each utility and association provides low-income programs. When approving spending and energy savings goals for low-income programs, the commissioner shall consider historic spending and participation levels, energy savings for low-income programs, and the number of low-income persons residing in the utility's service territory. A utility that furnishes gas service must spend at least 0.2 percent of its gross operating revenue from residential customers in the state on low-income programs. A utility or association that furnishes electric service must spend at least 0.1 percent of its gross operating revenue from residential customers in the state on low-income programs. For a generation and transmission cooperative association, this requirement shall apply to each association's members' aggregate gross operating revenue from sale of electricity to residential customers in the state. Beginning in 2010, a utility or association that furnishes electric service must spend 0.2 percent of its gross operating revenue from residential customers in the state on low-income programs.

(b) To meet the requirements of paragraph (a), a utility or association may contribute funds to the energy and conservation account. An energy conservation improvement plan must state the amount, if any, of low-income energy conservation improvement funds the utility or association will contribute to the energy and conservation account. Contributions must be remitted to the commissioner by February 1 of each year.

(c) The commissioner shall establish low-income programs to utilize funds contributed to the energy and conservation account under paragraph (b). In establishing low-income programs, the commissioner shall consult political subdivisions, utilities, and nonprofit and community organizations, especially organizations engaged in providing energy and weatherization assistance to low-income persons. Money contributed to the energy and conservation account under paragraph (b) must provide programs for low-income persons, including low-income renters, in the service territory of the utility or association providing the funds. The commissioner shall record and report expenditures and energy savings achieved as a result of low-income programs funded through the energy and conservation account in the report required under subdivision 1c, paragraph (g). The commissioner may contract with a political subdivision, nonprofit or community organization, public utility, municipality, or cooperative electric association to implement low-income programs funded through the energy and conservation account.

(d) A utility or association may petition the commissioner to modify its required spending under paragraph (a) if the utility or association and the commissioner have been unable to expend the amount required under paragraph (a) for three consecutive years.

Subd. 8. **Assessment.** The commission or department may assess utilities subject to this section in proportion to their respective gross operating annual retail energy sales during the last calendar year to carry out the purposes of subdivisions 1d, 1e, and 1f.

Sec. 6. **[216B.2412] DECOUPLING OF ENERGY SALES FROM REVENUES.**

Subdivision 1. **Definition and purpose.** For the purpose of this section, "decoupling" means a regulatory tool designed to separate a utility's revenue from changes in energy sales. The purpose of decoupling is to reduce a utility's disincentive to promote energy efficiency.

Subd. 2. **Decoupling criteria.** The commission shall, by order, establish criteria and standards for decoupling. The commission shall design the criteria and standards to mitigate the impact on public utilities of the energy savings goals under section 216B.241 without adversely affecting utility ratepayers. In designing the criteria, the commission shall consider energy efficiency, weather, and cost of capital, among other factors.

Subd. 3. **Pilot programs.** The commission shall allow one or more rate-regulated utilities to participate in a pilot program to assess the merits of a rate-decoupling strategy to promote energy efficiency and conservation. Each pilot program must utilize the criteria and standards established in subdivision 2 and be designed to determine whether a rate-decoupling strategy achieves energy savings. On or before a date established by the commission, the commission shall require electric and gas utilities that intend to implement a decoupling program to file a decoupling pilot plan. A pilot program may not exceed three years in length. Any extension beyond three years can only be approved in a general rate case, unless that decoupling program was previously approved as part of a general rate case. The commission shall report on the programs annually to the chairs of the house of representatives and senate committees with primary jurisdiction over energy policy.

Sec. 7. **EFFECTIVE DATE.**

This article is effective July 1, 2007.

ARTICLE 2

MISCELLANEOUS

Section 1. Minnesota Statutes 2006, section 123B.65, subdivision 2, is amended to read:

Subd. 2. **Energy efficiency contract.** (a) Notwithstanding any law to the contrary, a school district may enter into a guaranteed energy savings contract with a qualified provider to significantly reduce energy or operating costs.

(b) Before entering into a contract under this subdivision, the board shall comply with clauses (1) to (5).

(1) The board must seek proposals from multiple qualified providers by publishing notice of the proposed guaranteed energy savings contract in the board's official newspaper and in other publications if the board determines that additional publication is necessary to notify multiple qualified providers.

(2) The school board must select the qualified provider that best meets the needs of the board. The board must provide public notice of the meeting at which it will select the qualified provider.

(3) The contract between the board and the qualified provider must describe the methods that will be used to calculate the costs of the contract and the operational and energy savings attributable to the contract.

(4) The qualified provider shall issue a report to the board giving a description of all costs of installations, modifications, or remodeling, including costs of design, engineering, installation, maintenance, repairs, or debt service, and giving detailed calculations of the amounts by which energy or operating costs will be reduced and the projected payback schedule in years.

(5) The board must provide published notice of the meeting in which it proposes to award the contract, the names of the parties to the proposed contract, and the contract's purpose.

(c) The board must provide a copy of any contract entered into under paragraph (a) and the report provided under paragraph (b), clause (4), to the commissioner of commerce within 30 days of the effective date of the contract.

Sec. 2. Minnesota Statutes 2006, section 216C.31, is amended to read:

216C.31 ENERGY AUDIT PROGRAMS.

The commissioner shall develop ~~and administer~~ state programs of energy audits of residential and commercial buildings including ~~those required by United States Code, title 42, sections 8211 to 8222 and sections 8281 to 8284. The commissioner shall continue to administer the residential energy audit program as originally established under the provisions of United States Code, title 42, sections 8211 to 8222; through July 1, 1986 irrespective of any prior expiration date provided in United States Code, title 42, section 8216. The commissioner may approve temporary programs if they are likely to result in the installation of as many conservation measures as would have been installed had the utility met the requirements of United States Code, title 42, sections 8211 to 8222. The Consumer Services Division and the attorney general may release information on consumer comments about the operation of the program to the commissioner~~ the training and qualifications necessary for the auditing of residential and commercial buildings under the auspices of a program created under section 216B.2412.

Sec. 3. Minnesota Statutes 2006, section 471.345, subdivision 13, is amended to read:

Subd. 13. **Energy efficiency projects.** The following definitions apply to this subdivision.

(a) "Energy conservation measure" means a training program or facility alteration designed to reduce energy consumption or operating costs and includes:

(1) insulation of the building structure and systems within the building;

(2) storm windows and doors, caulking or weatherstripping, multiglazed windows and doors, heat absorbing or heat reflective glazed and coated window and door systems, additional glazing, reductions in glass area, and other window and door system modifications that reduce energy consumption;

(3) automatic energy control systems;

(4) heating, ventilating, or air conditioning system modifications or replacements;

(5) replacement or modifications of lighting fixtures to increase the energy efficiency of the lighting system without increasing the overall illumination of a facility, unless an increase in illumination is necessary to conform to the applicable state or local building code for the lighting system after the proposed modifications are made;

(6) energy recovery systems;

(7) cogeneration systems that produce steam or forms of energy such as heat, as well as electricity, for use primarily within a building or complex of buildings;

(8) energy conservation measures that provide long-term operating cost reductions.

(b) "Guaranteed energy savings contract" means a contract for the evaluation and recommendations of energy conservation measures, and for one or more energy conservation measures. The contract must provide that all payments, except obligations on termination of the contract before its expiration, are to be made over time, but not to exceed 15 years from the date of final installation, and the savings are guaranteed to the extent necessary to make payments for the systems.

(c) "Qualified provider" means a person or business experienced in the design, implementation, and installation of energy conservation measures. A qualified provider to whom the contract is awarded shall give a sufficient bond to the municipality for its faithful performance.

Notwithstanding any law to the contrary, a municipality may enter into a guaranteed energy savings contract with a qualified provider to significantly reduce energy or operating costs.

Before entering into a contract under this subdivision, the municipality shall provide published notice of the meeting in which it proposes to award the contract, the names of the parties to the proposed contract, and the contract's purpose.

Before installation of equipment, modification, or remodeling, the qualified provider shall first issue a report, summarizing estimates of all costs of installations, modifications, or remodeling, including costs of design, engineering, installation, maintenance, repairs, or debt service, and estimates of the amounts by which energy or operating costs will be reduced.

A guaranteed energy savings contract that includes a written guarantee that savings will meet or

exceed the cost of energy conservation measures is not subject to competitive bidding requirements of section 471.345 or other law or city charter. The contract is not subject to section 123B.52.

A municipality may enter into a guaranteed energy savings contract with a qualified provider if, after review of the report, it finds that the amount it would spend on the energy conservation measures recommended in the report is not likely to exceed the amount to be saved in energy and operation costs over 15 years from the date of installation if the recommendations in the report were followed, and the qualified provider provides a written guarantee that the energy or operating cost savings will meet or exceed the costs of the system. The guaranteed energy savings contract may provide for payments over a period of time, not to exceed 15 years.

A municipality may enter into an installment payment contract for the purchase and installation of energy conservation measures. The contract must provide for payments of not less than 1/15 of the price to be paid within two years from the date of the first operation, and the remaining costs to be paid monthly, not to exceed a 15-year term from the date of the first operation.

A municipality entering into a guaranteed energy savings contract shall provide a copy of the contract and the report from the qualified provider to the commissioner of commerce within 30 days of the effective date of the contract.

Guaranteed energy savings contracts may extend beyond the fiscal year in which they become effective. The municipality shall include in its annual appropriations measure for each later fiscal year any amounts payable under guaranteed energy savings contracts during the year. Failure of a municipality to make such an appropriation does not affect the validity of the guaranteed energy savings contract or the municipality's obligations under the contracts.

Sec. 4. Minnesota Statutes 2006, section 504B.161, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** In every lease or license of residential premises, the landlord or licensor covenants:

(1) that the premises and all common areas are fit for the use intended by the parties;

(2) to keep the premises in reasonable repair during the term of the lease or license, except when the disrepair has been caused by the willful, malicious, or irresponsible conduct of the tenant or licensee or a person under the direction or control of the tenant or licensee; and

(3) to make the premises reasonably energy efficient by installing weatherstripping, caulking, storm windows, and storm doors when any such measure will result in energy procurement cost savings, based on current and projected average residential energy costs in Minnesota, that will exceed the cost of implementing that measure, including interest, amortized over the ten-year period following the incurring of the cost; and

(4) to maintain the premises in compliance with the applicable health and safety laws of the state, ~~including the weatherstripping, caulking, storm window, and storm door energy efficiency standards for renter-occupied residences prescribed by section 216C.27, subdivisions 1 and 3,~~ and of the local units of government where the premises are located during the term of the lease or license, except when violation of the health and safety laws has been caused by the willful, malicious, or irresponsible conduct of the tenant or licensee or a person under the direction or control of the tenant or licensee.

The parties to a lease or license of residential premises may not waive or modify the covenants imposed by this section.

Sec. 5. REPEALER.

Minnesota Statutes 2006, sections 216B.165; 216C.27; and 216C.30, subdivision 5, and Minnesota Rules, parts 7635.0100; 7635.0110; 7635.0120; 7635.0130; 7635.0140; 7635.0150; 7635.0160; 7635.0170; 7635.0180; 7635.0200; 7635.0210; 7635.0220; 7635.0230; 7635.0240; 7635.0250; 7635.0260; 7635.0300; 7635.0310; 7635.0320; 7635.0330; 7635.0340; 7635.0400; 7635.0410; 7635.0420; 7635.0500; 7635.0510; 7635.0520; 7635.0530; 7635.0600; 7635.0610; 7635.0620; 7635.0630; 7635.0640; 7635.1000; 7635.1010; 7635.1020; 7635.1030; 7655.0100; 7655.0120; 7655.0200; 7655.0220; 7655.0230; 7655.0240; 7655.0250; 7655.0260; 7655.0270; 7655.0280; 7655.0290; 7655.0300; 7655.0310; 7655.0320; 7655.0330; 7655.0400; 7655.0410; and 7655.0420, are repealed, effective July 1, 2007.

Sec. 6. EFFECTIVE DATE.

This article is effective July 1, 2007."

Delete the title and insert:

"A bill for an act relating to energy; authorizing a decoupling rate mechanism for utilities; regulating the energy savings duties of landlords; requiring the commissioner of commerce to make various assessments for purposes of energy research and development, technical assistance, and other conservation matters; altering the obligations of gas and electric utilities under the conservation investment program; amending Minnesota Statutes 2006, sections 123B.65, subdivision 2; 216B.16, subdivisions 1, 6b; 216B.241; 216C.31; 471.345, subdivision 13; 504B.161, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 216B; repealing Minnesota Statutes 2006, sections 216B.165; 216C.27; 216C.30, subdivision 5; Minnesota Rules, parts 7635.0100; 7635.0110; 7635.0120; 7635.0130; 7635.0140; 7635.0150; 7635.0160; 7635.0170; 7635.0180; 7635.0200; 7635.0210; 7635.0220; 7635.0230; 7635.0240; 7635.0250; 7635.0260; 7635.0300; 7635.0310; 7635.0320; 7635.0330; 7635.0340; 7635.0400; 7635.0410; 7635.0420; 7635.0500; 7635.0510; 7635.0520; 7635.0530; 7635.0600; 7635.0610; 7635.0620; 7635.0630; 7635.0640; 7635.1000; 7635.1010; 7635.1020; 7635.1030; 7655.0100; 7655.0120; 7655.0200; 7655.0220; 7655.0230; 7655.0240; 7655.0250; 7655.0260; 7655.0270; 7655.0280; 7655.0290; 7655.0300; 7655.0310; 7655.0320; 7655.0330; 7655.0400; 7655.0410; 7655.0420."

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

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

S.F. No. 473: A bill for an act relating to human services; allowing certain people to provide independent living skills services; regulating Centers for Independent Living; amending Minnesota Statutes 2006, section 256B.49, subdivision 16, 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 2006, section 256B.0621, subdivision 11, is amended to read:

Subd. 11. **Data use agreement; notice of relocation assistance.** ~~The commissioner shall execute a data use agreement with the Centers for Medicare and Medicaid Services to obtain the long-term care minimum data set data to assist residents of nursing facilities who have establish a process with the Centers for Independent Living that allows a person residing in a Minnesota nursing facility to receive needed information, consultation, and assistance from one of the centers about the available community support options that may enable the person to relocate to the community, if the person: (1) is under the age of 65, (2) has indicated a desire to live in the community. The commissioner shall in turn enter into agreements with the Centers for Independent Living to provide information about assistance for persons who want to move to the community. The commissioner shall work with the Centers for Independent Living on both the content of the information to be provided and privacy protections for the individual residents, and (3) has signed a release of information authorized by the person or the person's appointed legal representative. The process established under this subdivision shall be coordinated with the long-term care consultation service activities established in section 256B.0911.~~

Sec. 2. Minnesota Statutes 2006, section 256B.0911, subdivision 3b, is amended to read:

Subd. 3b. **Transition assistance.** (a) A long-term care consultation team shall provide assistance to persons residing in a nursing facility, hospital, regional treatment center, or intermediate care facility for persons with developmental disabilities who request or are referred for assistance. Transition assistance must include assessment, community support plan development, referrals to Minnesota health care programs, and referrals to programs that provide assistance with housing. Transition assistance must also include information about the Centers for Independent Living and about other organizations that can provide assistance with relocation efforts, and information about contacting these organizations to obtain their assistance and support.

(b) The county shall develop transition processes with institutional social workers and discharge planners to ensure that:

- (1) persons admitted to facilities receive information about transition assistance that is available;
- (2) the assessment is completed for persons within ten working days of the date of request or recommendation for assessment; and
- (3) there is a plan for transition and follow-up for the individual's return to the community. The plan must require notification of other local agencies when a person who may require assistance is screened by one county for admission to a facility located in another county.

(c) If a person who is eligible for a Minnesota health care program is admitted to a nursing facility, the nursing facility must include a consultation team member or the case manager in the discharge planning process.

Sec. 3. Minnesota Statutes 2006, section 256B.49, subdivision 11, is amended to read:

Subd. 11. **Authority.** (a) The commissioner is authorized to apply for home and community-based service waivers, as authorized under section 1915(c) of the Social Security Act to serve persons under the age of 65 who are determined to require the level of care provided in a

nursing home and persons who require the level of care provided in a hospital. The commissioner shall apply for the home and community-based waivers in order to:

- (i) promote the support of persons with disabilities in the most integrated settings;
- (ii) expand the availability of services for persons who are eligible for medical assistance;
- (iii) promote cost-effective options to institutional care; and
- (iv) obtain federal financial participation.

(b) The provision of waived services to medical assistance recipients with disabilities shall comply with the requirements outlined in the federally approved applications for home and community-based services and subsequent amendments, including provision of services according to a service plan designed to meet the needs of the individual. For purposes of this section, the approved home and community-based application is considered the necessary federal requirement.

(c) The commissioner shall provide interested persons serving on agency advisory committees and task forces, the Centers for Independent Living, and others upon request, with notice of, and an opportunity to comment on, (1) any substantive changes to the state's disability services provider manual at least 30 days prior to its effective date, or (2) changes or amendments to the federally approved applications for home and community-based waivers, prior to their submission to the federal Centers for Medicare and Medicaid Services.

(d) The commissioner shall seek approval, as authorized under section 1915(c) of the Social Security Act, to allow medical assistance eligibility under this section for children under age 21 without deeming of parental income or assets.

(e) The commissioner shall seek approval, as authorized under section 1915(c) of the Social Act, to allow medical assistance eligibility under this section for individuals under age 65 without deeming the spouse's income or assets.

Sec. 4. Minnesota Statutes 2006, section 256B.49, subdivision 16, is amended to read:

Subd. 16. **Services and supports.** (a) Services and supports included in the home and community-based waivers for persons with disabilities shall meet the requirements set out in United States Code, title 42, section 1396n. The services and supports, which are offered as alternatives to institutional care, shall promote consumer choice, community inclusion, self-sufficiency, and self-determination.

(b) Beginning January 1, 2003, the commissioner shall simplify and improve access to home and community-based waived services, to the extent possible, through the establishment of a common service menu that is available to eligible recipients regardless of age, disability type, or waiver program.

(c) Consumer directed community support services shall be offered as an option to all persons eligible for services under subdivision 11, by January 1, 2002.

(d) Services and supports shall be arranged and provided consistent with individualized written plans of care for eligible waiver recipients.

(e) A transitional supports allowance shall be available to all persons under a home and

community-based waiver who are moving from a licensed setting to a community setting. "Transitional supports allowance" means a onetime payment of up to \$3,000, to cover the costs, not covered by other sources, associated with moving from a licensed setting to a community setting. Covered costs include:

- (1) lease or rent deposits;
- (2) security deposits;
- (3) utilities set-up costs, including telephone;
- (4) essential furnishings and supplies; and
- (5) personal supports and transports needed to locate and transition to community settings.

(f) The state of Minnesota and county agencies that administer home and community-based waived services for persons with disabilities, shall not be liable for damages, injuries, or liabilities sustained through the purchase of supports by the individual, the individual's family, legal representative, or the authorized representative with funds received through the consumer-directed community support service under this section. Liabilities include but are not limited to: workers' compensation liability, the Federal Insurance Contributions Act (FICA), or the Federal Unemployment Tax Act (FUTA).

(g) Upon federal approval, medical assistance reimbursement may be made for independent living skills services under the home and community-based waiver for persons with a traumatic brain injury and the community alternatives for disabled individuals waivers if:

- (1) the provider is licensed to provide services under chapter 245B; or
- (2) the local agency contracting for the services certifies on a form provided by the commissioner that the provider has the capacity to meet the individual needs as identified in each person's individual service plan. When certifying that the independent living skills service provider meets the necessary provider qualifications, the local agency shall verify that the provider has policies and procedures governing the following:
 - (i) protection of the consumer's rights and privacy;
 - (ii) risk assessment and planning;
 - (iii) recordkeeping and reporting of incidents and emergencies with documentation of corrective action if needed;
 - (iv) service outcomes, regular reviews of progress, and periodic reports;
 - (v) complaint and grievance procedures;
 - (vi) service termination or suspension; and
 - (vii) necessary training and supervision of direct care staff that includes:
 - (A) documentation in personnel files of 20 hours of orientation training in providing training to and assistance with independent living skills service;
 - (B) training in recognizing the symptoms and effects of certain disabilities, health conditions,

and positive behavioral supports and interventions; and

(C) a minimum of five hours of related training annually; and

(3) when applicable, the local agency shall verify that the independent living skills provider has policies and procedures in place governing the following:

(i) medication administration;

(ii) proper handling of consumer funds; and

(iii) compliance with federal requirements regarding the use of restraints and restrictive interventions."

Delete the title and insert:

"A bill for an act relating to human services; regulating Centers for Independent Living; amending data use agreements; expanding transition assistance; requiring the provision of certain information; establishing options for approval of independent living skills services providers; amending Minnesota Statutes 2006, sections 256B.0621, subdivision 11; 256B.0911, subdivision 3b; 256B.49, subdivisions 11, 16."

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

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

S.F. No. 490: A bill for an act relating to human services; modifying group residential housing supplemental rates; amending Minnesota Statutes 2006, section 256I.05, by adding a subdivision.

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

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 2006, section 256I.04, subdivision 3, is amended to read:

Subd. 3. **Moratorium on the development of group residential housing beds.** (a) County agencies shall not enter into agreements for new group residential housing beds with total rates in excess of the MSA equivalent rate except: (1) for group residential housing establishments licensed under Minnesota Rules, parts 9525.0215 to 9525.0355, provided the facility is needed to meet the census reduction targets for persons with developmental disabilities at regional treatment centers; (2) to ensure compliance with the federal Omnibus Budget Reconciliation Act alternative disposition plan requirements for inappropriately placed persons with developmental disabilities or mental illness; (3) up to 80 beds in a single, specialized facility located in Hennepin County that will provide housing for chronic inebriates who are repetitive users of detoxification centers and are refused placement in emergency shelters because of their state of intoxication, and planning for the specialized facility must have been initiated before July 1, 1991, in anticipation of receiving a grant from the Housing Finance Agency under section 462A.05, subdivision 20a, paragraph (b); (4) notwithstanding the provisions of subdivision 2a, for up to 190 supportive housing units in Anoka, Dakota, Hennepin, or Ramsey County for homeless adults with a mental illness, a history

of substance abuse, or human immunodeficiency virus or acquired immunodeficiency syndrome. For purposes of this section, "homeless adult" means a person who is living on the street or in a shelter or discharged from a regional treatment center, community hospital, or residential treatment program and has no appropriate housing available and lacks the resources and support necessary to access appropriate housing. At least 70 percent of the supportive housing units must serve homeless adults with mental illness, substance abuse problems, or human immunodeficiency virus or acquired immunodeficiency syndrome who are about to be or, within the previous six months, has been discharged from a regional treatment center, or a state-contracted psychiatric bed in a community hospital, or a residential mental health or chemical dependency treatment program. If a person meets the requirements of subdivision 1, paragraph (a), and receives a federal or state housing subsidy, the group residential housing rate for that person is limited to the supplementary rate under section 256I.05, subdivision 1a, and is determined by subtracting the amount of the person's countable income that exceeds the MSA equivalent rate from the group residential housing supplementary rate. A resident in a demonstration project site who no longer participates in the demonstration program shall retain eligibility for a group residential housing payment in an amount determined under section 256I.06, subdivision 8, using the MSA equivalent rate. Service funding under section 256I.05, subdivision 1a, will end June 30, 1997, if federal matching funds are available and the services can be provided through a managed care entity. If federal matching funds are not available, then service funding will continue under section 256I.05, subdivision 1a; ~~or~~ (6) for group residential housing beds in settings meeting the requirements of subdivision 2a, clauses (1) and (3), which are used exclusively for recipients receiving home and community-based waiver services under sections 256B.0915, 256B.092, subdivision 5, 256B.093, and 256B.49, and who resided in a nursing facility for the six months immediately prior to the month of entry into the group residential housing setting. The group residential housing rate for these beds must be set so that the monthly group residential housing payment for an individual occupying the bed when combined with the nonfederal share of services delivered under the waiver for that person does not exceed the nonfederal share of the monthly medical assistance payment made for the person to the nursing facility in which the person resided prior to entry into the group residential housing establishment. The rate may not exceed the MSA equivalent rate plus \$426.37 for any case; or (7) for a new 65-bed facility in Crow Wing County that will serve chemically dependent persons, operated by a group residential housing provider that currently operates a 304-bed facility in Minneapolis, and a 44-bed facility in Duluth.

(b) A county agency may enter into a group residential housing agreement for beds with rates in excess of the MSA equivalent rate in addition to those currently covered under a group residential housing agreement if the additional beds are only a replacement of beds with rates in excess of the MSA equivalent rate which have been made available due to closure of a setting, a change of licensure or certification which removes the beds from group residential housing payment, or as a result of the downsizing of a group residential housing setting. The transfer of available beds from one county to another can only occur by the agreement of both counties."

Renumber the sections in sequence

Amend the title numbers accordingly

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

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

S.F. No. 695: A bill for an act relating to human services; increasing the medical assistance asset limit and excess income standard for aged, blind, or disabled persons; amending Minnesota Statutes 2006, section 256B.056, subdivisions 3, 5c.

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

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 2006, section 256B.056, subdivision 1a, is amended to read:

Subd. 1a. **Income and assets generally.** Unless specifically required by state law or rule or federal law or regulation, the methodologies used in counting income and assets to determine eligibility for medical assistance for persons whose eligibility category is based on blindness, disability, or age of 65 or more years, the methodologies for the supplemental security income program shall be used, except as provided under subdivision 3, paragraph (f). Increases in benefits under title II of the Social Security Act shall not be counted as income for purposes of this subdivision until July 1 of each year. Effective upon federal approval, for children eligible under section 256B.055, subdivision 12, or for home and community-based waiver services whose eligibility for medical assistance is determined without regard to parental income, child support payments, including any payments made by an obligor in satisfaction of or in addition to a temporary or permanent order for child support, and Social Security payments are not counted as income. For families and children, which includes all other eligibility categories, the methodologies under the state's AFDC plan in effect as of July 16, 1996, as required by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), Public Law 104-193, shall be used, except that effective October 1, 2003, the earned income disregards and deductions are limited to those in subdivision 1c. For these purposes, a "methodology" does not include an asset or income standard, or accounting method, or method of determining effective dates."

Page 2, after line 12, insert:

"(f) When a person enrolled in medical assistance under section 256B.057, subdivision 9, reaches age 65 and has been enrolled during each of the 24 consecutive months before the person's 65th birthday, the assets owned by the person and the person's spouse must be disregarded, up to the limits of section 256B.057, subdivision 9, paragraph (b), when determining eligibility for medical assistance under section 256B.055, subdivision 7. The income of a spouse of a person enrolled in medical assistance under section 256B.057, subdivision 9, during each of the 24 consecutive months before the person's 65th birthday must be disregarded when determining eligibility for medical assistance under section 256B.055, subdivision 7, when the person reaches age 65. This paragraph does not apply at the time the person or the person's spouse requests medical assistance payment for long-term care services."

Page 2, after line 25, insert:

"Sec. 4. Minnesota Statutes 2006, section 256B.69, subdivision 23, is amended to read:

Subd. 23. **Alternative services; elderly and disabled persons.** (a) The commissioner may implement demonstration projects to create alternative integrated delivery systems for acute and long-term care services to elderly persons and persons with disabilities as defined in section

256B.77, subdivision 7a, that provide increased coordination, improve access to quality services, and mitigate future cost increases. The commissioner may seek federal authority to combine Medicare and Medicaid capitation payments for the purpose of such demonstrations and may contract with Medicare-approved special needs plans to provide Medicaid services. Medicare funds and services shall be administered according to the terms and conditions of the federal contract and demonstration provisions. For the purpose of administering medical assistance funds, demonstrations under this subdivision are subject to subdivisions 1 to 22. The provisions of Minnesota Rules, parts 9500.1450 to 9500.1464, apply to these demonstrations, with the exceptions of parts 9500.1452, subpart 2, item B; and 9500.1457, subpart 1, items B and C, which do not apply to persons enrolling in demonstrations under this section. An initial open enrollment period may be provided. Persons who disenroll from demonstrations under this subdivision remain subject to Minnesota Rules, parts 9500.1450 to 9500.1464. When a person is enrolled in a health plan under these demonstrations and the health plan's participation is subsequently terminated for any reason, the person shall be provided an opportunity to select a new health plan and shall have the right to change health plans within the first 60 days of enrollment in the second health plan. Persons required to participate in health plans under this section who fail to make a choice of health plan shall not be randomly assigned to health plans under these demonstrations. Notwithstanding section 256L.12, subdivision 5, and Minnesota Rules, part 9505.5220, subpart 1, item A, if adopted, for the purpose of demonstrations under this subdivision, the commissioner may contract with managed care organizations, including counties, to serve only elderly persons eligible for medical assistance, elderly and disabled persons, or disabled persons only. For persons with a primary diagnosis of developmental disability, serious and persistent mental illness, or serious emotional disturbance, the commissioner must ensure that the county authority has approved the demonstration and contracting design. Enrollment in these projects for persons with disabilities shall be voluntary. The commissioner shall not implement any demonstration project under this subdivision for persons with a primary diagnosis of developmental disabilities, serious and persistent mental illness, or serious emotional disturbance, without approval of the county board of the county in which the demonstration is being implemented.

(b) Notwithstanding chapter 245B, sections 252.40 to 252.46, 256B.092, 256B.501 to 256B.5015, and Minnesota Rules, parts 9525.0004 to 9525.0036, 9525.1200 to 9525.1330, 9525.1580, and 9525.1800 to 9525.1930, the commissioner may implement under this section projects for persons with developmental disabilities. The commissioner may capitate payments for ICF/MR services, waived services for developmental disabilities, including case management services, day training and habilitation and alternative active treatment services, and other services as approved by the state and by the federal government. Case management and active treatment must be individualized and developed in accordance with a person-centered plan. Costs under these projects may not exceed costs that would have been incurred under fee-for-service. Beginning July 1, 2003, and until two years after the pilot project implementation date, subcontractor participation in the long-term care developmental disability pilot is limited to a nonprofit long-term care system providing ICF/MR services, home and community-based waiver services, and in-home services to no more than 120 consumers with developmental disabilities in Carver, Hennepin, and Scott Counties. The commissioner shall report to the legislature prior to expansion of the developmental disability pilot project. This paragraph expires two years after the implementation date of the pilot project.

(c) Before implementation of a demonstration project for disabled persons, the commissioner must provide information to appropriate committees of the house of representatives and senate and

must involve representatives of affected disability groups in the design of the demonstration projects.

(d) A nursing facility reimbursed under the alternative reimbursement methodology in section 256B.434 may, in collaboration with a hospital, clinic, or other health care entity provide services under paragraph (a). The commissioner shall amend the state plan and seek any federal waivers necessary to implement this paragraph.

(e) The commissioner, in consultation with the commissioners of commerce and health, may approve and implement programs for all-inclusive care for the elderly (PACE) according to federal laws and regulations governing that program and state laws or rules applicable to participating providers. The process for approval of these programs shall begin only after the commissioner receives grant money in an amount sufficient to cover the state share of the administrative and actuarial costs to implement the programs during state fiscal years 2006 and 2007. Grant amounts for this purpose shall be deposited in an account in the special revenue fund and are appropriated to the commissioner to be used solely for the purpose of PACE administrative and actuarial costs. A PACE provider is not required to be licensed or certified as a health plan company as defined in section 62Q.01, subdivision 4. Persons age 55 and older who have been screened by the county and found to be eligible for services under the elderly waiver or community alternatives for disabled individuals or who are already eligible for Medicaid but meet level of care criteria for receipt of waiver services may choose to enroll in the PACE program. Medicare and Medicaid services will be provided according to this subdivision and federal Medicare and Medicaid requirements governing PACE providers and programs. PACE enrollees will receive Medicaid home and community-based services through the PACE provider as an alternative to services for which they would otherwise be eligible through home and community-based waiver programs and Medicaid State Plan Services. The commissioner shall establish Medicaid rates for PACE providers that do not exceed costs that would have been incurred under fee-for-service or other relevant managed care programs operated by the state.

(f) The commissioner shall seek federal approval to expand the Minnesota disability health options (MnDHO) program established under this subdivision in stages, first to regional population centers outside the seven-county metro area and then to all areas of the state. ~~Until January 1, 2008~~ July 1, 2009, expansion for MnDHO projects that include home and community-based services is limited to the two projects and service areas in effect on March 1, 2006. Enrollment in integrated MnDHO programs that include home and community-based services shall remain voluntary. Costs for home and community-based services included under MnDHO must not exceed costs that would have been incurred under the fee-for-service program. In developing program specifications for expansion of integrated programs, the commissioner shall involve and consult the state-level stakeholder group established in subdivision 28, paragraph (d), including consultation on whether and how to include home and community-based waiver programs. Plans for further expansion of MnDHO projects shall be presented to the chairs of the house and senate committees with jurisdiction over health and human services policy and finance by February 1, 2007.

(g) Notwithstanding section 256B.0261, health plans providing services under this section are responsible for home care targeted case management and relocation targeted case management. Services must be provided according to the terms of the waivers and contracts approved by the federal government.

Sec. 5. COMMISSIONER REQUIRED TO SEEK FEDERAL APPROVAL.

By October 1, 2007, the commissioner shall seek federal approval to allow persons who have been eligible for medical assistance for employed persons with disabilities (MA-EPD) under Minnesota Statutes, section 256B.057, subdivision 9, for each of the 24 consecutive months prior to becoming age 65 to continue using the MA-EPD eligibility rules as long as they qualify."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "modifying a Minnesota disabilities health options program provision; modifying the medical assistance employed persons with disabilities program; directing the commissioner of human services to seek federal approval;"

Amend the title numbers accordingly

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

SECOND READING OF SENATE BILLS

S.F. No. 971 was read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Wiger moved that the name of Senator Rosen be added as a co-author to S.F. No. 355. The motion prevailed.

Senator Pogemiller moved that the name of Senator Saltzman be added as a co-author to S.F. No. 385. The motion prevailed.

Senator Rosen moved that her name be stricken as a co-author to S.F. No. 443. The motion prevailed.

Senator Saxhaug moved that his name be stricken as chief author, shown as a co-author, and the name of Senator Dibble be added as chief author to S.F. No. 453. The motion prevailed.

Senator Kubly moved that the name of Senator Langseth be added as a co-author to S.F. No. 1289. The motion prevailed.

Senator Betzold moved that the name of Senator Foley be added as a co-author to S.F. No. 1430. The motion prevailed.

Senator Bonoff moved that the names of Senators Limmer and Ingebrigtsen be added as co-authors to S.F. No. 1614. The motion prevailed.

Senator Senjem moved that the names of Senators Rosen and Koch be added as co-authors to S.F. No. 1640. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senator Skoe introduced—

S.F. No. 1691: A bill for an act relating to human services; providing rate increases for nursing facilities, ICFs/MR, and community-based long-term care providers; setting a floor for nursing facility payment rates; modifying individual income tax rates; establishing the long-term care payment rate account; appropriating money; amending Minnesota Statutes 2006, sections 256B.434, by adding subdivisions; 256B.5012, by adding a subdivision; 290.06, subdivisions 2c, 2d; 290.62.

Referred to the Committee on Finance.

Senator Skoe introduced—

S.F. No. 1692: A bill for an act relating to capital improvements; authorizing the issuance of state bonds; appropriating money for predesign of an emergency training administration center.

Referred to the Committee on Finance.

Senator Olseen introduced—

S.F. No. 1693: A bill for an act relating to sales and use tax; exempting construction materials for the Harris wastewater treatment facility and water treatment plant; amending Minnesota Statutes 2006, section 297A.71, by adding a subdivision.

Referred to the Committee on Taxes.

Senators Larson, Bakk and Moua introduced—

S.F. No. 1694: A bill for an act relating to taxation; providing an income tax credit for donations to qualified scholarship-granting organizations; amending Minnesota Statutes 2006, section 290.01, subdivisions 19a, 19c; proposing coding for new law in Minnesota Statutes, chapter 290.

Referred to the Committee on Taxes.

Senator Skoe introduced—

S.F. No. 1695: A bill for an act relating to agriculture; providing indemnity for certain destroyed cattle; authorizing rules for control of bovine tuberculosis; repealing certain animal health statutes and rules; proposing coding for new law in Minnesota Statutes, chapter 35; repealing Minnesota Statutes 2006, sections 35.08; 35.09; 35.10; 35.11; 35.12; Minnesota Rules, parts 1705.0840; 1705.0850; 1705.0860; 1705.0870; 1705.0880; 1705.0890; 1705.0900; 1705.0910; 1705.0920; 1705.0930; 1705.0940; 1705.0950; 1705.0960; 1705.0970; 1705.0980; 1705.0990; 1705.1000; 1705.1010; 1705.1020; 1705.1030; 1705.1040; 1705.1050; 1705.1060; 1705.1070; 1705.1080; 1705.1086; 1705.1087; 1705.1088.

Referred to the Committee on Agriculture and Veterans.

Senators Clark, Rosen, Dibble and Senjem introduced—

S.F. No. 1696: A bill for an act relating to energy; specifying criteria for affordability programs for low-income residential customers; amending Minnesota Statutes 2006, section 216B.16, subdivision 15.

Referred to the Committee on Energy, Utilities, Technology and Communications.

Senators Anderson, Frederickson and Chaudhary introduced—

S.F. No. 1697: A bill for an act relating to natural resources; establishing requirements for acquisition of easements; requiring a report; amending Minnesota Statutes 2006, section 84.0272, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Senator Kubly introduced—

S.F. No. 1698: A bill for an act relating to energy; providing for grants to schools and public buildings installing heating units that use biomass; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 216C.

Referred to the Committee on Energy, Utilities, Technology and Communications.

Senator Skoe introduced—

S.F. No. 1699: A bill for an act relating to human services; appropriating money for a study and redesign of a Native American juvenile treatment center.

Referred to the Committee on Finance.

Senator Rummel introduced—

S.F. No. 1700: A bill for an act relating to civil actions; including court file copy costs in expenses paid on behalf of a person proceeding in forma pauperis; amending Minnesota Statutes 2006, section 563.01, by adding a subdivision.

Referred to the Committee on Judiciary.

Senator Betzold introduced—

S.F. No. 1701: A bill for an act relating to health; establishing the Health Records Act; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 2006, section 144.335.

Referred to the Committee on Health, Housing and Family Security.

Senators Kubly, Anderson, Dibble, Rosen and Prettner Solon introduced—

S.F. No. 1702: A bill for an act relating to energy; establishing wind energy conversion system loan guarantee program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 216C.

Referred to the Committee on Energy, Utilities, Technology and Communications.

Senator Carlson introduced—

S.F. No. 1703: A bill for an act relating to highways; appropriating money for upgrades and improvements to highway 149; authorizing sale of trunk highway bonds.

Referred to the Committee on Finance.

Senators Chaudhary, Frederickson, Vickerman, Anderson and Dille introduced—

S.F. No. 1704: A bill for an act relating to waters; modifying provisions for wetland conservation; requiring rulemaking; appropriating money; amending Minnesota Statutes 2006, sections 103G.222, subdivisions 1, 3; 103G.2241, subdivisions 1, 2, 3, 6, 9; 103G.2242, subdivisions 2, 2a, 9, 12, 15; 103G.2243, subdivision 2; repealing Minnesota Statutes 2006, section 103G.2241, subdivision 8.

Referred to the Committee on Environment and Natural Resources.

Senators Sparks, Scheid, Larson and Ortman introduced—

S.F. No. 1705: A bill for an act relating to insurance; requiring coverage for colorectal screening tests; amending Minnesota Statutes 2006, section 62A.30, subdivision 2.

Referred to the Committee on Commerce and Consumer Protection.

Senator Lynch introduced—

S.F. No. 1706: A bill for an act relating to education finance; increasing the minimum amount of compensatory revenue; amending Minnesota Statutes 2006, section 126C.05, subdivision 3.

Referred to the Committee on Finance.

Senators Latz and Moua introduced—

S.F. No. 1707: A bill for an act relating to public safety; providing expedited process for first-time DWI offenders to plead guilty; proposing coding for new law in Minnesota Statutes, chapter 169A.

Referred to the Committee on Judiciary.

Senator Latz introduced—

S.F. No. 1708: A bill for an act relating to courts; raising the mandatory retirement age for

judges; amending Minnesota Statutes 2006, section 490.121, subdivision 21d.

Referred to the Committee on Judiciary.

Senators Higgins, Berglin, Marty, Torres Ray and Lourey introduced—

S.F. No. 1709: A bill for an act relating to health; allowing applications for and renewals of essential community provider status; providing grants and other funding to safety net health care providers; modifying reimbursement rates; requiring grants for MinnesotaCare outreach and unreimbursed health care costs; requiring a study of the MinnesotaCare application and enrollment process; appropriating money; amending Minnesota Statutes 2006, sections 62Q.19, subdivisions 2, 6; 62Q.23; 144.3345, subdivision 2; 256B.0625, subdivision 30, by adding a subdivision; 256L.04, by adding a subdivision.

Referred to the Committee on Health, Housing and Family Security.

Senator Berglin introduced—

S.F. No. 1710: A bill for an act relating to public health; establishing a pilot project to improve access to dental care for children; appropriating money.

Referred to the Committee on Health, Housing and Family Security.

Senator Olseen introduced—

S.F. No. 1711: A bill for an act relating to taxation; property; prohibiting an increase in taxable market value for homesteads owned by persons at least 65 years of age and within certain income limits; amending Minnesota Statutes 2006, sections 273.11, subdivision 5, by adding a subdivision; 273.121; 276.04, subdivision 2.

Referred to the Committee on Taxes.

Senators Bonoff, Dibble and Sheran introduced—

S.F. No. 1712: A bill for an act relating to sales and use tax; modifying the exemption for capital equipment; amending Minnesota Statutes 2006, sections 297A.68, subdivision 5; 297A.75, subdivisions 2, 3.

Referred to the Committee on Taxes.

Senators Pariseau, Bakk and Limmer introduced—

S.F. No. 1713: A bill for an act relating to game and fish; requiring rulemaking to modify bag limit for cock pheasant.

Referred to the Committee on Environment and Natural Resources.

Senators Scheid, Rosen and Prettner Solon introduced—

S.F. No. 1714: A bill for an act relating to insurance; requiring uniform processing of health

plan claims; proposing coding for new law in Minnesota Statutes, chapter 62A.

Referred to the Committee on Health, Housing and Family Security.

Senators Rest, Moua, Marty, Dille and Langseth introduced—

S.F. No. 1715: A bill for an act relating to taxes; individual income; providing a credit for purchase or modification of vehicles to accommodate people with disabilities; proposing coding for new law in Minnesota Statutes, chapter 290.

Referred to the Committee on Taxes.

Senator Cohen introduced—

S.F. No. 1716: A bill for an act relating to taxation; income tax; providing a film production tax credit; appropriating money; amending Minnesota Statutes 2006, section 290.06, by adding a subdivision.

Referred to the Committee on Taxes.

Senators Latz, Saltzman and Torres Ray introduced—

S.F. No. 1717: A bill for an act relating to education finance; authorizing a grant for Minnesota Urban Debate League programs; appropriating money.

Referred to the Committee on Finance.

Senators Foley, Anderson and Marty introduced—

S.F. No. 1718: A bill for an act relating to environment; adding an element to the commissioner of the Pollution Control Agency's public education program; directing the governor to designate Minnesota Cleanup Day; setting minimum criminal penalties for littering; amending Minnesota Statutes 2006, sections 115A.072, subdivision 4; 609.68; proposing coding for new law in Minnesota Statutes, chapter 115A.

Referred to the Committee on Environment and Natural Resources.

Senator Wergin introduced—

S.F. No. 1719: A bill for an act relating to taxation; sales tax; providing a sales tax exemption for materials and supplies used in the construction of a water treatment facility in Milaca.

Referred to the Committee on Taxes.

Senators Olson, M.; Berglin and Marty introduced—

S.F. No. 1720: A bill for an act relating to human services; providing a grant for the establishment of the kinship navigator program for grandparents and relatives raising related children; appropriating money.

Referred to the Committee on Finance.

Senators Olson, M.; Berglin; Marty and Sheran introduced—

S.F. No. 1721: A bill for an act relating to human services; requiring the commissioner to establish a kinship support program for grandparents and relatives caring for related children.

Referred to the Committee on Health, Housing and Family Security.

Senators Gimse, Limmer, Gerlach, Ingebrigtsen and Vandeverer introduced—

S.F. No. 1722: A bill for an act relating to health; limiting use of funds for state-sponsored health programs for funding abortions.

Referred to the Committee on Finance.

Senator Doll introduced—

S.F. No. 1723: A bill for an act relating to transportation; authorizing issuance of trunk highway bonds; appropriating funds for construction of an interchange at Trunk Highway 13 and Dakota County State-Aid Highway 5.

Referred to the Committee on Finance.

Senators Prettner Solon and Marty introduced—

S.F. No. 1724: A bill for an act relating to human services; making changes to licensing provisions; modifying data practices, program administration, disaster plans, education programs, conditional license provisions, suspensions, sanctions, and contested case hearings, child care center training, family child care training requirements, vulnerable adults, maltreatment of minors, background studies, disqualifications, reconsiderations, disqualification set-asides, fair hearings, appeals, changing definitions of neglect and physical abuse; amending Minnesota Statutes 2006, sections 13.46, subdivision 4; 245A.03, subdivision 2; 245A.04, subdivision 11, by adding subdivisions; 245A.06, subdivision 4; 245A.07, subdivisions 2a, 3, by adding a subdivision; 245A.08, subdivision 2a; 245A.14, subdivision 8; 245A.144; 245A.1445; 245A.145, subdivision 1; 245A.18, subdivision 2; 245A.65, subdivision 1, by adding a subdivision; 245C.02, subdivision 16, by adding a subdivision; 245C.05, subdivision 3; 245C.07; 245C.08; 245C.09, subdivision 1; 245C.11, by adding a subdivision; 245C.13, subdivision 2; 245C.15, subdivisions 1, 2, 3, 4; 245C.16, subdivision 1; 245C.17, subdivisions 2, 3; 245C.21, subdivisions 2, 3; 245C.22, subdivisions 4, 5; 245C.24, subdivision 3; 245C.27, subdivision 1; 245C.28, subdivision 1; 626.556, subdivisions 2, 10e, 10i; 626.557, subdivisions 9c, 9d; 626.5572, subdivision 17; proposing coding for new law in Minnesota Statutes, chapter 245A; repealing Minnesota Statutes 2006, sections 245A.023; 245A.14, subdivisions 7, 9, 9a, 12, 13; 245C.06; Minnesota Rules, parts 9502.0385; 9503.0035.

Referred to the Committee on Health, Housing and Family Security.

Senator Berglin introduced—

S.F. No. 1725: A bill for an act relating to public health; establishing alcohol health impact fund; imposing alcohol health impact fee; modifying provisions relating to possession and sale of controlled substances; imposing chemical use assessment requirements and fee on persons arrested for DWI but convicted of another offense; providing for prostitution assessment and treatment; modifying chemical dependency services and eligibility provisions; allowing credit for brewers for payment of certain taxes and fees; modifying community-oriented policing grant program; establishing pilot project for Phillips neighborhood; requiring sentencing study; requiring judicial training in chemical use assessments; appropriating money; amending Minnesota Statutes 2006, sections 152.01, subdivision 14a, by adding subdivisions; 152.021, subdivision 1; 152.022, subdivision 1; 152.023, subdivision 2; 152.024, subdivision 1; 169A.275, subdivision 5; 169A.284, subdivision 1; 169A.54, subdivision 11; 169A.70, subdivision 2, by adding subdivisions; 254B.01, subdivisions 2, 3; 254B.02, subdivision 1; 254B.03, subdivisions 1, 4; 254B.04, subdivisions 1, 3; 254B.06, subdivisions 1, 2; 295.75, subdivisions 2, 11; 297G.04, subdivision 2; 297G.10; 299A.62, subdivisions 1, 2; 299A.63, by adding a subdivision; 609.115, subdivision 8, by adding a subdivision; 609.135, by adding subdivisions; 609.153, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 16A; 254A; 297G; 373; 609; repealing Minnesota Statutes 2006, sections 254B.02, subdivisions 2, 3, 4; 254B.09, subdivisions 4, 5, 7.

Referred to the Committee on Health, Housing and Family Security.

Senator Berglin introduced—

S.F. No. 1726: A bill for an act relating to human services; establishing a personal care assistant service plan renewal deadline; requiring a study; amending Minnesota Statutes 2006, section 256B.0655, subdivision 3.

Referred to the Committee on Health, Housing and Family Security.

Senator Berglin introduced—

S.F. No. 1727: A bill for an act relating to human services; directing the transfer of certain medical assistance appropriations.

Referred to the Committee on Finance.

Senator Berglin introduced—

S.F. No. 1728: A bill for an act relating to elections; prohibiting landlords from limiting posting of campaign material in window of tenant's residence; proposing coding for new law in Minnesota Statutes, chapter 211B.

Referred to the Committee on State and Local Government Operations and Oversight.

Senator Scheid introduced—

S.F. No. 1729: A bill for an act relating to education; providing special instruction for prekindergarten children with disabilities; proposing coding for new law in Minnesota Statutes,

chapter 125A.

Referred to the Committee on Education.

Senators Gimse, Senjem, Rosen and Koering introduced—

S.F. No. 1730: A bill for an act relating to sales and use tax; modifying the exemption for capital equipment; amending Minnesota Statutes 2006, sections 297A.68, subdivision 5; 297A.75, subdivisions 2, 3.

Referred to the Committee on Taxes.

Senators Rosen, Berglin, Foley, Lynch and Senjem introduced—

S.F. No. 1731: A bill for an act relating to human services; appropriating money for methamphetamine treatment programs.

Referred to the Committee on Finance.

Senators Sparks, Metzen and Larson introduced—

S.F. No. 1732: A bill for an act relating to health; requiring health and auto insurance reimbursement for emergency care provided by first responders; amending Minnesota Statutes 2006, sections 62J.48; 65B.44, subdivision 2.

Referred to the Committee on Health, Housing and Family Security.

Senators Saltzman, Sheran, Lynch, Anderson and Hann introduced—

S.F. No. 1733: A bill for an act relating to education finance; increasing special education funding; eliminating the two-year lag in base funding; amending Minnesota Statutes 2006, section 125A.76, subdivisions 1, 3, 4.

Referred to the Committee on Finance.

Senators Gerlach, Larson, Vickerman, Skogen and Kubly introduced—

S.F. No. 1734: A bill for an act relating to taxation; gambling taxes; repealing charitable gambling taxes; amending Minnesota Statutes 2006, section 297A.67, by adding a subdivision; repealing Minnesota Statutes 2006, section 297E.02, subdivisions 1, 4, 6.

Referred to the Committee on Taxes.

Senators Higgins, Sieben, Latz and Wiger introduced—

S.F. No. 1735: A bill for an act relating to building codes; requiring adoption of certain provisions relating to radon control; amending Minnesota Statutes 2006, section 16B.61, by adding a subdivision.

Referred to the Committee on Business, Industry and Jobs.

Senator Koering introduced–

S.F. No. 1736: A bill for an act relating to education; awarding General Educational Development (GED) diplomas to World War II veterans; appropriating money.

Referred to the Committee on Finance.

Senator Koch introduced–

S.F. No. 1737: A bill for an act relating to the city of Clearwater; authorizing the city to impose a sales and use tax.

Referred to the Committee on Taxes.

Senator Koering introduced–

S.F. No. 1738: A bill for an act relating to veterans; clarifying and slightly extending eligibility for educational benefits for certain surviving military spouses and children under the War Orphans Act; amending Minnesota Statutes 2006, section 197.75.

Referred to the Committee on Agriculture and Veterans.

Senator Bonoff introduced–

S.F. No. 1739: A bill for an act relating to health; establishing the Grieving Parents Act; requiring a mother to be notified of burial and cremation options in the case of a miscarriage; proposing coding for new law in Minnesota Statutes, chapter 145.

Referred to the Committee on Health, Housing and Family Security.

Senator Sieben introduced–

S.F. No. 1740: A bill for an act relating to highways; appropriating money from the trunk highway fund for construction of concrete median barriers on Trunk Highway 61.

Referred to the Committee on Finance.

Senator Skogen introduced–

S.F. No. 1741: A bill for an act relating to occupations; changing plumbing plan review requirements; amending Minnesota Statutes 2006, section 326.37, subdivision 1.

Referred to the Committee on Business, Industry and Jobs.

Senators Skogen, Langseth and Gimse introduced–

S.F. No. 1742: A bill for an act relating to capital improvements; appropriating money for predesign of a multicounty regional chemical dependency treatment facility and correctional center in west central Minnesota; authorizing the issuance and sale of state bonds.

Referred to the Committee on Finance.

Senators Skogen and Larson introduced—

S.F. No. 1743: A bill for an act relating to taxation; income and franchise; conforming for tax years 2006 and 2007 to certain federal provisions authorizing expensing of certain depreciable assets; amending Minnesota Statutes 2006, section 290.01, subdivisions 19a, 19c.

Referred to the Committee on Taxes.

Senator Skogen introduced—

S.F. No. 1744: A bill for an act relating to sales and use tax; exempting construction materials for the Pelican Rapids wastewater treatment facility; amending Minnesota Statutes 2006, section 297A.71, by adding a subdivision.

Referred to the Committee on Taxes.

Senators Saltzman and Stumpf introduced—

S.F. No. 1745: A bill for an act relating to education finance; appropriating money for certain curriculum support activities.

Referred to the Committee on Finance.

Senator Higgins introduced—

S.F. No. 1746: A bill for an act relating to education; appropriating money for the quantum opportunities program.

Referred to the Committee on Finance.

Senators Sparks, Saxhaug, Tomassoni, Wergin and Bakk introduced—

S.F. No. 1747: A bill for an act relating to gambling; providing for amusement games; amending Minnesota Statutes 2006, section 609.75, subdivision 8, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 299L.

Referred to the Committee on State and Local Government Operations and Oversight.

Senators Larson, Torres Ray and Saxhaug introduced—

S.F. No. 1748: A bill for an act relating to education finance; creating an early retirement incentive for school district employees for school districts experiencing declining enrollment; appropriating money.

Referred to the Committee on Finance.

Senator Lynch introduced—

S.F. No. 1749: A bill for an act relating to education finance; increasing the state aid for consolidating school districts; amending Minnesota Statutes 2006, section 123A.485, subdivision 2.

Referred to the Committee on Finance.

Senators Rest and Limmer introduced—

S.F. No. 1750: A bill for an act relating to taxation; motor fuels; exempting charitable organizations from gasoline tax; amending Minnesota Statutes 2006, section 296A.07, subdivision 4.

Referred to the Committee on Taxes.

Senator Latz introduced—

S.F. No. 1751: A bill for an act relating to higher education; appropriating money to the Washington Center pilot program for scholarships.

Referred to the Committee on Finance.

Senator Pappas introduced—

S.F. No. 1752: A bill for an act relating to health; establishing a Diagnostic Imaging Services Advisory Committee and a moratorium on preauthorization programs.

Referred to the Committee on Health, Housing and Family Security.

Senators Rest, Stumpf, Saltzman, Jungbauer and Bakk introduced—

S.F. No. 1753: A bill for an act relating to airports; creating an advisory task force to study airport funding issues and the state airports fund; requiring a report; appropriating money.

Referred to the Committee on Finance.

Senators Langseth and Senjem introduced—

S.F. No. 1754: A bill for an act relating to taxation; providing alternative valuation for certain property; classifying certain property; amending Minnesota Statutes 2006, section 273.13, subdivision 23; proposing coding for new law in Minnesota Statutes, chapter 273.

Referred to the Committee on Taxes.

Senator Rest introduced—

S.F. No. 1755: A bill for an act relating to local government; authorizing certain charitable organizations to participate in joint powers agreements; amending Minnesota Statutes 2006, section 471.59, subdivision 1.

Referred to the Committee on State and Local Government Operations and Oversight.

Senator Foley introduced—

S.F. No. 1756: A bill for an act relating to highways; appropriating money for new travel lanes on U.S. Highway 10 at Hanson Boulevard in the city of Coon Rapids, between Egret Boulevard and Round Lake Boulevard in the city of Coon Rapids; authorizing sale of trunk highway bonds.

Referred to the Committee on Finance.

Senators Lourey, Kubly, Koering, Dille and Erickson Ropes introduced—

S.F. No. 1757: A bill for an act relating to education and agriculture; creating a pilot incentive grant program to encourage school districts to purchase locally grown foods; appropriating money.

Referred to the Committee on Finance.

Senators Hann and Rosen introduced—

S.F. No. 1758: A bill for an act relating to human services; changing the rate a nursing facility may charge a private pay resident; amending Minnesota Statutes 2006, section 256B.48, subdivision 1.

Referred to the Committee on Finance.

Senators Wergin, Jungbauer and Skogen introduced—

S.F. No. 1759: A bill for an act relating to education; increasing pupil unit count for certain growing school districts.

Referred to the Committee on Education.

Senator Betzold introduced—

S.F. No. 1760: A bill for an act relating to retirement; adding staff of the Public Employees Retirement Association as eligible to participate in the postretirement option; amending Minnesota Statutes 2006, section 43A.346, subdivision 1.

Referred to the Committee on State and Local Government Operations and Oversight.

Senator Betzold introduced—

S.F. No. 1761: A bill for an act relating to the open meeting law; providing for an increased award for costs, disbursements, and attorney fees for violation of the open meeting law; amending Minnesota Statutes 2006, section 13D.06, subdivision 4.

Referred to the Committee on Judiciary.

Senator Betzold introduced—

S.F. No. 1762: A bill for an act relating to retirement; legislators retirement plan; providing an option for the payment of a partial benefit amount to alternative payees under a marriage dissolution decree; proposing coding for new law in Minnesota Statutes, chapter 3A.

Referred to the Committee on State and Local Government Operations and Oversight.

Senator Pappas introduced—

S.F. No. 1763: A bill for an act relating to human services; modifying disqualification set-asides; amending Minnesota Statutes 2006, section 245C.24, subdivision 2.

Referred to the Committee on Health, Housing and Family Security.

Senators Chaudhary, Tomassoni, Stumpf, Lynch and Frederickson introduced—

S.F. No. 1764: A bill for an act relating to the environment; requiring commissioner of natural resources and director of Explore Minnesota Tourism to develop a travel green program; requiring a report.

Referred to the Committee on Environment and Natural Resources.

Senators Foley, Dibble, Sieben and Limmer introduced—

S.F. No. 1765: A bill for an act relating to taxation; providing a sales tax exemption for motor vehicles purchased by lessees who donate the leased vehicle to a charitable organization within 30 days of the date of purchase; amending Minnesota Statutes 2006, section 297B.03.

Referred to the Committee on Taxes.

Senators Vandever, Pariseau and Dibble introduced—

S.F. No. 1766: A bill for an act relating to highways; prohibiting toll roads; making conforming changes; amending Minnesota Statutes 2006, sections 117.226; 160.93, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 160; repealing Minnesota Statutes 2006, sections 160.84; 160.85; 160.86; 160.87; 160.88; 160.89; 160.90; 160.91; 160.92.

Referred to the Committee on Transportation.

Senator Jungbauer introduced—

S.F. No. 1767: A bill for an act relating to capital improvements; appropriating money for improvements to the Oliver H. Kelley Farm Historic Site; authorizing the sale and issuance of state bonds.

Referred to the Committee on Finance.

Senators Jungbauer, Erickson Ropes, Limmer, Hann and Vandever introduced—

S.F. No. 1768: A bill for an act relating to education; directing the state of Minnesota to stop implementing the No Child Left Behind Act.

Referred to the Committee on Education.

Senators Tomassoni, Bakk, Sparks and Metzen introduced—

S.F. No. 1769: A bill for an act relating to employment; providing remedies and enforcement for the prevailing wage law; amending Minnesota Statutes 2006, section 177.27, subdivisions 1, 4, 8, 9, 10.

Referred to the Committee on Business, Industry and Jobs.

Senator Torres Ray introduced—

S.F. No. 1770: A bill for an act relating to education; establishing a pilot program to provide educational support to families with adolescents; appropriating money.

Referred to the Committee on Finance.

Senators Bakk and Bonoff introduced—

S.F. No. 1771: A bill for an act relating to the county of Cook; authorizing an extension of the local sales tax; amending Laws 1993, chapter 375, article 9, section 45, subdivisions 2, as amended, 3, as amended, 4, as amended.

Referred to the Committee on Taxes.

Senator Wiger introduced—

S.F. No. 1772: A bill for an act relating to education; authorizing schools to use an interdisciplinary teaching and learning program model; providing for an interdisciplinary teaching license; providing for rulemaking; proposing coding for new law in Minnesota Statutes, chapter 122A.

Referred to the Committee on Education.

Senator Sheran introduced—

S.F. No. 1773: A bill for an act relating to retirement; providing for certain pension benefits upon privatization of the Lakeview Nursing Home in Gaylord; amending Minnesota Statutes 2006, section 353F.02, subdivision 4.

Referred to the Committee on State and Local Government Operations and Oversight.

Senator Doll introduced—

S.F. No. 1774: A bill for an act relating to taxation; increasing the motor fuels excise tax;

allowing a refundable income tax credit; appropriating money; amending Minnesota Statutes 2006, sections 290.06, by adding a subdivision; 296A.07, subdivision 3; 296A.08, subdivision 2.

Referred to the Committee on Transportation.

Senator Doll introduced—

S.F. No. 1775: A bill for an act relating to taxation; redefining transit taxing district; authorizing tax levy outside existing transit taxing district; amending Minnesota Statutes 2006, section 473.446, subdivisions 2, 8; repealing Minnesota Statutes 2006, section 473.4461.

Referred to the Committee on Transportation.

Senators Larson, Moua, Sieben and Clark introduced—

S.F. No. 1776: A bill for an act relating to taxation; income taxes; providing a subtraction from federal taxable income for reimbursements from a federal nutrition program; amending Minnesota Statutes 2006, section 290.01, subdivision 19b.

Referred to the Committee on Taxes.

Senators Larson, Moua, Sieben and Clark introduced—

S.F. No. 1777: A bill for an act relating to taxation; income taxes; equalizing the dependent care credit for licensed family day care providers; amending Minnesota Statutes 2006, section 290.067, subdivision 1.

Referred to the Committee on Taxes.

Senators Sheran, Erickson Ropes, Koering and Latz introduced—

S.F. No. 1778: A bill for an act relating to higher education; appropriating money for the Minnesota campus compact and its postsecondary service learning, access, and opportunity initiatives.

Referred to the Committee on Finance.

Senator Kubly introduced—

S.F. No. 1779: A bill for an act relating to retirement; Public Employees Retirement Association general plan; authorizing a late application for disability benefits for a former employee.

Referred to the Committee on State and Local Government Operations and Oversight.

Senators Torres Ray, Erickson Ropes, Lourey, Marty and Wergin introduced—

S.F. No. 1780: A bill for an act relating to public health; establishing a preference for mercury-free vaccines; amending Minnesota Statutes 2006, section 121A.15, by adding a subdivision.

Referred to the Committee on Health, Housing and Family Security.

Senator Anderson introduced—

S.F. No. 1781: A bill for an act relating to appropriations; appropriating money for environment and natural resources; modifying disposition of certain revenue; authorizing certain sales; modifying and creating certain accounts; modifying and establishing certain fees and surcharges; establishing an off-highway vehicle safety and conservation program; modifying decorative bough provisions; modifying percentage of gasoline use attributable to all-terrain vehicles; modifying trail designation requirements; eliminating sunset of sustainable forest resources provisions; amending Minnesota Statutes 2006, sections 16A.531, subdivision 1a; 84.025, subdivision 9; 84.026, subdivision 1; 84.0855, subdivisions 1, 2; 84.780; 84.927, subdivision 2; 84D.13, subdivision 7; 86B.415, subdivisions 1, 2, 3, 4, 5, 7; 86B.706, subdivision 2; 88.642, subdivision 1; 88.6435, subdivision 1; 89.22, subdivision 2; 97A.071, subdivision 2; 97A.075; 97A.475, subdivision 7; 97C.081, subdivision 3; 168.013, subdivisions 1d, 1g, 8; 296A.18, subdivision 4; Laws 2003, chapter 128, article 1, section 169; proposing coding for new law in Minnesota Statutes, chapters 84; 84D; 89; repealing Minnesota Statutes 2006, sections 89A.11; 93.2236.

Referred to the Committee on Finance.

Senator Anderson introduced—

S.F. No. 1782: A bill for an act relating to waters; improving oversight of local government water management; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 103B.

Referred to the Committee on Environment and Natural Resources.

Senators Chaudhary, Skogen, Frederickson, Kubly and Pariseau introduced—

S.F. No. 1783: A bill for an act relating to natural resources; appropriating money for a carbon sequestration demonstration project; authorizing the sale and issuance of state bonds.

Referred to the Committee on Finance.

Senators Koering and Olson, M. introduced—

S.F. No. 1784: A bill for an act relating to capital improvements; appropriating money for Cuyuna Country State Recreation Area; authorizing the sale and issuance of state bonds.

Referred to the Committee on Finance.

Senators Bakk and Skoe introduced—

S.F. No. 1785: A bill for an act relating to natural resources; modifying the terms and payment amounts for forest land in the Sustainable Forest Incentives Act; appropriating money; amending Minnesota Statutes 2006, sections 290C.03; 290C.055; 290C.07; 290C.08, subdivision 2; 290C.10; repealing Minnesota Statutes 2006, sections 290C.02, subdivisions 5, 9; 290C.06.

Referred to the Committee on Environment and Natural Resources.

Senator Cohen introduced—

S.F. No. 1786: A bill for an act relating to economic development; appropriating money for the Minnesota Film and TV Board; amending Laws 2006, chapter 282, article 11, section 6.

Referred to the Committee on Finance.

Senator Latz introduced—

S.F. No. 1787: A bill for an act relating to workers' compensation; requiring the commissioner of labor and industry to adopt rules regarding common carrier railroad employees; requiring a report; appropriating money.

Referred to the Committee on Business, Industry and Jobs.

Senators Pogemiller and Torres Ray introduced—

S.F. No. 1788: A bill for an act relating to economic development; requiring registration of certain relative homesteads; appropriating money for a University of Minnesota area neighborhood alliance; amending Minnesota Statutes 2006, section 273.124, by adding a subdivision.

Referred to the Committee on Finance.

MEMBERS EXCUSED

Senator Latz was excused from the Session of today.

ADJOURNMENT

Senator Pogemiller moved that the Senate do now adjourn until 11:00 a.m., Wednesday, March 14, 2007. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

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