

FORTY-EIGHTH DAY

St. Paul, Minnesota, Wednesday, May 6, 2009

The Senate met at 12:00 noon and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rabbi Simeon Glaser.

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

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

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.

May 1, 2009

The Honorable James P. Metzen
President of the Senate

Dear Senator Metzen:

The following appointments are hereby respectfully submitted to the Senate for confirmation as

required by law:

WORKERS' COMPENSATION COURT OF APPEALS

David Stofferahn, 1032 Goodrich Ave., Saint Paul, in the county of Ramsey, effective May 6, 2009, for a term that expires on January 5, 2015.

Debra Wilson, 510 Grand Ave., #202, Saint Paul, in the county of Ramsey, effective May 6, 2009, for a term that expires on January 5, 2015.

(Referred to the Committee on Business, Industry and Jobs.)

Sincerely,
Tim Pawlenty, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 122, 1489, 1754, 275 and 615.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 5, 2009

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 1611.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 6, 2009

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1467: A bill for an act relating to traffic regulations; amending provisions related to speed limits; amending Minnesota Statutes 2008, sections 169.011, subdivisions 64, 90, by adding a subdivision; 169.14, subdivision 2, by adding a subdivision.

Senate File No. 1467 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 5, 2009

CONCURRENCE AND REPASSAGE

Senator Fobbe moved that the Senate concur in the amendments by the House to S.F. No. 1467 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1467 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

Berglin	Fobbe	Koering	Murphy	Scheid
Betzold	Foley	Kubly	Olseen	Sieben
Bonoff	Frederickson	Langseth	Olson, M.	Skoe
Carlson	Gerlach	Latz	Ortman	Skogen
Chaudhary	Gimse	Limmer	Pariseau	Sparks
Cohen	Higgins	Lourey	Pogemiller	Tomassoni
Day	Ingebrigtsen	Lynch	Prettner Solon	Torres Ray
Dibble	Johnson	Marty	Robling	Vandever
Dille	Jungbauer	Metzen	Rosen	Vickerman
Doll	Kelash	Michel	Rummel	
Erickson Ropes	Koch	Moua	Saxhaug	

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 166, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 166: A bill for an act relating to insurance; regulating life insurance; prohibiting stranger-originated life insurance; proposing coding for new law in Minnesota Statutes, chapter 60A; repealing Minnesota Statutes 2008, sections 61A.073; 61A.074.

Senate File No. 166 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 6, 2009

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1301, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1301 is herewith transmitted to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted May 5, 2009

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1301

A bill for an act relating to public safety; providing for public safety, courts, and corrections including requirements for predatory offenders regarding registration, computer access, electronic solicitation, and special license plates; crime victims of criminal sexual conduct and domestic abuse; domestic fatality review teams; public defenders eligibility for representation, appointment, and reimbursement; courts regarding judges' evidence from recording equipment in a law enforcement vehicle; driver's license reinstatement diversion pilot program; driver's license records; corrections regarding probation, pretrial release, and correctional officers, sentencing, and evidence-based practices for community supervision; sentencing guidelines; emergency response team; controlled substances; financial crimes; unsafe recalled toys; animal fighting; public employer consideration of criminal records in hiring; peace officer and public safety dispatcher employment; assault on public utility workers; trespass in police cordoned-off areas; peace officer education; communications regarding criminal history, background checks, warrant information, CIBRS data, criminal justice data, and Statewide Radio Board; authorizing requests for proposals to replace alcohol concentration breath testing devices; providing for boards, task forces, and programs; providing for reports; providing for penalties; amending Minnesota Statutes 2008, sections 12.03, by adding a subdivision; 13.87, subdivision 1; 122A.18, subdivision 8; 123B.03, subdivision 1; 152.02, subdivisions 6, 12; 152.027, by adding a subdivision; 169.71, subdivision 1; 243.166, subdivisions 1a, 4, 4b, 6; 244.05, subdivision 6; 244.052, subdivision 1; 246.13, subdivision 2; 253B.141, subdivision 1; 299A.681; 299C.115; 299C.17; 299C.21; 299C.40, subdivisions 1, 2; 299C.46, subdivision 1; 299C.52, subdivisions 1, 3, 4; 299C.53, subdivision 1; 299C.62, subdivision 1; 299C.65, subdivisions 1, 5; 299C.68, subdivision 2; 343.31, subdivision 1; 357.021, subdivision 6; 388.24, subdivision 4; 401.025, subdivision 1; 401.065, subdivision 3a; 403.36, subdivision 2, by adding a subdivision; 471.59, by adding subdivisions; 480.23; 484.91, subdivision 1; 491A.03, subdivision 1; 518.165, subdivision 5; 518B.01, subdivisions 2, 20; 524.5-118, subdivision 2; 609.131, subdivision 1; 609.2231, by adding a subdivision; 609.352, subdivision 2a; 609.605, subdivision 1; 611.17; 611.18; 611.20, subdivision 3; 611.21; 611.272; 611A.0315, subdivision 1; 626.843, subdivisions 1, 3; 626.845, subdivision 1; 626.863; 628.69, subdivision 6; 629.34, subdivision 1; 629.341, subdivision 1; Laws 1999, chapter 216, article 2, section 27, subdivisions 1, as amended, 3c, as added, 4; proposing coding for new law in Minnesota Statutes, chapters 12; 168; 169A; 244; 260B; 325F; 364; 634; repealing Minnesota Statutes 2008, sections 260B.199, subdivision 2; 260B.201, subdivision 3; 299C.61, subdivision 8; 299C.67, subdivision 3; 383B.65, subdivision 2; 403.36, subdivision 1f; Laws 2002, chapter 266, section 1, as amended.

May 4, 2009

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

We, the undersigned conferees for H. F. No. 1301 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 1301 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

PREDATORY OFFENDERS AND SEX OFFENSES

Section 1. Minnesota Statutes 2008, section 243.166, subdivision 4b, is amended to read:

Subd. 4b. **Health care facility; notice of status.** (a) For the purposes of this subdivision, "health care facility" means a facility ~~licensed by:~~

(1) licensed by the commissioner of health as a hospital, boarding care home or supervised living facility under sections 144.50 to 144.58, or a nursing home under chapter 144A;

(2) registered by the commissioner of health as a housing with services establishment as defined in section 144D.01; or

~~(2)~~ (3) licensed by the commissioner of human services as a residential facility under chapter 245A to provide adult foster care, adult mental health treatment, chemical dependency treatment to adults, or residential services to persons with developmental disabilities.

(b) Prior to admission to a health care facility, a person required to register under this section shall disclose to:

(1) the health care facility employee processing the admission the person's status as a registered predatory offender under this section; and

(2) the person's corrections agent, or if the person does not have an assigned corrections agent, the law enforcement authority with whom the person is currently required to register, that inpatient admission will occur.

(c) A law enforcement authority or corrections agent who receives notice under paragraph (b) or who knows that a person required to register under this section is planning to be admitted and receive, or has been admitted and is receiving health care at a health care facility shall notify the administrator of the facility and deliver a fact sheet to the administrator containing the following information: (1) name and physical description of the offender; (2) the offender's conviction history, including the dates of conviction; (3) the risk level classification assigned to the offender under section 244.052, if any; and (4) the profile of likely victims.

(d) Except for a hospital licensed under sections 144.50 to 144.58, if a health care facility receives a fact sheet under paragraph (c) that includes a risk level classification for the offender, and if the facility admits the offender, the facility shall distribute the fact sheet to all residents at the facility. If the facility determines that distribution to a resident is not appropriate given the resident's medical, emotional, or mental status, the facility shall distribute the fact sheet to the patient's next of kin or emergency contact.

EFFECTIVE DATE. This section is effective August 1, 2010, and applies to predatory offenders who are required to register before, on, or after that date.

Sec. 2. Minnesota Statutes 2008, section 244.05, subdivision 6, is amended to read:

Subd. 6. **Intensive supervised release.** (a) The commissioner may order that an inmate be placed on intensive supervised release for all or part of the inmate's supervised release or parole term if the commissioner determines that the action will further the goals described in section 244.14, subdivision 1, clauses (2), (3), and (4). In addition, the commissioner may order that an inmate be placed on intensive supervised release for all of the inmate's conditional or supervised release term if the inmate was convicted of a sex offense under section 609.342, 609.343, 609.344, 609.345, or 609.3453 or was sentenced under the provisions of section 609.3455, subdivision 3a. The commissioner shall order that all level III predatory offenders be placed on intensive supervised release for the entire supervised release, conditional release, or parole term.

(b) The commissioner may impose appropriate conditions of release on the inmate including but not limited to unannounced searches of the inmate's person, vehicle, ~~or~~ premises, computer, or other electronic devices capable of accessing the Internet by an intensive supervision agent; compliance with court-ordered restitution, if any; random drug testing; house arrest; daily curfews; frequent face-to-face contacts with an assigned intensive supervision agent; work, education, or treatment requirements; and electronic surveillance. In addition, any sex offender placed on intensive supervised release may be ordered to participate in an appropriate sex offender program as a condition of release.

(c) As a condition of release for an inmate required to register under section 243.166 who is placed on intensive supervised release under this subdivision, the commissioner shall prohibit the inmate from accessing, creating, or maintaining a personal Web page, profile, account, password, or user name for: (1) a social networking Web site, or (2) an instant messaging or chat room program, which permits persons under the age of 18 to become a member or to create or maintain a personal Web page. An intensive supervised release agent may modify the prohibition described in this paragraph if doing so does not jeopardize public safety and the modification is specifically described and agreed to in advance by the agent.

(d) If the inmate violates the conditions of the intensive supervised release, the commissioner shall impose sanctions as provided in subdivision 3 and section 609.3455.

EFFECTIVE DATE. This section is effective August 1, 2010, and applies to persons who are on intensive supervised release on or after that date.

Sec. 3. Minnesota Statutes 2008, section 244.052, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** As used in this section:

- (1) "confinement" means confinement in a state correctional facility or a state treatment facility;
- (2) "immediate household" means any and all individuals who live in the same household as the offender;
- (3) "law enforcement agency" means the law enforcement agency having primary jurisdiction over the location where the offender expects to reside upon release;

(4) "residential facility" means a regional treatment center operated by the commissioner of human services or a facility that is licensed as a residential program, as defined in section 245A.02, subdivision 14, by the commissioner of human services under chapter 245A, or the commissioner of corrections under section 241.021, whose staff are trained in the supervision of sex offenders; and

(5) "predatory offender" and "offender" mean a person who is required to register as a predatory offender under section 243.166. However, the terms do not include persons required to register based solely on a delinquency adjudication.

Sec. 4. [244.0521] TRAINING MATERIALS ON THE DANGERS OF PREDATORY OFFENDERS.

By October 1, 2010, the commissioner of corrections, in consultation with the commissioner of public safety, shall develop training materials on the dangers of predatory offenders for programs and officials who care for and educate children and vulnerable adults. The training materials must include information on the predatory offender community notice requirements under section 244.052, the predatory offender registration requirements under section 243.166, and the dangers that predatory offenders pose to children and vulnerable adults. The training materials shall be developed in a format that permits self-study or facilitator-assisted training that can be completed in approximately one hour. Upon development of these training materials, the commissioner of corrections shall provide notice of completion and electronic access to the training to the commissioner of human services and the commissioner of health. Training materials required by this section must be developed by the Department of Corrections.

Sec. 5. Minnesota Statutes 2008, section 609.341, subdivision 11, is amended to read:

Subd. 11. **Sexual contact.** (a) "Sexual contact," for the purposes of sections 609.343, subdivision 1, clauses (a) to (f), and 609.345, subdivision 1, clauses (a) to (e), and (h) to (o), includes any of the following acts committed without the complainant's consent, except in those cases where consent is not a defense, and committed with sexual or aggressive intent:

(i) the intentional touching by the actor of the complainant's intimate parts, or

(ii) the touching by the complainant of the actor's, the complainant's, or another's intimate parts effected by a person in a position of authority, or by coercion, or by inducement if the complainant is under 13 years of age or mentally impaired, or

(iii) the touching by another of the complainant's intimate parts effected by coercion or by a person in a position of authority, or

(iv) in any of the cases above, the touching of the clothing covering the immediate area of the intimate parts, or

(v) the intentional touching with seminal fluid or sperm by the actor of the complainant's body or the clothing covering the complainant's body.

(b) "Sexual contact," for the purposes of sections 609.343, subdivision 1, clauses (g) and (h), and 609.345, subdivision 1, clauses (f) and (g), includes any of the following acts committed with sexual or aggressive intent:

(i) the intentional touching by the actor of the complainant's intimate parts;

- (ii) the touching by the complainant of the actor's, the complainant's, or another's intimate parts;
- (iii) the touching by another of the complainant's intimate parts; ~~or~~
- (iv) in any of the cases listed above, touching of the clothing covering the immediate area of the intimate parts; or
- (v) the intentional touching with seminal fluid or sperm by the actor of the complainant's body or the clothing covering the complainant's body.

(c) "Sexual contact with a person under 13" means the intentional touching of the complainant's bare genitals or anal opening by the actor's bare genitals or anal opening with sexual or aggressive intent or the touching by the complainant's bare genitals or anal opening of the actor's or another's bare genitals or anal opening with sexual or aggressive intent.

EFFECTIVE DATE. This section is effective August 1, 2009, and applies to crimes committed on or after that date.

Sec. 6. Minnesota Statutes 2008, section 609.352, subdivision 2a, is amended to read:

Subd. 2a. ~~Internet or computer~~ **Electronic solicitation of children.** A person 18 years of age or older who uses the Internet ~~or~~, a computer, computer program, computer network, ~~or~~ computer system, an electronic communications system, or a telecommunications, wire, or radio communications system, or other electronic device capable of electronic data storage or transmission to commit any of the following acts, with the intent to arouse the sexual desire of any person, is guilty of a felony and may be sentenced as provided in subdivision 4:

- (1) soliciting a child or someone the person reasonably believes is a child to engage in sexual conduct;
- (2) engaging in communication ~~relating to or describing sexual conduct~~ with a child or someone the person reasonably believes is a child, relating to or describing sexual conduct; or
- (3) distributing any material, language, or communication, including a photographic or video image, that relates to or describes sexual conduct to a child or someone the person reasonably believes is a child.

EFFECTIVE DATE. This section is effective August 1, 2009, and applies to crimes committed on or after that date.

ARTICLE 2

CRIME VICTIMS

Section 1. Minnesota Statutes 2008, section 611A.0315, subdivision 1, is amended to read:

Subdivision 1. **Notice of decision not to prosecute.** (a) A prosecutor shall make every reasonable effort to notify a victim of domestic assault, a criminal sexual conduct offense, or harassment that the prosecutor has decided to decline prosecution of the case or to dismiss the criminal charges filed against the defendant. Efforts to notify the victim should include, in order of priority: (1) contacting the victim or a person designated by the victim by telephone; and (2) contacting the victim by mail. If a suspect is still in custody, the notification attempt shall be made

before the suspect is released from custody.

(b) Whenever a prosecutor dismisses criminal charges against a person accused of domestic assault, a criminal sexual conduct offense, or harassment, a record shall be made of the specific reasons for the dismissal. If the dismissal is due to the unavailability of the witness, the prosecutor shall indicate the specific reason that the witness is unavailable.

(c) Whenever a prosecutor notifies a victim of domestic assault, criminal sexual conduct, or harassment under this section, the prosecutor shall also inform the victim of the method and benefits of seeking an order for protection under section 518B.01 or a restraining order under section 609.748 and that the victim may seek an order without paying a fee.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 2. [611A.203] DOMESTIC FATALITY REVIEW TEAMS.

Subdivision 1. Domestic fatality review teams; purpose. A judicial district may establish a domestic fatality review team to review domestic violence deaths that have occurred in the district. The team may review cases in which prosecution has been completed or the prosecutorial authority has decided not to pursue the case. The purpose of the review team is to assess domestic violence deaths in order to develop recommendations for policies and protocols for community prevention and intervention initiatives to reduce and eliminate the incidence of domestic violence and resulting fatalities.

Subd. 2. Definition of domestic violence death. "Domestic violence death" means a homicide or suicide under any of the following circumstances:

- (1) the alleged perpetrator and victim resided together at any time;
- (2) the alleged perpetrator and victim have a child in common, regardless of whether they were married or lived together at any time;
- (3) the alleged perpetrator and victim were married, separated, or divorced;
- (4) the alleged perpetrator and victim had a sexual relationship or a significant romantic relationship;
- (5) the alleged perpetrator had been stalking the victim;
- (6) the homicide victim lived in the same household, was present in the workplace of, was in proximity of, or was related by blood or affinity to a victim who experienced or was threatened with domestic abuse by the alleged perpetrator;
- (7) the victim or the perpetrator was a child of a person in a relationship that is described within this definition; or
- (8) any other circumstances that the domestic fatality review team decides fall within the parameters of its mission.

"Domestic violence death" must be interpreted broadly to give the domestic fatality review team discretion to review fatalities that have occurred both directly and peripherally to domestic relationships.

Subd. 3. **Membership.** (a) The chief judge, in consultation with the family violence coordinating council, shall appoint the members of the domestic fatality review team. Membership must reflect a commitment to diversity and relevant professional experience. The review team members must include:

- (1) the medical examiner;
- (2) a judicial court officer (judge or referee);
- (3) a county and city attorney and a public defender;
- (4) the county sheriff and a peace officer;
- (5) a representative from family court services and the Department of Corrections;
- (6) a physician familiar with domestic violence issues;
- (7) a representative from district court administration and the domestic abuse service center;
- (8) a public citizen representative or a representative from a civic organization;
- (9) a mental health professional; and
- (10) domestic violence advocates or shelter workers.

(b) There must be at least three domestic violence advocates or shelter workers on the domestic fatality review team. No two members may represent the same agency. Members representing advocates or shelters must be selected by the advocacy community. At least one position must be designated for a minority representative and one position must rotate in order to include an advocate from the community in which the fatality under review took place.

(c) The domestic fatality review team may also invite other relevant persons to serve on an ad hoc basis and participate as full members of the review team for a particular review. These persons may include, but are not limited to:

- (1) individuals with particular expertise that would be helpful to the review panel; or
- (2) representatives of organizations or agencies that had contact with or provided services to the homicide victim, or to the alleged perpetrator, a victim who experienced or was threatened with domestic abuse by the alleged perpetrator, or a family member of one of those individuals.

Subd. 4. **Duties; access to data.** (a) The domestic fatality review team shall collect, review, and analyze death certificates and death data, including investigative reports, medical and counseling records, victim service records, employment records, child abuse reports, or other information concerning domestic violence deaths, survivor interviews and surveys, and other information deemed by the team as necessary and appropriate concerning the causes and manner of domestic violence deaths.

(b) The review team has access to the following not public data, as defined in section 13.02, subdivision 8a, relating to a case being reviewed by the team: inactive law enforcement investigative data under section 13.82; autopsy records and coroner or medical examiner investigative data under section 13.83; hospital, public health, or other medical records of the victim under section 13.384; records under section 13.46, created by social service agencies that provided services to the victim,

the alleged perpetrator, or another victim who experienced or was threatened with domestic abuse by the perpetrator; and child maltreatment records under section 626.556, relating to the victim or a family or household member of the victim. Access to medical records under this paragraph also includes records governed by sections 144.291 to 144.298.

(c) As part of any review, the domestic fatality review team may compel the production of other records by applying to the district court for a subpoena, which will be effective throughout the state according to the Rules of Civil Procedure.

Subd. 5. **Confidentiality; data privacy.** A person attending a domestic fatality review team meeting may not disclose what transpired at the meeting, except to carry out the purposes of the review team or as otherwise provided in this subdivision. The review team may disclose the names of the victims in the cases it reviewed. The proceedings and records of the review team are confidential data as defined in section 13.02, subdivision 3, or protected nonpublic data as defined in section 13.02, subdivision 13, regardless of their classification in the hands of the person who provided the data, and are not subject to discovery or introduction into evidence in a civil or criminal action against a professional, the state or a county agency, arising out of the matters the team is reviewing. Information, documents, and records otherwise available from other sources are not immune from discovery or use in a civil or criminal action solely because they were presented during proceedings of the review team. This section does not limit a person who presented information before the review team or who is a member of the panel from testifying about matters within the person's knowledge. However, in a civil or criminal proceeding, a person may not be questioned about the person's good faith presentation of information to the review team or opinions formed by the person as a result of the review team meetings.

Subd. 6. **Immunity.** Members of the domestic fatality advisory board, members of the domestic fatality review team, and members of each review panel, as well as their agents or employees, are immune from claims and are not subject to any suits, liability, damages, or any other recourse, civil or criminal, arising from any act, proceeding, decision, or determination undertaken or performed or recommendation made by the domestic fatality review team, provided they acted in good faith and without malice in carrying out their responsibilities. Good faith is presumed until proven otherwise and the complainant has the burden of proving malice or a lack of good faith. No organization, institution, or person furnishing information, data, testimony, reports, or records to the domestic fatality review team as part of an investigation is civilly or criminally liable or subject to any other recourse for providing the information.

Subd. 7. **Evaluation and report.** (a) Each domestic fatality review team shall develop a system for evaluating the effectiveness of its program and shall focus on identifiable goals and outcomes. An evaluation must include data components as well as input from individuals involved in the review process.

(b) Each fatality review team shall issue an annual report to the chairs and ranking minority members of the senate and house committees with jurisdiction over public safety issues. The report must consist of the written aggregate recommendations of the domestic fatality review team without reference to specific cases. The report must be available upon request and distributed to the governor, attorney general, supreme court, county board, and district court.

Sec. 3. Minnesota Statutes 2008, section 629.341, subdivision 1, is amended to read:

Subdivision 1. **Arrest.** Notwithstanding section 629.34 or any other law or rule, a peace officer

may arrest a person anywhere without a warrant, including at the person's residence, if the peace officer has probable cause to believe that within the preceding ~~12~~ 24 hours the person has committed domestic abuse, as defined in section 518B.01, subdivision 2. The arrest may be made even though the assault did not take place in the presence of the peace officer.

EFFECTIVE DATE. This section is effective July 1, 2009.

ARTICLE 3

COURTS

Section 1. **[260B.002] POLICY ON DISPROPORTIONATE MINORITY CONTACT.**

It is the policy of the state of Minnesota to identify and eliminate barriers to racial, ethnic, and gender fairness within the criminal justice, juvenile justice, corrections, and judicial systems, in support of the fundamental principle of fair and equitable treatment under law.

Sec. 2. Minnesota Statutes 2008, section 484.91, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** Misdemeanor violations bureaus in the Fourth Judicial District shall be established in ~~Minneapolis, a southern suburb location, and at any other northern and western suburban~~ locations dispersed throughout the county as may be designated by a majority of the judges of the court.

Sec. 3. Minnesota Statutes 2008, section 491A.03, subdivision 1, is amended to read:

Subdivision 1. **Judges; referees.** The judges of district court ~~shall~~ may serve as judges of conciliation court. ~~In the Second and Fourth Judicial Districts, a majority of the judges~~ The chief judge of the district may appoint one or more suitable persons to act as referees in conciliation court; ~~a majority of the judges~~ the chief judge of the district shall establish qualifications for the office, specify the duties and length of service of referees, and fix their compensation ~~not to exceed an amount per day determined by the chief judge of the judicial district.~~

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

Sec. 4. **LICENSE REINSTATEMENT DIVERSION PILOT PROGRAM.**

Subdivision 1. **Establishment.** An eligible city may establish a license reinstatement diversion pilot program for holders of class D drivers' licenses who have been charged with violating Minnesota Statutes, section 171.24, subdivision 1 or 2, but have not yet entered a plea in the proceedings. An individual charged with driving after revocation under Minnesota Statutes, section 171.24, subdivision 2, is eligible for diversion only if the revocation was due to a violation of Minnesota Statutes, section 169.791; 169.797; 169A.52; 169A.54; or 171.17, subdivision 1, paragraph (a), clause (6). An individual who is a holder of a commercial driver's license or who has committed an offense in a commercial motor vehicle is ineligible for participation in the diversion pilot program.

Subd. 2. **Eligible cities.** Each of the cities of Duluth, St. Paul, South St. Paul, West St. Paul, and Inver Grove Heights is eligible to establish the license reinstatement diversion pilot program within its city. The commissioner of public safety may permit other cities to establish license reinstatement diversion pilot programs within their cities.

Subd. 3. **Contract.** Notwithstanding any law or ordinance to the contrary, an eligible city may contract with a third party to create and administer the diversion program.

Subd. 4. **Diversion of individual.** A prosecutor for a participating city may determine whether to accept an individual for diversion, and in doing so shall consider:

(1) whether the individual has a record of driving without a valid license or other criminal record, or has previously participated in a diversion program;

(2) the strength of the evidence against the individual, along with any mitigating factors; and

(3) the apparent ability and willingness of the individual to participate in the diversion program and comply with its requirements.

Subd. 5. **Diversion driver's license.** (a) Notwithstanding any law to the contrary, the commissioner of public safety may issue a diversion driver's license to a person who is a participant in a pilot program for diversion, following receipt of an application and payment of:

(1) the reinstatement fee under Minnesota Statutes, section 171.20, subdivision 4, by a participant whose driver's license has been suspended;

(2) the reinstatement fee under Minnesota Statutes, section 171.29, subdivision 2, paragraph (a), by a participant whose driver's license has been revoked under Minnesota Statutes, section 169.791; 169.797; or 171.17, subdivision 1, paragraph (a), clause (6); or

(3) the reinstatement fee under Minnesota Statutes, section 171.29, subdivision 2, paragraph (a), by a participant whose driver's license has been revoked under Minnesota Statutes, section 169A.52 or 169A.54. The reinstatement fee and surcharge, both of which are provided under Minnesota Statutes, section 171.29, subdivision 2, paragraph (b), also must be paid during the course of, and as a condition of, the diversion program.

The diversion driver's license may bear restrictions imposed by the commissioner suitable to the licensee's driving ability or other restrictions applicable to the licensee as the commissioner may determine to be appropriate to assure the safe operation of a motor vehicle by the licensee.

(b) Payments by participants in the diversion program of the reinstatement fee and surcharge under Minnesota Statutes, section 171.29, subdivision 2, paragraph (b), must be applied first toward payment of the reinstatement fee, and after the reinstatement fee has been fully paid, toward payment of the surcharge. Each payment that is applied toward the reinstatement fee must be credited as provided in Minnesota Statutes, section 171.29, subdivision 2, paragraph (b), and each payment that is applied toward the surcharge must be credited as provided in Minnesota Statutes, section 171.29, subdivision 2, paragraphs (c) and (d).

Subd. 6. **Components of program.** (a) At a minimum, the diversion program must require individuals to:

(1) successfully attend and complete, at the individual's expense, educational classes that provide, among other things, information on drivers' licensure;

(2) pay, according to a schedule approved by the prosecutor, all required fees, fines, and charges, including applicable statutory license reinstatement fees and costs of participation in the program;

(3) comply with all traffic laws; and

(4) demonstrate compliance with vehicle insurance requirements.

(b) An individual who is accepted into the pilot program is eligible to apply for a diversion driver's license.

Subd. 7. **Termination of participation in diversion program.** (a) An individual's participation in the diversion program may terminate when:

(1) during participation in the program, the individual is guilty of a moving traffic violation or failure to provide vehicle insurance;

(2) the third-party administrator of the diversion program informs the court and the commissioner of public safety that the individual is no longer satisfying the conditions of the diversion; or

(3) the third-party administrator informs the court, the prosecutor, and the commissioner of public safety that the individual has met all conditions of the diversion program, including, at a minimum, satisfactory fulfillment of the components in subdivision 6, whereupon the court shall dismiss the charge or the prosecutor shall decline to prosecute.

(b) Upon termination of an individual's participation in the diversion program, the commissioner shall cancel the individual's diversion driver's license.

(c) The original charge against the individual of violation of Minnesota Statutes, section 171.24, may be reinstated against an individual whose participation in the diversion program terminates under paragraph (a), clause (1) or (2).

(d) The commissioner shall reinstate the driver's license of an individual whose participation in the diversion program terminates under paragraph (a), clause (3).

Subd. 8. **Report.** (a) By February 1, 2011, the commissioner of public safety and each eligible city that participates in the diversion program shall report to the legislative committees with jurisdiction over transportation and the judiciary concerning the results of the program. The report must be made electronically and available in print only upon request. The report must include, without limitation, the effect of the program on:

(1) recidivism rates for participants in the diversion pilot program;

(2) the number of unlicensed drivers who continue to drive in violation of Minnesota Statutes, section 171.24;

(3) payment of the fees and fines collected in the diversion pilot program to cities, counties, and the state;

(4) educational support provided to participants in the diversion pilot program; and

(5) the total number of participants in the diversion pilot program and the number of participants who have terminated from the pilot program under subdivision 7, paragraph (a), clauses (1) to (3).

(b) The report must include recommendations regarding the future of the program and any necessary legislative changes.

Subd. 9. **Sunset.** The pilot project under this section expires June 30, 2011.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 5. **REPEALER.**

Minnesota Statutes 2008, section 383B.65, subdivision 2, is repealed.

ARTICLE 4

CORRECTIONS

Section 1. Minnesota Statutes 2008, section 244.195, subdivision 2, is amended to read:

Subd. 2. **Detention pending hearing.** When it appears necessary to enforce discipline or to prevent a person on conditional release from escaping or absconding from supervision, a court services director has the authority to issue a written order directing any peace officer ~~in the county~~ or any ~~county~~ probation officer in the state serving the district and juvenile courts ~~of the county~~ to detain and bring the person before the court or the commissioner, whichever is appropriate, for disposition. This written order is sufficient authority for the peace officer or probation officer to detain the person for not more than 72 hours, excluding Saturdays, Sundays, and holidays, pending a hearing before the court or the commissioner.

Sec. 2. Minnesota Statutes 2008, section 244.195, subdivision 3, is amended to read:

Subd. 3. **Release before hearing.** A court services director has the authority to issue a written order directing ~~a county~~ any peace officer or probation officer serving the district and juvenile courts of the county in the state to release a person detained under subdivision 2 within 72 hours, excluding Saturdays, Sundays, and holidays, without an appearance before the court or the commissioner. This written order is sufficient authority for the ~~county~~ peace officer or probation officer to release the detained person.

Sec. 3. Minnesota Statutes 2008, section 244.195, subdivision 4, is amended to read:

Subd. 4. **Detention of pretrial releasee.** A court services director has the authority to issue a written order directing any peace officer ~~in the county~~ or any probation officer serving the district and juvenile courts ~~of the county~~ in the state to detain any person on court-ordered pretrial release who absconds from pretrial release or fails to abide by the conditions of pretrial release. A written order issued under this subdivision is sufficient authority for the peace officer or probation officer to detain the person.

Sec. 4. Minnesota Statutes 2008, section 357.021, subdivision 6, is amended to read:

Subd. 6. **Surcharges on criminal and traffic offenders.** (a) Except as provided in this paragraph, the court shall impose and the court administrator shall collect a \$75 surcharge on every person convicted of any felony, gross misdemeanor, misdemeanor, or petty misdemeanor offense, other than a violation of a law or ordinance relating to vehicle parking, for which there shall be a \$4 surcharge. In the Second Judicial District, the court shall impose, and the court administrator shall collect, an additional \$1 surcharge on every person convicted of any felony, gross misdemeanor, misdemeanor, or petty misdemeanor offense, including a violation of a law or ordinance relating to vehicle parking, if the Ramsey County Board of Commissioners authorizes the \$1 surcharge. The surcharge shall be imposed whether or not the person is sentenced to imprisonment or the sentence

is stayed. The surcharge shall not be imposed when a person is convicted of a petty misdemeanor for which no fine is imposed.

(b) If the court fails to impose a surcharge as required by this subdivision, the court administrator shall show the imposition of the surcharge, collect the surcharge, and correct the record.

(c) The court may not waive payment of the surcharge required under this subdivision. Upon a showing of indigency or undue hardship upon the convicted person or the convicted person's immediate family, the sentencing court may authorize payment of the surcharge in installments.

(d) The court administrator or other entity collecting a surcharge shall forward it to the commissioner of finance.

(e) If the convicted person is sentenced to imprisonment and has not paid the surcharge before the term of imprisonment begins, the chief executive officer of the correctional facility in which the convicted person is incarcerated shall collect the surcharge from any earnings the inmate accrues from work performed in the facility or while on conditional release. The chief executive officer shall forward the amount collected to the ~~commissioner of finance~~ court administrator or other entity collecting the surcharge imposed by the court.

EFFECTIVE DATE. This section is effective July 1, 2009, and applies to surcharges collected by the chief executive officer of a correctional facility on or after that date.

Sec. 5. Minnesota Statutes 2008, section 401.025, subdivision 1, is amended to read:

Subdivision 1. Peace officers and probation officers serving CCA counties. (a) When it appears necessary to enforce discipline or to prevent a person on conditional release from escaping or absconding from supervision, the chief executive officer or designee of a community corrections agency in a CCA county has the authority to issue a written order directing any peace officer ~~in the county~~ or any probation officer in the state serving the district and juvenile courts ~~of the county~~ to detain and bring the person before the court or the commissioner, whichever is appropriate, for disposition. This written order is sufficient authority for the peace officer or probation officer to detain the person for not more than 72 hours, excluding Saturdays, Sundays, and holidays, pending a hearing before the court or the commissioner.

(b) The chief executive officer or designee of a community corrections agency in a CCA county has the authority to issue a written order directing a peace officer or probation officer serving the district and juvenile courts ~~of the county~~ to release a person detained under paragraph (a) within 72 hours, excluding Saturdays, Sundays, and holidays, without an appearance before the court or the commissioner. This written order is sufficient authority for the peace officer or probation officer to release the detained person.

(c) The chief executive officer or designee of a community corrections agency in a CCA county has the authority to issue a written order directing any peace officer ~~in the county~~ or any probation officer serving the district and juvenile courts ~~of the county~~ to detain any person on court-ordered pretrial release who absconds from pretrial release or fails to abide by the conditions of pretrial release. A written order issued under this paragraph is sufficient authority for the peace officer or probation officer to detain the person.

Sec. 6. Minnesota Statutes 2008, section 471.59, is amended by adding a subdivision to read:

Subd. 12b. **Correctional officers.** If there is an agreement, merger, or consolidation between two or more local correctional or detention facilities, a correctional officer who becomes employed by a new entity created by the agreement, merger, or consolidation must receive credit for accumulated vacation and sick leave time earned by the correctional officer during the officer's employment with a governmental unit immediately preceding the creation of the new entity. If a correctional officer working pursuant to an agreement, merger, or consolidation becomes employed by the new entity, the correctional officer is considered to have begun employment with the new entity on the first day of employment with the governmental unit employing the correctional officer immediately preceding the creation of the new entity and must be credited with all previously accumulated vacation and sick leave time.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 7. Minnesota Statutes 2008, section 629.34, subdivision 1, is amended to read:

Subdivision 1. **Peace officers.** (a) A peace officer, as defined in section 626.84, subdivision 1, clause (c), who is on or off duty within the jurisdiction of the appointing authority, or on duty outside the jurisdiction of the appointing authority pursuant to section 629.40, may arrest a person without a warrant as provided under paragraph (c).

(b) A part-time peace officer, as defined in section 626.84, subdivision 1, clause (d), who is on duty within the jurisdiction of the appointing authority, or on duty outside the jurisdiction of the appointing authority pursuant to section 629.40 may arrest a person without a warrant as provided under paragraph (c).

(c) A peace officer or part-time peace officer who is authorized under paragraph (a) or (b) to make an arrest without a warrant may do so under the following circumstances:

- (1) when a public offense has been committed or attempted in the officer's presence;
- (2) when the person arrested has committed a felony, although not in the officer's presence;
- (3) when a felony has in fact been committed, and the officer has reasonable cause for believing the person arrested to have committed it;
- (4) upon a charge based upon reasonable cause of the commission of a felony by the person arrested;
- (5) under the circumstances described in clause (2), (3), or (4), when the offense is a gross misdemeanor violation of section 609.52, 609.595, 609.631, 609.749, or 609.821; ~~or~~
- (6) under circumstances described in clause (2), (3), or (4), when the offense is a nonfelony violation of a restraining order or no contact order previously issued by a court; or
- (7) under the circumstances described in clause (2), (3), or (4), when the offense is a gross misdemeanor violation of section 609.485 and the person arrested is a juvenile committed to the custody of the commissioner of corrections.

(d) To make an arrest authorized under this subdivision, the officer may break open an outer or inner door or window of a dwelling house if, after notice of office and purpose, the officer is refused admittance.

EFFECTIVE DATE. This section is effective August 1, 2009, and applies to persons escaping from custody on or after that date.

Sec. 8. STUDY OF EVIDENCE-BASED PRACTICES IN MINNESOTA; REPORT TO THE LEGISLATURE.

Subdivision 1. Direction. The Department of Correction's Minnesota Information and Supervision Services Committee's Evidence-Based Practices Policy Team shall undertake an assessment of the use of evidence-based practices for community supervision in Minnesota and opportunities for greater implementation of evidence-based practices.

Subd. 2. Subject matter. (a) The policy team must review, assess, and make specific recommendations with regard to the following areas:

- (1) implementation of evidence-based practices intended to reduce recidivism;
- (2) improvement of policies and practices for crime victims;
- (3) establishment of an earned compliance credit program;
- (4) performance measures for community supervision agencies;
- (5) potential performance incentives for community supervision agencies; and
- (6) any other topic related to evidence-based practices that the committee deems appropriate for inclusion.

(b) In assessing the topics listed in paragraph (a), the policy team must address the following:

- (1) the extent to which evidence-based practices are currently used in Minnesota;
- (2) fiscal barriers to further implementation of evidence-based practices;
- (3) structural barriers to further implementation of evidence-based practices;
- (4) statutory barriers to further implementation of evidence-based practices;
- (5) potential solutions that address the identified barriers; and
- (6) any other factor that the committee deems necessary to fully assess the state of evidence-based practices in Minnesota.

Subd. 3. Report to legislature. The policy team shall report its findings and recommendations to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over criminal justice policy and funding by January 15, 2011.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 9. REPEALER.

Minnesota Statutes 2008, sections 244.195, subdivision 5; 260B.199, subdivision 2; and 260B.201, subdivision 3, are repealed.

ARTICLE 5

PUBLIC SAFETY

Section 1. Minnesota Statutes 2008, section 12.03, is amended by adding a subdivision to read:

Subd. 9b. **Specialized emergency response team.** "Specialized emergency response team" means a team that has been approved by the state director of the Division of Homeland Security and Emergency Management for the purpose of supplementing state or local resources for responding to an emergency or disaster.

Sec. 2. [12.351] **SPECIALIZED EMERGENCY RESPONSE TEAM.**

The state director of the Division of Homeland Security and Emergency Management shall determine if, in response to an emergency or disaster, activation of a specialized emergency response team for deployment to any political subdivision is in the public interest. If so, the state director may activate a team. When activated by the state director, team members not employed by any political subdivision struck by the emergency or disaster are deemed employees of the state for purposes of workers' compensation and tort claim defense and indemnification. The provisions of chapter 176 and other applicable statutes must be followed for purposes of calculating workers' compensation benefits.

Sec. 3. Minnesota Statutes 2008, section 152.02, subdivision 6, is amended to read:

Subd. 6. **Schedule V; restrictions on methamphetamine precursor drugs.** (a) As used in this subdivision, the following terms have the meanings given:

(1) "methamphetamine precursor drug" means any compound, mixture, or preparation intended for human consumption containing ephedrine or pseudoephedrine as its sole active ingredient or as one of its active ingredients; and

(2) "over-the-counter sale" means a retail sale of a drug or product but does not include the sale of a drug or product pursuant to the terms of a valid prescription.

(b) The following items are listed in Schedule V:

(1) any compound, mixture, or preparation containing any of the following limited quantities of narcotic drugs, which shall include one or more nonnarcotic active medicinal ingredients in sufficient proportion to confer upon the compound, mixture or preparation valuable medicinal qualities other than those possessed by the narcotic drug alone:

(i) not more than 100 milligrams of dihydrocodeine per 100 milliliters or per 100 grams;

(ii) not more than 100 milligrams of ethylmorphine per 100 milliliters or per 100 grams;

(iii) not more than 2.5 milligrams of diphenoxylate and not less than 25 micrograms of atropine sulfate per dosage unit; or

(iv) not more than 15 milligrams of anhydrous morphine per 100 milliliters or per 100 grams; and

(2) any compound, mixture, or preparation containing ephedrine or pseudoephedrine as its sole active ingredient or as one of its active ingredients.

(c) No person may sell in a single over-the-counter sale more than two packages of a

methamphetamine precursor drug or a combination of methamphetamine precursor drugs or any combination of packages exceeding a total weight of six grams, calculated as the base.

(d) Over-the-counter sales of methamphetamine precursor drugs are limited to:

(1) packages containing not more than a total of three grams of one or more methamphetamine precursor drugs, calculated in terms of ephedrine base or pseudoephedrine base; or

(2) for nonliquid products, sales in blister packs, where each blister contains not more than two dosage units, or, if the use of blister packs is not technically feasible, sales in unit dose packets or pouches.

(e) A business establishment that offers for sale methamphetamine precursor drugs in an over-the-counter sale shall ensure that all packages of the drugs are displayed behind a checkout counter where the public is not permitted and are offered for sale only by a licensed pharmacist, a registered pharmacy technician, or a pharmacy clerk. The establishment shall ensure that the person making the sale requires the buyer:

(1) to provide photographic identification showing the buyer's date of birth; and

(2) to sign a written or electronic document detailing the date of the sale, the name of the buyer, and the amount of the drug sold.

A document described under clause (2) must be retained by the establishment for at least three years and must at all reasonable times be open to the inspection of any law enforcement agency.

Nothing in this paragraph requires the buyer to obtain a prescription for the drug's purchase.

(f) No person may acquire through over-the-counter sales more than six grams of methamphetamine precursor drugs, calculated as the base, within a 30-day period.

(g) No person may sell in an over-the-counter sale a methamphetamine precursor drug to a person under the age of 18 years. It is an affirmative defense to a charge under this paragraph if the defendant proves by a preponderance of the evidence that the defendant reasonably and in good faith relied on proof of age as described in section 340A.503, subdivision 6.

(h) A person who knowingly violates paragraph (c), (d), (e), (f), or (g) is guilty of a misdemeanor and may be sentenced to imprisonment for not more than 90 days, or to payment of a fine of not more than \$1,000, or both.

(i) An owner, operator, supervisor, or manager of a business establishment that offers for sale methamphetamine precursor drugs whose employee or agent is convicted of or charged with violating paragraph (c), (d), (e), (f), or (g) is not subject to the criminal penalties for violating any of those paragraphs if the person:

(1) did not have prior knowledge of, participate in, or direct the employee or agent to commit the violation; and

(2) documents that an employee training program was in place to provide the employee or agent with information on the state and federal laws and regulations regarding methamphetamine precursor drugs.

(j) Any person employed by a business establishment that offers for sale methamphetamine precursor drugs who sells such a drug to any person in a suspicious transaction shall report the transaction to the owner, supervisor, or manager of the establishment. The owner, supervisor, or manager may report the transaction to local law enforcement. A person who reports information under this subdivision in good faith is immune from civil liability relating to the report.

(k) Paragraphs (b) to (j) do not apply to:

(1) pediatric products labeled pursuant to federal regulation primarily intended for administration to children under 12 years of age according to label instructions;

(2) methamphetamine precursor drugs that are certified by the Board of Pharmacy as being manufactured in a manner that prevents the drug from being used to manufacture methamphetamine;

(3) methamphetamine precursor drugs in gel capsule or liquid form; or

(4) compounds, mixtures, or preparations in powder form where pseudoephedrine constitutes less than one percent of its total weight and is not its sole active ingredient.

(l) The Board of Pharmacy, in consultation with the Department of Public Safety, shall certify methamphetamine precursor drugs that meet the requirements of paragraph (k), clause (2), and publish an annual listing of these drugs.

(m) Wholesale drug distributors licensed and regulated by the Board of Pharmacy pursuant to sections 151.42 to 151.51 and registered with and regulated by the United States Drug Enforcement Administration are exempt from the methamphetamine precursor drug storage requirements of this section.

(n) This section preempts all local ordinances or regulations governing the sale by a business establishment of over-the-counter products containing ephedrine or pseudoephedrine. All ordinances enacted prior to the effective date of this act are void.

Sec. 4. Minnesota Statutes 2008, section 152.02, subdivision 12, is amended to read:

Subd. 12. **Coordination of controlled substance regulation with federal law and state statute.** If any substance is designated, rescheduled, or deleted as a controlled substance under federal law and notice thereof is given to the state Board of Pharmacy, the state Board of Pharmacy shall similarly control the substance under this chapter, after the expiration of 30 days from publication in the Federal Register of a final order designating a substance as a controlled substance or rescheduling or deleting a substance. Such order shall be filed with the secretary of state. If within that 30-day period, the state Board of Pharmacy objects to inclusion, rescheduling, or deletion, it shall publish the reasons for objection and afford all interested parties an opportunity to be heard. At the conclusion of the hearing, the state Board of Pharmacy shall publish its decision, which shall be subject to the provisions of chapter 14.

In exercising the authority granted by this chapter, the state Board of Pharmacy shall be subject to the provisions of chapter 14. The state Board of Pharmacy shall provide copies of any proposed rule under this chapter to the advisory council on controlled substances at least 30 days prior to any hearing required by section 14.14, subdivision 1. The state Board of Pharmacy shall consider the recommendations of the advisory council on controlled substances, which may be made prior to or at the hearing.

The state Board of Pharmacy shall annually submit a report to the legislature on or before December 1 that specifies what changes the board made to the controlled substance schedules maintained by the board in Minnesota Rules, parts 6800.4210 to 6800.4250, in the preceding 12 months. The report must include specific recommendations for amending the controlled substance schedules contained in subdivisions 2 to 6, so that they conform with the controlled substance schedules maintained by the board in Minnesota Rules, parts 6800.4210 to 6800.4250.

Sec. 5. Minnesota Statutes 2008, section 169.71, subdivision 1, is amended to read:

Subdivision 1. **Prohibitions generally; exceptions.** (a) A person shall not drive or operate any motor vehicle with:

(1) a windshield cracked or discolored to an extent to limit or obstruct proper vision;

(2) any objects suspended between the driver and the windshield, other than:

(i) sun visors ~~and~~;

(ii) rearview mirrors;

(iii) global positioning systems or navigation systems when mounted or located near the bottommost portion of the windshield; and

(iv) electronic toll collection devices; or

(3) any sign, poster, or other nontransparent material upon the front windshield, sidewings, or side or rear windows of the vehicle, other than a certificate or other paper required to be so displayed by law or authorized by the state director of the Division of Emergency Management or the commissioner of public safety.

(b) Paragraph (a), clauses (2) and (3), do not apply to law enforcement vehicles.

(c) Paragraph (a), clause (2), does not apply to authorized emergency vehicles.

Sec. 6. **[181.986] EMPLOYMENT OF INDIVIDUAL WITH CRIMINAL HISTORY; LIMITATION ON ADMISSIBILITY OF EVIDENCE.**

Subdivision 1. **Limitation on admissibility of criminal history.** Information regarding a criminal history record of an employee or former employee may not be introduced as evidence in a civil action against a private employer or its employees or agents that is based on the conduct of the employee or former employee, if:

(1) the duties of the position of employment did not expose others to a greater degree of risk than that created by the employee or former employee interacting with the public outside of the duties of the position or that might be created by being employed in general;

(2) before the occurrence of the act giving rise to the civil action, a court order sealed any record of the criminal case or the employee or former employee received a pardon; or

(3) the record is of an arrest or charge that did not result in a criminal conviction.

Subd. 2. **Relation to other law.** This section does not supersede a statutory requirement to conduct a criminal history background investigation or consider criminal history records in hiring

for particular types of employment.

EFFECTIVE DATE. This section is effective August 1, 2009, and applies to actions commenced on or after that date.

Sec. 7. Minnesota Statutes 2008, section 240.08, is amended by adding a subdivision to read:

Subd. 2a. **Certain occupational licenses.** The commission may issue a license to an applicant otherwise disqualified pursuant to subdivision 2, clause (b), for an occupation that does not involve gaming operations, security, surveillance, or the handling of pari-mutuel or card club revenues provided that the applicant has not been convicted of a felony or a crime involving fraud or misrepresentation within ten years of application, has never been convicted of a gambling-related offense, does not have a felony charge pending, has been discharged from any supervision related to the disqualifying offense for a period of at least five years, and is not required to register pursuant to section 243.166.

Sec. 8. Minnesota Statutes 2008, section 244.10, is amended by adding a subdivision to read:

Subd. 5a. **Aggravating factors.** (a) As used in this section, "aggravating factors" include, but are not limited to, situations where:

(1) the victim was particularly vulnerable due to age, infirmity, or reduced physical or mental capacity, which was known or should have been known to the offender;

(2) the victim was treated with particular cruelty for which the offender should be held responsible;

(3) the current conviction is for a criminal sexual conduct offense or an offense in which the victim was otherwise injured and there is a prior felony conviction for a criminal sexual conduct offense or an offense in which the victim was otherwise injured;

(4) the offense was a major economic offense, identified as an illegal act or series of illegal acts committed by other than physical means and by concealment or guile to obtain money or property, to avoid payment or loss of money or property, or to obtain business or professional advantage. The presence of two or more of the circumstances listed below are aggravating factors with respect to the offense:

(i) the offense involved multiple victims or multiple incidents per victim;

(ii) the offense involved an attempted or actual monetary loss substantially greater than the usual offense or substantially greater than the minimum loss specified in the statutes;

(iii) the offense involved a high degree of sophistication or planning or occurred over a lengthy period of time;

(iv) the offender used the offender's position or status to facilitate the commission of the offense, including positions of trust, confidence, or fiduciary relationships; or

(v) the offender had been involved in other conduct similar to the current offense as evidenced by the findings of civil or administrative law proceedings or the imposition of professional sanctions;

(5) the offense was a major controlled substance offense, identified as an offense or series of

offenses related to trafficking in controlled substances under circumstances more onerous than the usual offense. The presence of two or more of the circumstances listed below are aggravating factors with respect to the offense:

(i) the offense involved at least three separate transactions in which controlled substances were sold, transferred, or possessed with intent to do so;

(ii) the offense involved an attempted or actual sale or transfer of controlled substances in quantities substantially larger than for personal use;

(iii) the offense involved the manufacture of controlled substances for use by other parties;

(iv) the offender knowingly possessed a firearm during the commission of the offense;

(v) the circumstances of the offense reveal the offender to have occupied a high position in the drug distribution hierarchy;

(vi) the offense involved a high degree of sophistication or planning or occurred over a lengthy period of time or involved a broad geographic area of disbursement; or

(vii) the offender used the offender's position or status to facilitate the commission of the offense, including positions of trust, confidence, or fiduciary relationships;

(6) the offender committed, for hire, a crime against the person;

(7) the offender is sentenced according to section 609.3455, subdivision 3a;

(8) the offender is a dangerous offender who committed a third violent crime, as described in section 609.1095, subdivision 2;

(9) the offender is a career offender as described in section 609.1095, subdivision 4;

(10) the offender committed the crime as part of a group of three or more persons who all actively participated in the crime;

(11) the offender intentionally selected the victim or the property against which the offense was committed, in whole or in part, because of the victim's, the property owner's, or another's actual or perceived race, color, religion, sex, sexual orientation, disability, age, or national origin;

(12) the offender used another's identity without authorization to commit a crime. This aggravating factor may not be used when the use of another's identity is an element of the offense;

(13) the offense was committed in the presence of a child; and

(14) the offense was committed in a location in which the victim had an expectation of privacy.

(b) Notwithstanding section 609.04 or 609.035, or other law to the contrary, when a court sentences an offender for a felony conviction, the court may order an aggravated sentence beyond the range specified in the sentencing guidelines grid based on any aggravating factor arising from the same course of conduct.

(c) Nothing in this section limits a court from ordering an aggravated sentence based on an aggravating factor not described in paragraph (a).

EFFECTIVE DATE. This section is effective August 1, 2009, and applies to crimes committed on or after that date.

Sec. 9. Minnesota Statutes 2008, section 299A.681, is amended to read:

299A.681 FINANCIAL CRIMES OVERSIGHT COUNCIL ADVISORY BOARD AND TASK FORCE.

Subdivision 1. ~~Oversight Council Advisory board.~~ **Oversight Council Advisory board.** The Minnesota Financial Crimes Oversight Council Advisory Board shall provide ~~guidance~~ advice to the commissioner of public safety related to the investigation and prosecution of identity theft and financial crime.

Subd. 2. **Membership.** The ~~Oversight Council~~ advisory board consists of the following individuals, or their designees:

- (1) the commissioner of public safety;
- (2) the attorney general;
- (3) two chiefs of police, selected by the Minnesota Chiefs of Police Association ~~from police departments that participate in the Minnesota Financial Crimes Task Force;~~
- (4) two sheriffs, selected by the Minnesota Sheriffs Association ~~from sheriff departments that participate in the task force;~~
- (5) the United States attorney for the district of Minnesota;
- (6) a county attorney, selected by the Minnesota County Attorneys Association;
- ~~(7) a representative from the United States Postal Inspector's Office, selected by the oversight council;~~
- ~~(8) a representative from a not for profit retail merchants industry, selected by the oversight council;~~
- ~~(9) a representative from a not for profit banking and credit union industry, selected by the oversight council;~~
- ~~(10) a representative from a not for profit association representing senior citizens, selected by the oversight council;~~
- (11) (7) a representative from the Board of Public Defense, selected by that board;
- (8) a representative from a federal law enforcement agency, selected by the advisory board;
- (9) a representative from the retail merchants industry, selected by the advisory board;
- (10) a representative from the banking and credit union industry, selected by the advisory board;
- (11) a representative on behalf of senior citizens, selected by the advisory board;
- (12) the statewide commander of the task force;
- ~~(12) a representative from the Board of Public Defense, selected by the board;~~

(13) two additional members selected by the ~~oversight council~~ advisory board;

(14) a senator who serves on the committee having jurisdiction over criminal justice policy, chosen by the Subcommittee on Committees of the senate Committee on Rules and Administration; and

(15) a representative who serves on the committee having jurisdiction over criminal justice policy, chosen by the speaker of the house.

The ~~oversight council~~ advisory board may adopt procedures to govern its conduct and shall select a chair from among its members. The legislative members of the ~~council~~ advisory board may not vote on matters before the ~~council~~ board.

Subd. 3. **Duties.** The ~~oversight council shall develop~~ advisory board shall offer advice to the commissioner on the development of an overall strategy to ameliorate the harm caused to the public by identity theft and financial crime within Minnesota. The strategy may include the development of protocols and procedures to investigate financial crimes and a structure for best addressing these issues on a statewide basis and in a multijurisdictional manner. Additionally, the oversight council The commissioner shall:

(1) establish a multijurisdictional statewide Minnesota Financial Crimes Task Force to investigate major financial crimes;

(2) with advice from the advisory board, select a statewide commander of the task force who serves at the pleasure of the oversight council commissioner;

(3) ~~assist the Department of Public Safety in developing~~ develop an objective grant review application process that is free from conflicts of interest;

(4) ~~make funding recommendations to the commissioner of public safety on~~ with advice from the advisory board, issue grants to support efforts to combat identity theft and financial crime;

(5) with advice from the advisory board, assist law enforcement agencies and victims in developing a process to collect and share information to improve the investigation and prosecution of identity theft and financial crime;

(6) with advice from the advisory board, develop and approve an operational budget for the office of the statewide commander and the oversight council Minnesota Financial Crimes Task Force; and

(7) enter into any contracts necessary to establish and maintain a relationship with retailers, financial institutions, and other businesses to deal effectively with identity theft and financial crime.

The task force described in clause (1) may consist of members from local law enforcement agencies, federal law enforcement agencies, state and federal prosecutors' offices, ~~the Board of Public Defense,~~ and representatives from ~~elderly victims,~~ retail businesses, financial institutions, and not-for-profit organizations.

Subd. 4. **Statewide commander.** (a) ~~The Minnesota Financial Crimes Task Force commander under Minnesota Statutes 2004, section 299A.68, shall oversee the transition of that task force into the task force described in subdivision 3 and remain in place as its commander until July 1, 2008. On that date, The commissioner of public safety shall appoint as a statewide commander the individual selected by the oversight council under subdivision 3.~~

(b) The commander shall:

(1) coordinate and monitor all multijurisdictional identity theft and financial crime enforcement activities;

(2) facilitate local efforts and ensure statewide coordination with efforts to combat identity theft and financial crime;

(3) facilitate training for law enforcement and other personnel;

(4) monitor compliance with investigative protocols;

(5) implement an outcome evaluation and data quality control process;

(6) be responsible for the selection and for cause removal of assigned task force investigators who are designated participants under a memorandum of understanding or who receive grant funding;

(7) provide supervision of assigned task force investigators;

(8) submit a task force operational budget to the ~~oversight council~~ commissioner of public safety for approval; and

(9) submit quarterly task force activity reports to the ~~oversight council~~ advisory board.

Subd. 5. Participating officers; employment status. All law enforcement officers selected to participate in the task force must be licensed peace officers as defined in section 626.84, subdivision 1, or qualified federal law enforcement officers as defined in section 626.8453. Participating officers remain employees of the same entity that employed them before joining any multijurisdictional entity established under this section. Participating officers are not employees of the state.

Subd. 6. Jurisdiction and powers. Law enforcement officers participating in any multijurisdictional entity established under this section have statewide jurisdiction to conduct criminal investigations and have the same powers of arrest as those possessed by a sheriff. ~~The task force shall retain from its predecessor the assigned originating reporting number for case reporting purposes.~~

Subd. 7. Grants authorized. The commissioner of public safety, ~~upon recommendation of the oversight council~~ with advice from the advisory board, shall make grants to state and local units of government to combat identity theft and financial crime. The commander, as funding permits, may prepare a budget to establish four regional districts and funding grant allocations programs outside the counties of Hennepin, Ramsey, Anoka, Washington, and Dakota. The budget must be reviewed and approved by the ~~oversight council and recommended to the~~ commissioner to support these efforts.

Subd. 8. Victims assistance program. (a) The ~~oversight council~~ commissioner may establish a victims' assistance program to assist victims of economic crimes and provide prevention and awareness programs. The ~~oversight council~~ commissioner may retain the services of not-for-profit organizations to assist in the development and delivery systems in aiding victims of financial crime. The program may not provide any financial assistance to victims, but may assist victims in obtaining police assistance and advise victims in how to protect personal accounts and identities. Services may include a victim toll-free telephone number, fax number, Web site, Monday through Friday

telephone service, e-mail response, and interfaces to other helpful Web sites. Victims' information compiled are governed under chapter 13.

(b) The ~~oversight council~~ commissioner may post or communicate through public service announcements in newspapers, radio, television, cable access, billboards, Internet, Web sites, and other normal advertising channels, a financial reward of up to \$2,000 for tips leading to the apprehension and successful prosecution of individuals committing economic crime. All rewards must ~~meet the oversight council's standards~~ be approved by the commissioner. The release of funds must be made to an individual whose information leads to the apprehension and prosecution of offenders committing economic or financial crimes against citizens or businesses in Minnesota. All rewards paid to an individual must be reported to the Department of Revenue along with the individual's Social Security number.

Subd. 9. ~~Oversight council Advisory board and task force are permanent~~. Notwithstanding section 15.059, this section does not expire.

Subd. 10. **Funding**. The ~~oversight council~~ commissioner may accept lawful grants and in-kind contributions from any federal, state, or local source or legal business or individual not funded by this section for general operation support, including personnel costs. These grants or in-kind contributions are not to be directed toward the case of a particular victim or business. The ~~oversight council's~~ task force's fiscal agent shall handle all funds approved by the ~~oversight council~~ commissioner, including in-kind contributions.

Subd. 11. **Forfeiture**. Property seized by the task force is subject to forfeiture pursuant to sections 609.531, 609.5312, 609.5313, and 609.5315 if ownership cannot be established. The ~~council~~ task force shall receive the proceeds from the sale of all property properly seized and forfeited.

Subd. 12. ~~Transfer equipment from current task force~~. All equipment possessed by the task force described in Minnesota Statutes 2004, section 299A.68, is transferred to the ~~oversight council~~ for use by the task force described in this section.

Subd. 13. **Report required**. By February 1 of each year, the ~~oversight council~~ commissioner shall report to the chairs and ranking minority members of the senate and house of representatives committees and divisions having jurisdiction over criminal justice policy and funding on the activities of the ~~council~~ and task force. At a minimum, this annual report must include:

(1) a description of the ~~council's~~ and task force's goals for the previous year and for the coming year;

(2) a description of the outcomes the ~~council~~ and task force achieved or did not achieve during the preceding year and a description of the outcomes they will seek to achieve during the coming year;

(3) any legislative recommendations the ~~council or task force~~ advisory board or commissioner has including, where necessary, a description of the specific legislation needed to implement the recommendations;

(4) a detailed accounting of how appropriated money, grants, and in-kind contributions were spent; and

(5) a detailed accounting of the grants awarded under this section.

Sec. 10. [325F.135] UNSAFE RECALLED TOYS; PROHIBITION ON SALE.

(a) No commercial retailer shall sell in this state a toy that the commercial retailer knows at the time of the sale has been recalled for any safety-related reason by an agency of the federal government or by the toy's manufacturer, wholesaler, distributor, or importer.

(b) For purposes of this section, "toy" means an item designed primarily for the purpose of play activity by children under the age of 12 years and "recalled" excludes corrective actions that involve safety alerts, parts replacement, or consumer repairs.

(c) This section shall be enforced under sections 325F.14 to 325F.16.

EFFECTIVE DATE. This section is effective August 1, 2009, and applies to violations occurring on or after that date.

Sec. 11. [364.021] PUBLIC EMPLOYMENT; CONSIDERATION OF CRIMINAL RECORDS.

(a) A public employer may not inquire into or consider the criminal record or criminal history of an applicant for public employment until the applicant has been selected for an interview by the employer.

(b) This section does not apply to the Department of Corrections or to public employers who have a statutory duty to conduct a criminal history background check or otherwise take into consideration a potential employee's criminal history during the hiring process.

(c) This section does not prohibit a public employer from notifying applicants that law or the employer's policy will disqualify an individual with a particular criminal history background from employment in particular positions.

Sec. 12. Minnesota Statutes 2008, section 403.36, is amended by adding a subdivision to read:

Subd. 1g. **State Interoperability Executive Committee.** (a) In addition to responsibilities provided for in subdivision 1e, the Statewide Radio Board is designated as Minnesota's State Interoperability Executive Committee.

(b) As Minnesota's State Interoperability Executive Committee, the Statewide Radio Board shall:

(1) develop and maintain a statewide plan for local and private public safety communications interoperability that integrates with the Minnesota emergency operation plan;

(2) develop and adopt guidelines and operational standards for local and private public safety communications interoperability within Minnesota;

(3) promote coordination and cooperation among local, state, federal, and tribal public safety agencies in addressing statewide public safety communications interoperability within Minnesota;

(4) advise the commissioner of the Department of Public Safety on public safety communications interoperability and on the allocation and use of funds made available to Minnesota to support public safety communications interoperability;

(5) to the extent permitted by federal law, Federal Communications Commission regulations, and the National Telecommunications and Information Administration, develop guidelines and standards for the efficient use of interoperability frequencies on all frequency spectrums assigned to public safety users; and

(6) to the extent permitted by federal law and treaties with Canada, develop guidelines and standards that support interoperability with adjoining states and provinces of Canada along Minnesota's northern border.

Sec. 13. Minnesota Statutes 2008, section 403.36, subdivision 2, is amended to read:

Subd. 2. **Plan contents.** (a) The statewide, shared radio and communication system project plan must include:

(1) standards, guidelines, and comprehensive design for the system, including use and integration of existing public and private communications infrastructure;

(2) proposed project implementation schedule, phases, and estimated costs for each phase of the plan;

(3) recommended statutory changes required for effective implementation and administration of the statewide, shared trunked radio and communication system; ~~and~~

(4) an interoperability committee to make recommendations on the statewide plan for local and private public safety communications interoperability and on guidelines and operational standards necessary to promote public safety communications interoperability within Minnesota; and

~~(4)~~ (5) a policy for the lease of excess space or capacity on systems constructed under the project plan, consistent with section 174.70, subdivision 2, with priority given first to local units of government for public safety communication transmission needs and second to any other communications transmission needs of either the public or private sector.

(b) The Statewide Radio Board must ensure that generally accepted project management techniques are utilized for each project or phase of the backbone of the statewide, shared radio and communication system consistent with guidelines of the Project Management Office of the Office of Enterprise Technology:

(1) clear sponsorship;

(2) scope management;

(3) project planning, control, and execution;

(4) continuous risk assessment and mitigation;

(5) cost management;

(6) quality management reviews;

(7) communications management; and

(8) proven methodology.

Sec. 14. Minnesota Statutes 2008, section 471.59, is amended by adding a subdivision to read:

Subd. 12a. **Joint exercise of police power; employees.** If an agreement, merger, or consolidation authorizes the exercise of peace officer or police powers by an officer appointed by one of the governmental units within the jurisdiction of the other governmental unit, a peace officer or public safety dispatcher, working pursuant to or as a result of that agreement, merger, or consolidation, must receive credit for accumulated vacation and sick leave time earned within the governmental unit employing the peace officer or public safety dispatcher immediately preceding the agreement, merger, or consolidation. If a peace officer or public safety dispatcher working pursuant to an agreement, merger, or consolidation becomes employed by the new entity, that peace officer or public safety dispatcher is considered to have begun employment with the new entity on the first day of employment by the governmental unit employing the peace officer or public safety dispatcher immediately preceding the creation of the new entity and must be credited with all previously accumulated vacation and sick leave time.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 15. Minnesota Statutes 2008, section 609.605, subdivision 1, is amended to read:

Subdivision 1. **Misdemeanor.** (a) The following terms have the meanings given them for purposes of this section.

(1) "Premises" means real property and any appurtenant building or structure.

(2) "Dwelling" means the building or part of a building used by an individual as a place of residence on either a full-time or a part-time basis. A dwelling may be part of a multidwelling or multipurpose building, or a manufactured home as defined in section 168.002, subdivision 16.

(3) "Construction site" means the site of the construction, alteration, painting, or repair of a building or structure.

(4) "Owner or lawful possessor," as used in paragraph (b), clause (9), means the person on whose behalf a building or dwelling is being constructed, altered, painted, or repaired and the general contractor or subcontractor engaged in that work.

(5) "Posted," as used:

(i) in paragraph (b), clause (9), means the placement of a sign at least 11 inches square in a conspicuous place on the exterior of the building that is under construction, alteration, or repair, and additional signs in at least two conspicuous places for each ten acres being protected. The sign must carry an appropriate notice and the name of the person giving the notice, followed by the word "owner" if the person giving the notice is the holder of legal title to the land on which the construction site is located or by the word "occupant" if the person giving the notice is not the holder of legal title but is a lawful occupant of the land; and

(ii) in paragraph (b), clause (10), means the placement of signs that:

(A) state "no trespassing" or similar terms;

(B) display letters at least two inches high;

(C) state that Minnesota law prohibits trespassing on the property; and

(D) are posted in a conspicuous place and at intervals of 500 feet or less.

(6) "Business licensee," as used in paragraph (b), clause (9), includes a representative of a building trades labor or management organization.

(7) "Building" has the meaning given in section 609.581, subdivision 2.

(b) A person is guilty of a misdemeanor if the person intentionally:

(1) permits domestic animals or fowls under the actor's control to go on the land of another within a city;

(2) interferes unlawfully with a monument, sign, or pointer erected or marked to designate a point of a boundary, line or a political subdivision, or of a tract of land;

(3) trespasses on the premises of another and, without claim of right, refuses to depart from the premises on demand of the lawful possessor;

(4) occupies or enters the dwelling or locked or posted building of another, without claim of right or consent of the owner or the consent of one who has the right to give consent, except in an emergency situation;

(5) enters the premises of another with intent to take or injure any fruit, fruit trees, or vegetables growing on the premises, without the permission of the owner or occupant;

(6) enters or is found on the premises of a public or private cemetery without authorization during hours the cemetery is posted as closed to the public;

(7) returns to the property of another with the intent to abuse, disturb, or cause distress in or threaten another, after being told to leave the property and not to return, if the actor is without claim of right to the property or consent of one with authority to consent;

(8) returns to the property of another within one year after being told to leave the property and not to return, if the actor is without claim of right to the property or consent of one with authority to consent;

(9) enters the locked or posted construction site of another without the consent of the owner or lawful possessor, unless the person is a business licensee; or

(10) enters the locked or posted aggregate mining site of another without the consent of the owner or lawful possessor, unless the person is a business licensee; or

(11) crosses into or enters any public or private area lawfully cordoned off by or at the direction of a peace officer engaged in the performance of official duties. As used in this clause: (i) an area may be "cordoned off" through the use of tape, barriers, or other means conspicuously placed and identifying the area as being restricted by a peace officer and identifying the responsible authority; and (ii) "peace officer" has the meaning given in section 626.84, subdivision 1. It is an affirmative defense to a charge under this clause that a peace officer permitted entry into the restricted area.

EFFECTIVE DATE. This section is effective August 1, 2009, and applies to crimes committed on or after that date.

Sec. 16. Minnesota Statutes 2008, section 626.843, subdivision 1, is amended to read:

Subdivision 1. **Rules required.** The board shall adopt rules with respect to:

~~(1) the certification of peace officer training schools, programs, or courses including training schools for the Minnesota State Patrol. Such schools, programs and courses shall include those administered by the state, county, school district, municipality, or joint or contractual combinations thereof, and shall include preparatory instruction in law enforcement and minimum basic training courses postsecondary schools to provide programs of professional peace officer education;~~

~~(2) minimum courses of study, attendance requirements, and equipment and facilities to be required at each certified peace officers training school located within the state;~~

~~(3) minimum qualifications for coordinators and instructors at certified peace officer training schools offering a program of professional peace officer education located within this state;~~

~~(4) minimum standards of physical, mental, and educational fitness which shall govern the recruitment admission to professional peace officer education programs and the licensing of peace officers within the state, by any state, county, municipality, or joint or contractual combination thereof, including members of the Minnesota State Patrol;~~

~~(5) board-approved continuing education courses that ensure professional competence of peace officers and part-time peace officers;~~

~~(6) minimum standards of conduct which would affect the individual's performance of duties as a peace officer. These standards shall be established and published. The board shall review the minimum standards of conduct described in this clause for possible modification in 1998 and every three years after that time;~~

~~(6) minimum basic training which peace officers appointed to temporary or probationary terms shall complete before being eligible for permanent appointment, and the time within which such basic training must be completed following any such appointment to a temporary or probationary term;~~

~~(7) minimum specialized training which part time peace officers shall complete in order to be eligible for continued employment as a part time peace officer or permanent employment as a peace officer, and the time within which the specialized training must be completed;~~

~~(8) content of minimum basic training courses required of graduates of certified law enforcement training schools or programs. Such courses shall not duplicate the content of certified academic or general background courses completed by a student but shall concentrate on practical skills deemed essential for a peace officer. Successful completion of such a course (7) a set of educational learning objectives that must be met within a certified school's professional peace officer education program. These learning objectives must concentrate on the knowledge, skills, and abilities deemed essential for a peace officer. Education in these learning objectives shall be deemed satisfaction satisfactory for the completion of the minimum basic training requirement;~~

~~(9) grading, reporting, attendance and other records, and certificates of attendance or accomplishment;~~

~~(10) the procedures to be followed by a part time peace officer for notifying the board of intent to pursue the specialized training for part time peace officers who desire to become peace officers pursuant to clause (7), and section 626.845, subdivision 1, clause (7);~~

~~(11)~~ (8) the establishment and use by any political subdivision or state law enforcement agency

~~which that~~ employs persons licensed by the board of procedures for investigation and resolution of allegations of misconduct by persons licensed by the board. The procedures shall be in writing and shall be established on or before October 1, 1984;

~~(12)~~ (9) the issues that must be considered by each political subdivision and state law enforcement agency that employs persons licensed by the board in establishing procedures under section 626.5532 to govern the conduct of peace officers who are in pursuit of a vehicle being operated in violation of section 609.487, and requirements for the training of peace officers in conducting pursuits. The adoption of specific procedures and requirements is within the authority of the political subdivision or agency;

~~(13)~~ (10) supervision of part-time peace officers and requirements for documentation of hours worked by a part-time peace officer who is on active duty. These rules shall be adopted by December 31, 1993;

~~(14)~~ (11) citizenship requirements for ~~full-time peace officers~~ and part-time peace officers;

~~(15)~~ (12) driver's license requirements for ~~full-time peace officers~~ and part-time peace officers; and

~~(16)~~ (13) such other matters as may be necessary consistent with sections 626.84 to 626.863. Rules promulgated by the attorney general with respect to these matters may be continued in force by resolution of the board if the board finds the rules to be consistent with sections 626.84 to 626.863.

Sec. 17. Minnesota Statutes 2008, section 626.843, subdivision 3, is amended to read:

Subd. 3. **Board authority.** The board may, in addition:

(1) recommend studies, surveys, and reports to be made by the executive director regarding the carrying out of the objectives and purposes of sections 626.841 to 626.863;

(2) visit and inspect any ~~peace officer training~~ certified school approved by the executive director that offers the professional peace officer education program or for which application for ~~such approval certification~~ has been made;

(3) make recommendations, from time to time, to the executive director, attorney general, and the governor regarding the carrying out of the objectives and purposes of sections 626.841 to 626.863;

(4) perform such other acts as may be necessary or appropriate to carry out the powers and duties of the board ~~as set forth in~~ under sections 626.841 to 626.863; and

(5) cooperate with and receive financial assistance from and join in projects or enter into contracts with the federal government or its agencies for the furtherance of the purposes of Laws 1977, chapter 433.

Sec. 18. Minnesota Statutes 2008, section 626.845, subdivision 1, is amended to read:

Subdivision 1. **Powers and duties.** The board shall have the following powers and duties:

(1) to certify ~~peace officers' training schools or programs administered by state, county and municipalities located within this state in whole or in part no later than 90 days after receipt of an application for certification. The reasons for noncertification of any school or program or part~~

~~thereof shall be transmitted to the school within 90 days and shall contain a detailed explanation of the reasons for which the school or program was disapproved and an explanation of what supporting material or other requirements are necessary for the board to reconsider. Disapproval of a school or program shall not preclude the reapplication for certification of the school or program postsecondary schools to provide programs of professional peace officer education based on a set of board-approved professional peace officer education learning objectives;~~

~~(2) to issue certificates to postsecondary schools, and to revoke such certification when necessary to maintain the objectives and purposes of sections 626.841 to 626.863;~~

~~(3) to certify, as qualified, instructors at peace officer training schools, and to issue appropriate certificates to such instructors;~~

~~(4) to license peace officers who have satisfactorily completed certified basic training programs, met the education and experience requirements and passed examinations as required by the board;~~

~~(4) to develop and administer licensing examinations based on the board's learning objectives;~~

~~(5) to cause studies and surveys to be made relating to the establishment, operation, and approval of state, county, and municipal peace officer training schools;~~

~~(6) to consult and cooperate with state, county, and municipal peace officer training schools continuing education providers for the development of in-service training programs for peace officers;~~

~~(7) (6) to consult and cooperate with universities, colleges, and technical colleges postsecondary schools for the development of specialized courses of instruction and study in the state for peace officers and part-time peace officers in police science and police administration and improvement of professional peace officer education;~~

~~(8) (7) to consult and cooperate with other departments and agencies of the state and federal government concerned with peace officer standards and training;~~

~~(9) (8) to perform such other acts as may be necessary and appropriate to carry out the powers and duties as set forth in the provisions of sections 626.841 to 626.863;~~

~~(10) to coordinate the provision, on a regional basis, of skills-oriented basic training courses to graduates of certified law enforcement training schools or programs;~~

~~(11) (9) to obtain criminal conviction data for persons seeking a license to be issued or possessing a license issued by the board. The board shall have authority to obtain criminal conviction data to the full extent that any other law enforcement agency, as that term is defined by state or federal law, has to obtain the data;~~

~~(12) (10) to prepare and transmit annually to the governor a report of its activities with respect to allocation of ~~monies~~ money appropriated to it for peace officers training, including the name and address of each recipient of money for that purpose, and the amount awarded, and the purpose of the award; and~~

~~(13) (11) to assist and cooperate with any political subdivision or state law enforcement agency which that employs persons licensed by the board to establish written procedures for the investigation and resolution of allegations of misconduct of policies as mandated by the state~~

pertaining to persons licensed by the board, and to enforce licensing sanctions for failure to implement such procedures these policies.

In addition, the board may maintain data received from law enforcement agencies under section 626.87, subdivision 5, provide the data to requesting law enforcement agencies who are conducting background investigations, and maintain data on applicants and licensees as part of peace officer license data. The data that may be maintained include the name of the law enforcement agency conducting the investigation and data on the candidate provided under section 626.87, subdivision 5, clauses (1) and (2).

Sec. 19. Minnesota Statutes 2008, section 626.863, is amended to read:

626.863 UNAUTHORIZED PRACTICE.

(a) A person who is not a peace officer or part-time peace officer is guilty of a misdemeanor if the person: (1) makes a representation of being a peace officer or part-time peace officer, or (2) performs or attempts to perform an act, duty, or responsibility reserved by law for licensed peace officers and part-time peace officers.

(b) A peace officer who authorizes or knowingly allows a person to violate paragraph (a) is guilty of a misdemeanor.

(c) The board shall designate the appropriate law enforcement agency to investigate violations of this section. The attorney general shall prosecute violations of this section.

(d) A person who violates this section and who has previously been convicted of a violation of this section is guilty of a gross misdemeanor.

EFFECTIVE DATE. This section is effective August 1, 2009, and applies to crimes committed on or after that date.

Sec. 20. Minnesota Statutes 2008, section 628.26, is amended to read:

628.26 LIMITATIONS.

(a) Indictments or complaints for any crime resulting in the death of the victim may be found or made at any time after the death of the person killed.

(b) Indictments or complaints for a violation of section 609.25 may be found or made at any time after the commission of the offense.

(c) Indictments or complaints for violation of section 609.282 may be found or made at any time after the commission of the offense if the victim was under the age of 18 at the time of the offense.

(d) Indictments or complaints for violation of section 609.282 where the victim was 18 years of age or older at the time of the offense, or 609.42, subdivision 1, clause (1) or (2), shall be found or made and filed in the proper court within six years after the commission of the offense.

(e) Indictments or complaints for violation of sections 609.342 to 609.345 if the victim was under the age of 18 years at the time the offense was committed, shall be found or made and filed in the proper court within the later of nine years after the commission of the offense or, ~~if the victim failed to report the offense within this limitation period, within three years after the offense was~~

reported to law enforcement authorities.

(f) Notwithstanding the limitations in paragraph (e), indictments or complaints for violation of sections 609.342 to 609.344 may be found or made and filed in the proper court at any time after commission of the offense, if physical evidence is collected and preserved that is capable of being tested for its DNA characteristics. If this evidence is not collected and preserved and the victim was 18 years old or older at the time of the offense, the prosecution must be commenced within nine years after the commission of the offense.

(g) Indictments or complaints for violation of sections 609.466 and 609.52, subdivision 2, clause (3), item (iii), shall be found or made and filed in the proper court within six years after the commission of the offense.

(h) Indictments or complaints for violation of section 609.52, subdivision 2, clause (3), items (i) and (ii), (4), (15), or (16), 609.631, or 609.821, where the value of the property or services stolen is more than \$35,000, shall be found or made and filed in the proper court within five years after the commission of the offense.

(i) Except for violations relating to false material statements, representations or omissions, indictments or complaints for violations of section 609.671 shall be found or made and filed in the proper court within five years after the commission of the offense.

(j) Indictments or complaints for violation of sections 609.561 to 609.563, shall be found or made and filed in the proper court within five years after the commission of the offense.

(k) In all other cases, indictments or complaints shall be found or made and filed in the proper court within three years after the commission of the offense.

(l) The limitations periods contained in this section shall exclude any period of time during which the defendant was not an inhabitant of or usually resident within this state.

(m) The limitations periods contained in this section for an offense shall not include any period during which the alleged offender participated under a written agreement in a pretrial diversion program relating to that offense.

(n) The limitations periods contained in this section shall not include any period of time during which physical evidence relating to the offense was undergoing DNA analysis, as defined in section 299C.155, unless the defendant demonstrates that the prosecuting or law enforcement agency purposefully delayed the DNA analysis process in order to gain an unfair advantage.

EFFECTIVE DATE. This section is effective August 1, 2009, and applies to crimes committed on or after that date, and to crimes committed before that date if the limitations period for the crime did not expire before August 1, 2009.

Sec. 21. FINANCIAL CRIMES TASK FORCE TRANSITION.

(a) The appointing authorities under Minnesota Statutes, section 299A.681, subdivision 2, shall complete the new appointments required under that section by August 1, 2009.

(b) The members of the Minnesota Financial Crimes Task Force appointed to the task force by the Financial Crimes Oversight Council as provided in 2008 Minnesota Statutes, section 299A.681, subdivision 3, shall continue to serve on the task force until their successors have been appointed

by the commissioner of public safety.

Sec. 22. STATE BOARD OF PHARMACY; REPORT TO THE LEGISLATURE.

As part of the 2009 report to the legislature mandated by Minnesota Statutes, section 152.02, subdivision 12, the state Board of Pharmacy shall specify all instances where the controlled substance schedules contained in Minnesota Rules, parts 6800.4210 to 6800.4250, differ from the controlled substance schedules contained in Minnesota Statutes, section 152.02, subdivisions 2 to 6.

Sec. 23. WORKING GROUP ON IMPAIRED DRIVING OFFENDERS.

The chairs of the house Public Safety Policy Committee and the senate Judiciary Committee shall consider jointly appointing a working group to review and potentially propose changes to the state's policies and laws regarding impaired driving offenders.

Sec. 24. POLICIES ON HIRING PRACTICES.

The commissioner of administration, the Board of the Minnesota State Colleges and Universities, the Regents of the University of Minnesota, and statutory and home rule charter cities may adopt policies that address the goal of improving employment for local residents or former criminal offenders.

Sec. 25. REPEALER.

Minnesota Statutes 2008, section 403.36, subdivision 1f, is repealed.

ARTICLE 6

BCA INFORMATION SERVICE DIVISION MODIFICATIONS

Section 1. Minnesota Statutes 2008, section 13.87, subdivision 1, is amended to read:

Subdivision 1. **Criminal history data.** (a) **Definition.** For purposes of this subdivision, "criminal history data" means all data maintained in criminal history records compiled by the Bureau of Criminal Apprehension ~~and disseminated through the criminal justice information system~~, including, but not limited to fingerprints, photographs, identification data, arrest data, prosecution data, criminal court data, custody and supervision data.

(b) **Classification.** Criminal history data maintained by agencies, political subdivisions and statewide systems are classified as private, pursuant to section 13.02, subdivision 12, except that data created, collected, or maintained by the Bureau of Criminal Apprehension that identify an individual who was convicted of a crime, the offense of which the individual was convicted, associated court disposition and sentence information, controlling agency, and confinement information are public data for 15 years following the discharge of the sentence imposed for the offense. If an individual's name or other identifying information is erroneously associated with a criminal history and a determination is made through a fingerprint verification that the individual is not the subject of the criminal history, the name or other identifying information must be redacted from the public criminal history data. The name and other identifying information must be retained in the criminal history and are classified as private data.

The Bureau of Criminal Apprehension shall provide to the public at the central office of the

bureau the ability to inspect in person, at no charge, through a computer monitor the criminal conviction data classified as public under this subdivision.

(c) **Limitation.** Nothing in paragraph (a) or (b) shall limit public access to data made public by section 13.82.

Sec. 2. Minnesota Statutes 2008, section 84.027, subdivision 17, is amended to read:

Subd. 17. **Background checks for volunteer instructors.** (a) The commissioner may conduct background checks for volunteer instructor applicants for department safety training and education programs, including the programs established under sections 84.791 (youth off-highway motorcycle safety education and training), 84.86 and 84.862 (youth and adult snowmobile safety training), 84.925 (youth all-terrain vehicle safety education and training), 97B.015 (youth firearms safety training), and 97B.025 (hunter and trapper education and training).

(b) The commissioner shall perform the background check by retrieving criminal history data as defined in section 13.87 maintained in the criminal justice information system (CJIS) by the Bureau of Criminal Apprehension in the Department of Public Safety and other data sources.

(c) The commissioner shall develop a standardized form to be used for requesting a background check, which must include:

(1) a notification to the applicant that the commissioner will conduct a background check under this section;

(2) a notification to the applicant of the applicant's rights under paragraph (d); and

(3) a signed consent by the applicant to conduct the background check expiring one year from the date of signature.

(d) The volunteer instructor applicant who is the subject of a background check has the right to:

(1) be informed that the commissioner will request a background check on the applicant;

(2) be informed by the commissioner of the results of the background check and obtain a copy of the background check;

(3) obtain any record that forms the basis for the background check and report;

(4) challenge the accuracy and completeness of the information contained in the report or a record; and

(5) be informed by the commissioner if the applicant is rejected because of the result of the background check.

Sec. 3. Minnesota Statutes 2008, section 122A.18, subdivision 8, is amended to read:

Subd. 8. **Background checks.** (a) The Board of Teaching and the commissioner of education must request a criminal history background check from the superintendent of the Bureau of Criminal Apprehension on all applicants for initial licenses under their jurisdiction. An application for a license under this section must be accompanied by:

(1) an executed criminal history consent form, including fingerprints; and

(2) a money order or cashier's check payable to the Bureau of Criminal Apprehension for the fee for conducting the criminal history background check.

(b) The superintendent of the Bureau of Criminal Apprehension shall perform the background check required under paragraph (a) by retrieving criminal history data ~~maintained in the criminal justice information system computers~~ as defined in section 13.87 and shall also conduct a search of the national criminal records repository, ~~including the criminal justice data communications network~~. The superintendent is authorized to exchange fingerprints with the Federal Bureau of Investigation for purposes of the criminal history check. The superintendent shall recover the cost to the bureau of a background check through the fee charged to the applicant under paragraph (a).

(c) The Board of Teaching or the commissioner of education may issue a license pending completion of a background check under this subdivision, but must notify the individual that the individual's license may be revoked based on the result of the background check.

Sec. 4. Minnesota Statutes 2008, section 123B.03, subdivision 1, is amended to read:

Subdivision 1. **Background check required.** (a) A school hiring authority shall request a criminal history background check from the superintendent of the Bureau of Criminal Apprehension on all individuals who are offered employment in a school and on all individuals, except enrolled student volunteers, who are offered the opportunity to provide athletic coaching services or other extracurricular academic coaching services to a school, regardless of whether any compensation is paid. In order for an individual to be eligible for employment or to provide the services, the individual must provide an executed criminal history consent form and a money order or check payable to either the Bureau of Criminal Apprehension or the school hiring authority, at the discretion of the school hiring authority, in an amount equal to the actual cost to the Bureau of Criminal Apprehension and the school district of conducting the criminal history background check. A school hiring authority deciding to receive payment may, at its discretion, accept payment in the form of a negotiable instrument other than a money order or check and shall pay the superintendent of the Bureau of Criminal Apprehension directly to conduct the background check. The superintendent of the Bureau of Criminal Apprehension shall conduct the background check by retrieving criminal history data ~~maintained in the criminal justice information system computers~~ as defined in section 13.87. A school hiring authority, at its discretion, may decide not to request a criminal history background check on an individual who holds an initial entrance license issued by the State Board of Teaching or the commissioner of education within the 12 months preceding an offer of employment.

(b) A school hiring authority may use the results of a criminal background check conducted at the request of another school hiring authority if:

(1) the results of the criminal background check are on file with the other school hiring authority or otherwise accessible;

(2) the other school hiring authority conducted a criminal background check within the previous 12 months;

(3) the individual who is the subject of the criminal background check executes a written consent form giving a school hiring authority access to the results of the check; and

(4) there is no reason to believe that the individual has committed an act subsequent to the check

that would disqualify the individual for employment.

(c) A school hiring authority may, at its discretion, request a criminal history background check from the superintendent of the Bureau of Criminal Apprehension on any individual who seeks to enter a school or its grounds for the purpose of serving as a school volunteer or working as an independent contractor or student employee. In order for an individual to enter a school or its grounds under this paragraph when the school hiring authority decides to request a criminal history background check on the individual, the individual first must provide an executed criminal history consent form and a money order, check, or other negotiable instrument payable to the school district in an amount equal to the actual cost to the Bureau of Criminal Apprehension and the school district of conducting the criminal history background check. Notwithstanding section 299C.62, subdivision 1, the cost of the criminal history background check under this paragraph is the responsibility of the individual.

(d) For all nonstate residents who are offered employment in a school, a school hiring authority shall request a criminal history background check on such individuals from the superintendent of the Bureau of Criminal Apprehension and from the government agency performing the same function in the resident state or, if no government entity performs the same function in the resident state, from the Federal Bureau of Investigation. Such individuals must provide an executed criminal history consent form and a money order, check, or other negotiable instrument payable to the school hiring authority in an amount equal to the actual cost to the government agencies and the school district of conducting the criminal history background check. Notwithstanding section 299C.62, subdivision 1, the cost of the criminal history background check under this paragraph is the responsibility of the individual.

(e) At the beginning of each school year or when a student enrolls, a school hiring authority must notify parents and guardians about the school hiring authority's policy requiring a criminal history background check on employees and other individuals who provide services to the school, and identify those positions subject to a background check and the extent of the hiring authority's discretion in requiring a background check. The school hiring authority may include the notice in the student handbook, a school policy guide, or other similar communication. Nothing in this paragraph affects a school hiring authority's ability to request a criminal history background check on an individual under paragraph (c).

Sec. 5. Minnesota Statutes 2008, section 246.13, subdivision 2, is amended to read:

Subd. 2. **Definitions; risk assessment and management.** (a) As used in this section:

(1) "appropriate and necessary medical and other records" includes patient medical records and other protected health information as defined by Code of Federal Regulations, title 45, section 164.501, relating to a patient in a state-operated services facility including, but not limited to, the patient's treatment plan and abuse prevention plan that is pertinent to the patient's ongoing care, treatment, or placement in a community-based treatment facility or a health care facility that is not operated by state-operated services, and includes information describing the level of risk posed by a patient when the patient enters the facility;

(2) "community-based treatment" means the community support services listed in section 253B.02, subdivision 4b;

(3) "criminal history data" means those data maintained or used by the Departments of

Corrections and Public Safety and by the supervisory authorities listed in section 13.84, subdivision 1, that relate to an individual's criminal history or propensity for violence, including data in the Corrections Offender Management System (COMS) and Statewide Supervision System (S3) maintained by the Department of Corrections; ~~the Criminal Justice Information System (CJIS) and criminal history data as defined in section 13.87, Integrated Search Service as defined in section 13.873, and the Predatory Offender Registration (POR) system maintained by the Department of Public Safety; and the CrimNet system;~~

(4) "designated agency" means the agency defined in section 253B.02, subdivision 5;

(5) "law enforcement agency" means the law enforcement agency having primary jurisdiction over the location where the offender expects to reside upon release;

(6) "predatory offender" and "offender" mean a person who is required to register as a predatory offender under section 243.166; and

(7) "treatment facility" means a facility as defined in section 253B.02, subdivision 19.

(b) To promote public safety and for the purposes and subject to the requirements of this paragraph, the commissioner or the commissioner's designee shall have access to, and may review and disclose, medical and criminal history data as provided by this section, as necessary to comply with Minnesota Rules, part 1205.0400:

(1) to determine whether a patient is required under state law to register as a predatory offender according to section 243.166;

(2) to facilitate and expedite the responsibilities of the special review board and end-of-confinement review committees by corrections institutions and state treatment facilities;

(3) to prepare, amend, or revise the abuse prevention plans required under section 626.557, subdivision 14, and individual patient treatment plans required under section 253B.03, subdivision 7;

(4) to facilitate the custody, supervision, and transport of individuals transferred between the Department of Corrections and the Department of Human Services; or

(5) to effectively monitor and supervise individuals who are under the authority of the Department of Corrections, the Department of Human Services, and the supervisory authorities listed in section 13.84, subdivision 1.

(c) The state-operated services treatment facility must make a good faith effort to obtain written authorization from the patient before releasing information from the patient's medical record.

(d) If the patient refuses or is unable to give informed consent to authorize the release of information required above, the chief executive officer for state-operated services shall provide the appropriate and necessary medical and other records. The chief executive officer shall comply with the minimum necessary requirements.

(e) The commissioner may have access to the National Crime Information Center (NCIC) database, through the Department of Public Safety, in support of the law enforcement functions described in paragraph (b).

Sec. 6. Minnesota Statutes 2008, section 253B.141, subdivision 1, is amended to read:

Subdivision 1. **Report of absence.** (a) If a patient committed under this chapter or detained under a judicial hold is absent without authorization, and either: (1) does not return voluntarily within 72 hours of the time the unauthorized absence began; or (2) is considered by the head of the treatment facility to be a danger to self or others, then the head of the treatment facility shall report the absence to the local law enforcement agency. The head of the treatment facility shall also notify the committing court that the patient is absent and that the absence has been reported to the local law enforcement agency. The committing court may issue an order directing the law enforcement agency to transport the patient to an appropriate facility.

(b) Upon receiving a report that a patient subject to this section is absent without authorization, the local law enforcement agency shall enter information on the patient ~~through the criminal justice information system~~ into the missing persons file of the National Crime Information Center computer according to the missing persons practices.

Sec. 7. Minnesota Statutes 2008, section 299C.115, is amended to read:

299C.115 WARRANT INFORMATION PROVIDED TO STATE.

(a) By January 1, 1996, every county shall, in the manner provided in either clause (1) or (2), make warrant information available to other users of the ~~Minnesota criminal justice information system~~ criminal justice data communications network as defined in section 299C.46:

(1) the county shall enter the warrant information in the warrant file ~~of the Minnesota criminal justice information system~~ maintained by the Bureau of Criminal Apprehension in the Department of Public Safety; or

(2) the county, at no charge to the state, shall make the warrant information that is maintained in the county's computer accessible by means of a single query ~~to the Minnesota criminal justice information system~~ made through the Bureau of Criminal Apprehension in the Department of Public Safety.

(b) As used in this section, "warrant information" means information on all outstanding felony, gross misdemeanor, and misdemeanor warrants for adults and juveniles that are issued within the county.

Sec. 8. Minnesota Statutes 2008, section 299C.40, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "CIBRS" means the Comprehensive Incident-Based Reporting System, located in the Department of Public Safety and managed by the Bureau of Criminal Apprehension, ~~Criminal Justice Information Systems Section.~~ A reference in this section to "CIBRS" includes the Bureau of Criminal Apprehension.

(c) "Law enforcement agency" means a Minnesota municipal police department, the Metropolitan Transit Police, the Metropolitan Airports Police, the University of Minnesota Police Department, the Department of Corrections Fugitive Apprehension Unit, a Minnesota county sheriff's department, the Bureau of Criminal Apprehension, or the Minnesota State Patrol.

Sec. 9. Minnesota Statutes 2008, section 299C.46, subdivision 1, is amended to read:

Subdivision 1. **Establishment; interconnection.** The commissioner of public safety shall establish a criminal justice data communications network which will enable the interconnection of the criminal justice agencies within the state ~~into a unified criminal justice information system.~~ The commissioner of public safety is authorized to lease or purchase facilities and equipment as may be necessary to establish and maintain the data communications network.

Sec. 10. Minnesota Statutes 2008, section 299C.52, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** As used in sections 299C.52 to 299C.56, the following terms have the meanings given them:

(a) "Child" means any person under the age of 18 years or any person certified or known to be mentally incompetent.

~~(b) "CJIS" means Minnesota criminal justice information system.~~

~~(e)~~ "Missing" means the status of a child after a law enforcement agency that has received a report of a missing child has conducted a preliminary investigation and determined that the child cannot be located.

~~(d)~~ (c) "NCIC" means National Crime Information Center.

~~(e)~~ (d) "Endangered" means that a law enforcement official has received sufficient evidence that the child is with a person who presents a threat of immediate physical injury to the child or physical or sexual abuse of the child.

Sec. 11. Minnesota Statutes 2008, section 299C.52, subdivision 3, is amended to read:

Subd. 3. **Computer equipment and programs.** The commissioner shall provide the necessary computer hardware and computer programs to enter, modify, and cancel information on missing children in the NCIC computer ~~through the CJIS.~~ These programs must provide for search and retrieval of information using the following identifiers: physical description, name and date of birth, name and Social Security number, name and driver's license number, vehicle license number, and vehicle identification number. The commissioner shall also provide a system for regional, statewide, multistate, and nationwide broadcasts of information on missing children. These broadcasts shall be made by local law enforcement agencies where possible or, in the case of statewide or nationwide broadcasts, by the Bureau of Criminal Apprehension upon request of the local law enforcement agency.

Sec. 12. Minnesota Statutes 2008, section 299C.52, subdivision 4, is amended to read:

Subd. 4. **Authority to enter or retrieve information.** Only law enforcement agencies may enter missing child information ~~through the CJIS~~ into the NCIC computer or retrieve information ~~through the CJIS~~ from the NCIC computer.

Sec. 13. Minnesota Statutes 2008, section 299C.53, subdivision 1, is amended to read:

Subdivision 1. **Investigation and entry of information.** Upon receiving a report of a child believed to be missing, a law enforcement agency shall conduct a preliminary investigation to determine whether the child is missing. If the child is initially determined to be missing and endangered, the agency shall immediately consult the Bureau of Criminal Apprehension during the preliminary investigation, in recognition of the fact that the first two hours are critical. If the

child is determined to be missing, the agency shall immediately enter identifying and descriptive information about the child ~~through the CJS~~ into the NCIC computer. Law enforcement agencies having direct access to ~~the CJS and~~ the NCIC computer shall enter and retrieve the data directly and shall cooperate in the entry and retrieval of data on behalf of law enforcement agencies which do not have direct access to the systems.

Sec. 14. Minnesota Statutes 2008, section 299C.62, subdivision 1, is amended to read:

Subdivision 1. **Generally.** The superintendent shall develop procedures to enable a children's service provider to request a background check to determine whether a children's service worker is the subject of any reported conviction for a background check crime. The superintendent shall perform the background check by retrieving and reviewing data on background check crimes ~~maintained in the CJS computers~~. The superintendent is authorized to exchange fingerprints with the Federal Bureau of Investigation for purposes of a criminal history check. The superintendent shall recover the cost of a background check through a fee charged the children's service provider.

Sec. 15. Minnesota Statutes 2008, section 299C.65, subdivision 1, is amended to read:

Subdivision 1. **Membership, duties.** (a) The Criminal and Juvenile Justice Information Policy Group consists of the commissioner of corrections, the commissioner of public safety, the state chief information officer, the commissioner of finance, four members of the judicial branch appointed by the chief justice of the Supreme Court, and the chair and first vice-chair of the Criminal and Juvenile Justice Information Task Force. The policy group may appoint additional, nonvoting members as necessary from time to time.

(b) The commissioner of public safety is designated as the chair of the policy group. The commissioner and the policy group have overall responsibility for the ~~successful completion~~ integration of statewide criminal justice information ~~system integration (CriMNet)~~ systems. This integration effort shall be known as CriMNet. The policy group may hire an executive director to manage the CriMNet projects and to be responsible for the day-to-day operations of CriMNet. The executive director shall serve at the pleasure of the policy group in unclassified service. The policy group must ensure that generally accepted project management techniques are utilized for each CriMNet project, including:

- (1) clear sponsorship;
- (2) scope management;
- (3) project planning, control, and execution;
- (4) continuous risk assessment and mitigation;
- (5) cost management;
- (6) quality management reviews;
- (7) communications management;
- (8) proven methodology; and
- (9) education and training.

(c) Products and services for CrimNet project management, system design, implementation, and application hosting must be acquired using an appropriate procurement process, which includes:

- (1) a determination of required products and services;
- (2) a request for proposal development and identification of potential sources;
- (3) competitive bid solicitation, evaluation, and selection; and
- (4) contract administration and close-out.

(d) The policy group shall study and make recommendations to the governor, the Supreme Court, and the legislature on:

(1) a framework for integrated criminal justice information systems, including the development and maintenance of a community data model for state, county, and local criminal justice information;

(2) the responsibilities of each entity within the criminal and juvenile justice systems concerning the collection, maintenance, dissemination, and sharing of criminal justice information with one another;

(3) actions necessary to ensure that information maintained in the criminal justice information systems is accurate and up-to-date;

(4) the development of an information system containing criminal justice information on gross misdemeanor-level and felony-level juvenile offenders that is part of the integrated criminal justice information system framework;

(5) the development of an information system containing criminal justice information on misdemeanor arrests, prosecutions, and convictions that is part of the integrated criminal justice information system framework;

(6) comprehensive training programs and requirements for all individuals in criminal justice agencies to ensure the quality and accuracy of information in those systems;

(7) continuing education requirements for individuals in criminal justice agencies who are responsible for the collection, maintenance, dissemination, and sharing of criminal justice data;

(8) a periodic audit process to ensure the quality and accuracy of information contained in the criminal justice information systems;

(9) the equipment, training, and funding needs of the state and local agencies that participate in the criminal justice information systems;

(10) the impact of integrated criminal justice information systems on individual privacy rights;

(11) the impact of proposed legislation on the criminal justice system, including any fiscal impact, need for training, changes in information systems, and changes in processes;

(12) the collection of data on race and ethnicity in criminal justice information systems;

(13) the development of a tracking system for domestic abuse orders for protection;

(14) processes for expungement, correction of inaccurate records, destruction of records, and

other matters relating to the privacy interests of individuals; and

(15) the development of a database for extended jurisdiction juvenile records and whether the records should be public or private and how long they should be retained.

Sec. 16. Minnesota Statutes 2008, section 299C.65, subdivision 5, is amended to read:

Subd. 5. **Review of funding and grant requests.** (a) The Criminal and Juvenile Justice Information Policy Group shall review the funding requests for criminal justice information systems from state, county, and municipal government agencies. The policy group shall review the requests for compatibility to statewide criminal justice information system standards. The review shall be forwarded to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over criminal justice funding and policy.

(b) The ~~CrimNet program office~~ executive director, in consultation with the Criminal and Juvenile Justice Information Task Force and with the approval of the policy group, shall create the requirements for any grant request and determine the integration priorities for the grant period. The ~~CrimNet program office~~ executive director shall also review the requests submitted for compatibility to statewide criminal justice information systems standards.

(c) The task force shall review funding requests for criminal justice information systems grants and make recommendations to the policy group. The policy group shall review the recommendations of the task force and shall make a final recommendation for criminal justice information systems grants to be made by the commissioner of public safety. Within the limits of available state appropriations and federal grants, the commissioner of public safety shall make grants for projects that have been recommended by the policy group.

(d) The policy group may approve grants only if the applicant provides an appropriate share of matching funds as determined by the policy group to help pay up to one-half of the costs of the grant request. The matching requirement must be constant for all applicants within each grant offering. The policy group shall adopt policies concerning the use of in-kind resources to satisfy the match requirement and the sources from which matching funds may be obtained. Local operational or technology staffing costs may be considered as meeting this match requirement. Each grant recipient shall certify to the policy group that it has not reduced funds from local, county, federal, or other sources which, in the absence of the grant, would have been made available to the grant recipient to improve or integrate criminal justice technology.

(e) All grant recipients shall submit to the ~~CrimNet program office~~ executive director all requested documentation including grant status, financial reports, and a final report evaluating how the grant funds improved the agency's criminal justice integration priorities. The ~~CrimNet program office~~ executive director shall establish the recipient's reporting dates at the time funds are awarded.

Sec. 17. Minnesota Statutes 2008, section 299C.68, subdivision 2, is amended to read:

Subd. 2. **Procedures.** The superintendent shall develop procedures to enable an owner to request a background check to determine whether a manager is the subject of a reported conviction for a background check crime. The superintendent shall perform the background check by retrieving and reviewing data on background check crimes ~~maintained in the CJS computers~~. The superintendent shall notify the owner in writing of the results of the background check. If the manager has resided in Minnesota for less than ten years or upon request of the owner, the superintendent shall also

either: (1) conduct a search of the national criminal records repository, including the criminal justice data communications network; or (2) conduct a search of the criminal justice data communications network records in the state or states where the manager has resided for the preceding ten years. The superintendent is authorized to exchange fingerprints with the Federal Bureau of Investigation for purposes of the criminal history check. The superintendent shall recover the cost of a background check through a fee charged to the owner.

Sec. 18. Minnesota Statutes 2008, section 388.24, subdivision 4, is amended to read:

Subd. 4. **Reporting of data to ~~criminal justice information system (CJIS)~~ Bureau of Criminal Apprehension.** Effective August 1, 1997, every county attorney who establishes a diversion program under this section shall report the following information to the Bureau of Criminal Apprehension:

(1) the name and date of birth of each diversion program participant and any other identifying information the superintendent considers necessary;

(2) the date on which the individual began to participate in the diversion program;

(3) the date on which the individual is expected to complete the diversion program;

(4) the date on which the individual successfully completed the diversion program, where applicable; and

(5) the date on which the individual was removed from the diversion program for failure to successfully complete the individual's goals, where applicable.

The superintendent shall cause the information described in this subdivision to be entered into and maintained in the criminal history file ~~of the Minnesota Criminal Justice Information System~~ as defined in section 13.87.

Sec. 19. Minnesota Statutes 2008, section 401.065, subdivision 3a, is amended to read:

Subd. 3a. **Reporting of data to ~~criminal justice information system (CJIS)~~ Bureau of Criminal Apprehension.** (a) Every county attorney who establishes a diversion program under this section shall report the following information to the Bureau of Criminal Apprehension:

(1) the name and date of birth of each diversion program participant and any other identifying information the superintendent considers necessary;

(2) the date on which the individual began to participate in the diversion program;

(3) the date on which the individual is expected to complete the diversion program;

(4) the date on which the individual successfully completed the diversion program, where applicable; and

(5) the date on which the individual was removed from the diversion program for failure to successfully complete the individual's goals, where applicable.

The superintendent shall cause the information described in this subdivision to be entered into and maintained in the criminal history file ~~of the Minnesota criminal justice information system~~ as defined in section 13.87.

(b) Effective August 1, 1997, the reporting requirements of this subdivision shall apply to misdemeanor offenses.

Sec. 20. Minnesota Statutes 2008, section 480.23, is amended to read:

480.23 COMPUTER ACQUISITION BY COURTS.

In order to facilitate the effective management and coordination of the Minnesota courts system, an appropriate official of any court or of a local governmental unit in providing services to any court, if authorized by the state court administrator and with the concurrence of the contracting vendor, may acquire electronic data processing equipment or services through an existing contract originated by the Supreme Court. The state court administrator shall grant this authority only pursuant to the implementation of justice information systems compatible with systems ~~participating on the Minnesota Criminal Justice Information Systems Communications Network~~ administered by the Bureau of Criminal Apprehension in the Department of Public Safety.

Sec. 21. Minnesota Statutes 2008, section 518.165, subdivision 5, is amended to read:

Subd. 5. **Procedure, criminal history, and maltreatment records background study.** (a) When the court requests a background study under subdivision 4, paragraph (a), the request shall be submitted to the Department of Human Services through the department's electronic online background study system.

(b) When the court requests a search of the National Criminal Records Repository, the court must provide a set of classifiable fingerprints of the subject of the study on a fingerprint card provided by the commissioner of human services.

(c) The commissioner of human services shall provide the court with ~~information~~ criminal history data as defined in section 13.87 from the Bureau of Criminal Apprehension in the Department of Public Safety, ~~Criminal Justice Information System~~ other criminal history data held by the commissioner of human services, and data regarding substantiated maltreatment of a minor under section 626.556, and substantiated maltreatment of a vulnerable adult under section 626.557, within 15 working days of receipt of a request. If the subject of the study has been determined by the Department of Human Services or the Department of Health to be the perpetrator of substantiated maltreatment of a minor or vulnerable adult in a licensed facility, the response must include a copy of the public portion of the investigation memorandum under section 626.556, subdivision 10f, or the public portion of the investigation memorandum under section 626.557, subdivision 12b. When the background study shows that the subject has been determined by a county adult protection or child protection agency to have been responsible for maltreatment, the court shall be informed of the county, the date of the finding, and the nature of the maltreatment that was substantiated. The commissioner shall provide the court with information from the National Criminal Records Repository within three working days of the commissioner's receipt of the data. When the commissioner finds no criminal history or substantiated maltreatment on a background study subject, the commissioner shall make these results available to the court electronically through the secure online background study system.

(d) Notwithstanding section 626.556, subdivision 10f, or 626.557, subdivision 12b, if the commissioner or county lead agency has information that a person on whom a background study was previously done under this section has been determined to be a perpetrator of maltreatment of a minor or vulnerable adult, the commissioner or the county may provide this information to the

court that requested the background study.

Sec. 22. Minnesota Statutes 2008, section 524.5-118, subdivision 2, is amended to read:

Subd. 2. **Procedure; criminal history and maltreatment records background check.** (a) The court shall request the commissioner of human services to complete a background study under section 245C.32. The request must be accompanied by the applicable fee and the signed consent of the subject of the study authorizing the release of the data obtained to the court. If the court is requesting a search of the National Criminal Records Repository, the request must be accompanied by a set of classifiable fingerprints of the subject of the study. The fingerprints must be recorded on a fingerprint card provided by the commissioner of human services.

(b) The commissioner of human services shall provide the court with ~~information~~ criminal history data as defined in section 13.87 from the Bureau of Criminal Apprehension's criminal justice information system Apprehension in the Department of Public Safety, other criminal history data held by the commissioner of human services, and data regarding substantiated maltreatment of vulnerable adults under section 626.557 and substantiated maltreatment of minors under section 626.556 within 15 working days of receipt of a request. If the subject of the study has been the perpetrator of substantiated maltreatment of a vulnerable adult or minor, the response must include a copy of the public portion of the investigation memorandum under section 626.557, subdivision 12b, or the public portion of the investigation memorandum under section 626.556, subdivision 10f. If the court did not request a search of the National Criminal Records Repository and information from the Bureau of Criminal Apprehension indicates that the subject is a multistate offender or that multistate offender status is undetermined, the response must include this information. The commissioner shall provide the court with information from the National Criminal Records Repository within three working days of the commissioner's receipt of the data.

(c) Notwithstanding section 626.557, subdivision 12b, or 626.556, subdivision 10f, if the commissioner of human services or a county lead agency has information that a person on whom a background study was previously done under this section has been determined to be a perpetrator of maltreatment of a vulnerable adult or minor, the commissioner or the county may provide this information to the court that requested the background study. The commissioner may also provide the court with additional criminal history or substantiated maltreatment information that becomes available after the background study is done.

Sec. 23. Minnesota Statutes 2008, section 611.272, is amended to read:

611.272 ACCESS TO GOVERNMENT DATA.

The district public defender, the state public defender, or an attorney working for a public defense corporation under section 611.216 has access to the criminal justice data communications network described in section 299C.46, as provided in this section. Access to data under this section is limited to data necessary to prepare criminal cases in which the public defender has been appointed as follows:

(1) access to data about witnesses in a criminal case shall be limited to records of criminal convictions; and

(2) access to data regarding the public defender's own client which includes, but is not limited to, criminal history data under section 13.87; juvenile offender data under section 299C.095; warrant

information data under section 299C.115; incarceration data under section 299C.14; conditional release data under section 241.065; and diversion program data under section 299C.46, subdivision 5.

The public defender has access to data under this section, whether accessed via ~~CrimNet~~ the integrated search service as defined in section 13.873 or other methods. The public defender does not have access to law enforcement active investigative data under section 13.82, subdivision 7; data protected under section 13.82, subdivision 17; confidential arrest warrant indices data under section 13.82, subdivision 19; or data systems maintained by a prosecuting attorney. The public defender has access to the data at no charge, except for the monthly network access charge under section 299C.46, subdivision 3, paragraph (b), and a reasonable installation charge for a terminal. Notwithstanding section 13.87, subdivision 3; 299C.46, subdivision 3, paragraph (b); 299C.48, or any other law to the contrary, there shall be no charge to public defenders for Internet access to the criminal justice data communications network.

Sec. 24. Minnesota Statutes 2008, section 628.69, subdivision 6, is amended to read:

Subd. 6. **Reporting of data to ~~criminal justice information system (CJIS)~~ Bureau of Criminal Apprehension.** Every county attorney who has established a pretrial diversion program under this section shall report the following information to the Bureau of Criminal Apprehension:

- (1) the name and date of birth of each diversion program participant, and any other identifying information the superintendent considers necessary;
- (2) the date on which the individual began to participate in the diversion program;
- (3) the date on which the individual is expected to complete the diversion program;
- (4) the date on which the individual successfully completed the diversion program, where applicable; and
- (5) the date on which the individual was removed from the diversion program for failure to successfully complete the individual's goals, where applicable.

The superintendent shall cause the information described in this subdivision to be entered into and maintained in the criminal history file of the ~~Minnesota Criminal Justice Information System~~ as defined in section 13.87.

Sec. 25. **REPEALER.**

Minnesota Statutes 2008, sections 299C.61, subdivision 8; and 299C.67, subdivision 3, are repealed."

Delete the title and insert:

"A bill for an act relating to public safety; providing for public safety, courts, and corrections, including predatory offenders regarding computer access, electronic solicitation, and training materials on dangers of predatory offenders; sex offenses; crime victims; domestic fatality review teams; courts; driver's license reinstatement diversion pilot program; corrections; study of evidence-based practices for community supervision; emergency response team; controlled substances; employment of persons with criminal records; financial crimes; unsafe recalled toys; peace officer and public safety dispatcher employment; trespass in peace officer cordoned-off

areas; peace officer education; and Bureau of Criminal Apprehension Information Services; providing for boards, task forces, and programs; providing for reports; providing for penalties; amending Minnesota Statutes 2008, sections 12.03, by adding a subdivision; 13.87, subdivision 1; 84.027, subdivision 17; 122A.18, subdivision 8; 123B.03, subdivision 1; 152.02, subdivisions 6, 12; 169.71, subdivision 1; 240.08, by adding a subdivision; 243.166, subdivision 4b; 244.05, subdivision 6; 244.052, subdivision 1; 244.10, by adding a subdivision; 244.195, subdivisions 2, 3, 4; 246.13, subdivision 2; 253B.141, subdivision 1; 299A.681; 299C.115; 299C.40, subdivision 1; 299C.46, subdivision 1; 299C.52, subdivisions 1, 3, 4; 299C.53, subdivision 1; 299C.62, subdivision 1; 299C.65, subdivisions 1, 5; 299C.68, subdivision 2; 357.021, subdivision 6; 388.24, subdivision 4; 401.025, subdivision 1; 401.065, subdivision 3a; 403.36, subdivision 2, by adding a subdivision; 471.59, by adding subdivisions; 480.23; 484.91, subdivision 1; 491A.03, subdivision 1; 518.165, subdivision 5; 524.5-118, subdivision 2; 609.341, subdivision 11; 609.352, subdivision 2a; 609.605, subdivision 1; 611.272; 611A.0315, subdivision 1; 626.843, subdivisions 1, 3; 626.845, subdivision 1; 626.863; 628.26; 628.69, subdivision 6; 629.34, subdivision 1; 629.341, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 12; 181; 244; 260B; 325F; 364; 611A; repealing Minnesota Statutes 2008, sections 244.195, subdivision 5; 260B.199, subdivision 2; 260B.201, subdivision 3; 299C.61, subdivision 8; 299C.67, subdivision 3; 383B.65, subdivision 2; 403.36, subdivision 1f."

We request the adoption of this report and repassage of the bill.

House Conferees: (Signed) Debra Hilstrom, Karla Bigham, Michael Paymar, Gail Kulick Jackson, Tim Kelly

Senate Conferees: (Signed) Mee Moua, Mary Olson, Julianne Ortman, Linda Higgins, Don Betzold

Senator Moua moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1301 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 1301 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 936, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 936 is herewith transmitted to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted May 5, 2009

CONFERENCE COMMITTEE REPORT ON H. F. NO. 936

A bill for an act relating to human services; specifying criteria for communities for a lifetime; requiring the Minnesota Board on Aging to study and report on communities for a lifetime; amending Minnesota Statutes 2008, section 256.975, by adding a subdivision.

April 30, 2009

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

We, the undersigned conferees for H. F. No. 936 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 936 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2008, section 256.975, is amended by adding a subdivision to read:

Subd. 10. **Communities for a lifetime.** (a) For purposes of this subdivision, "communities for a lifetime" means partnerships of small cities, counties, municipalities, statutory or home rule charter cities, or towns, whose citizens seek to affirmatively extend to persons ages 65 and older the opportunities, supports, and services that will enable them to continue to be contributing, civically engaged residents.

(b) The opportunities extended within a reasonable distance to senior residents by communities for a lifetime must include, but not be limited to:

(1) the opportunity to contribute time and talents through volunteer community service;

(2) the opportunity to participate in the paid workforce, with flexibility of hours and scheduling;

(3) the opportunity for socializing, recreation, and wellness activities, including both physical exercise and mental stimulation;

(4) the opportunity to "age in place" and choose among a variety of affordable, accessible housing options, including single-family housing, independent congregate senior housing, and senior housing with services;

(5) the opportunity to access quality long-term care in the setting of the senior's own choice; and

(6) the opportunity for community-wide mobility and to access public transportation, including door-to-door assistance and weekend and evening access.

(c) Communities for a lifetime must demonstrate the availability of supports and services for senior residents that include, but are not limited to:

(1) an array of home and community-based services to support seniors' options to remain in an independent living setting as they age and become more frail;

(2) access to contemporary remote medical technology for cost-effective home-based monitoring of medical conditions;

(3) access to nutrition programs, including congregate meal and home-delivered meal opportunities;

(4) access to a comprehensive caregiver support system for family members and volunteer caregivers, including:

(i) technological support for caregivers remaining in the paid workforce to manage caregiver responsibilities effectively; and

(ii) respite care that offers temporary substitute care and supervision for frail seniors;

(5) personal assistance in accessing services and supports, and in seeking financing for these services and supports;

(6) high-quality assisted living facilities within a senior's geographic setting of choice;

(7) high-quality nursing care facilities within a senior's geographic setting of choice; and

(8) the protection offered to vulnerable seniors by a publicly operated adult protective service.

(d) Communities for a lifetime must also:

(1) establish an ongoing local commission to advise the community for a lifetime on its provision of the opportunities, services, and supports identified in paragraphs (b) and (c);

(2) offer training and learning opportunities for businesses, civic groups, fire and police personnel, and others frequently interacting with seniors on appropriate methods of interacting with seniors; and

(3) incorporate into its local plan, developed in accordance with sections 366.10, 394.232, and 462.353, elements that address the impact of the forecast change in population age structure on

land use, housing, public facilities, transportation, capital improvement, and other areas addressed by local plans; provisions addressing the availability of the opportunities, supports, and services identified in paragraphs (b) and (c); and strategies to develop physical infrastructure responsive to the needs of the projected population.

(e) In implementing this subdivision, the Minnesota Board on Aging shall:

(1) consult with, and when appropriate work through, the area agencies on aging;

(2) consult with the commissioners of human services, health, and employment and economic development, and the League of Minnesota Cities and other organizations representing local units of government; and

(3) review models of senior-friendly community initiatives from other states and organizations.

(f) The Board on Aging shall report to the legislature by February 28, 2010, with recommendations on (1) a process for communities to request and receive the designation of community for a lifetime, and (2) funding sources to implement these communities."

Delete the title and insert:

"A bill for an act relating to human services; specifying criteria for communities for a lifetime; requiring the Minnesota Board on Aging to report on communities for a lifetime; amending Minnesota Statutes 2008, section 256.975, by adding a subdivision."

We request the adoption of this report and repassage of the bill.

House Conferees: (Signed) Paul Thissen, Larry Hosch, Michael Beard

Senate Conferees: (Signed) Kathy Sheran, David Senjem, Sharon Erickson Ropes

Senator Sheran moved that the foregoing recommendations and Conference Committee Report on H.F. No. 936 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 936 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 61 and nays 1, as follows:

Those who voted in the affirmative were:

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

Wiger

Those who voted in the negative were:

Vandev eer

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 819, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 819 is herewith transmitted to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted May 6, 2009

CONFERENCE COMMITTEE REPORT ON H. F. NO. 819

A bill for an act relating to commerce; prohibiting certain unfair Internet ticket sales by original sellers and resellers; proposing coding for new law in Minnesota Statutes, chapter 609.

May 5, 2009

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

We, the undersigned conferees for H. F. No. 819 report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendments.

We request the adoption of this report and repassage of the bill.

House Conferees: (Signed) Joe Atkins, Leon Lillie, Kurt Zellers

Senate Conferees: (Signed) Ron Latz, Dan Skogen, Michael J. Jungbauer

Senator Latz moved that the foregoing recommendations and Conference Committee Report on H.F. No. 819 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 819 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 62 and nays 1, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Vandever

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 534, 1960, 1677 and 519.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted May 5, 2009

FIRST READING OF HOUSE BILLS

The following bills were read the first time.

H.F. No. 534: A bill for an act relating to insurance; authorizing and regulating the issuance of certificates of insurance; amending Minnesota Statutes 2008, section 60K.46, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 60A.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 613, now on General Orders.

H.F. No. 1960: A bill for an act relating to powers of attorney; creating an alternative statutory short form for military members who are in active service; amending Minnesota Statutes 2008, sections 523.02; 523.131; 523.16; 523.20; 523.21; 523.23, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 523.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1712, now on General Orders.

H.F. No. 1677: A bill for an act relating to the safe at home program; specifying applicability; eliminating certain persons from eligibility; amending Minnesota Statutes 2008, sections 5B.01; 5B.02.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1452, now on General Orders.

H.F. No. 519: A bill for an act relating to local government; regulating nonconforming lots in shoreland areas; amending Minnesota Statutes 2008, sections 394.36, subdivision 4, by adding a subdivision; 462.357, subdivision 1e.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 747, now on General Orders.

REPORTS OF COMMITTEES

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

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

S.F. No. 203: A bill for an act relating to health; establishing oversight for health cooperative arrangements; establishing an application fee; appropriating money; amending Minnesota Statutes 2008, section 13.381, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 62R.

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

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

S.F. No. 915: A bill for an act relating to insurance; requiring school districts to obtain employee health coverage through the public employees insurance program; appropriating money; amending Minnesota Statutes 2008, sections 43A.316, subdivisions 9, 10, by adding subdivisions; 62E.02, subdivision 23; 62E.10, subdivision 1; 62E.11, subdivision 5; 297I.05, 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 2008, section 43A.316, is amended by adding a subdivision to read:

Subd. 3a. **Health improvement programs.** The commissioner, with the approval of the school employee insurance committee, is authorized to plan, develop, purchase, administer, and evaluate disease management and other programs, strategies, and incentives to improve the health and health outcomes of members.

Sec. 2. Minnesota Statutes 2008, section 43A.316, subdivision 9, is amended to read:

Subd. 9. **Insurance trust fund.** (a) The insurance trust fund in the state treasury consists of deposits of the premiums received from employers participating in the program and transfers before July 1, 1994, from the excess contributions holding account established by section 353.65, subdivision 7. All money in the fund is appropriated to the commissioner to pay insurance premiums, approved claims, refunds, administrative costs, and other related service costs, including costs incurred under chapters 62E and 297I in connection with the school employee insurance program. Premiums paid by employers to the fund are exempt from the taxes imposed by chapter 297I, except as described in paragraph (b). The commissioner shall reserve an amount of money to cover the estimated costs of claims incurred but unpaid. The State Board of Investment shall invest the money according to section 11A.24. Investment income and losses attributable to the fund must be credited to the fund.

(b) Notwithstanding paragraph (a), premium revenues collected from the school employee insurance program, described in subdivisions 12 and 13, are not exempt from the taxes imposed under section 297I.05, subdivision 5, paragraph (b).

Sec. 3. Minnesota Statutes 2008, section 43A.316, subdivision 10, is amended to read:

Subd. 10. **Exemption.** (a) The public employee insurance program and, where applicable, the employers participating in it are exempt from chapters 60A, 62A, 62C, 62D, 62E, and 62H, section 471.617, subdivisions 2 and 3, and the bidding requirements of section 471.6161.

(b) Notwithstanding paragraph (a), the school employee insurance program, described in subdivisions 12 and 13, is a contributing member of the Minnesota Comprehensive Health Association and must pay assessments made by the association on the premium revenue attributed to the school employee insurance program, prorated as provided in section 62E.11, subdivision 5, paragraph (b).

Sec. 4. Minnesota Statutes 2008, section 43A.316, is amended by adding a subdivision to read:

Subd. 11. **Definitions.** (a) For purposes of subdivisions 11 to 14, the terms defined in this subdivision have the meanings given.

(b) "Eligible employee" means an employee of a school employer, a dependent of such an employee, a retiree, or other person, who is eligible for health insurance coverage under the school employer's plan.

(c) "School Employee Insurance Committee" means the committee created in subdivision 14.

(d) "School employer" means a school district as defined in section 120A.05, service cooperative as defined in section 123A.21, intermediate district as defined in section 136D.01, Cooperative Center for Vocational Education as defined in section 123A.22, regional management information center as defined in section 123A.23, or an education unit organized under a joint powers agreement under section 471.59.

Sec. 5. Minnesota Statutes 2008, section 43A.316, is amended by adding a subdivision to read:

Subd. 12. **School employee insurance program.** The commissioner shall develop and administer within the public employees insurance program a separately rated and administered

program for eligible employees of school employers, to be called the school employee insurance program. The initial offerings shall be the PEIP Advantage, Advantage Value, and Advantage HSA plans offered by the public employee insurance program. Health coverage offered through the school employee insurance program shall be made available beginning January 1, 2011.

Sec. 6. Minnesota Statutes 2008, section 43A.316, is amended by adding a subdivision to read:

Subd. 13. **Enrollment; school employee insurance program.** (a) A school employer that provides health coverage to eligible employees or contributes money to pay for all or part of the cost of health coverage for eligible employees, must purchase such coverage through the school employee insurance program under subdivision 12. School employers described in paragraph (b) may opt-out as described in paragraphs (b) to (e).

(b) Each exclusive representative of employees of a school employer that, on July 1, 2009, was individually self-insured shall determine whether the employees it represents will participate in the school employee insurance program, in the same manner described in subdivision 5, paragraph (b). Paragraphs (c), (d), and (e) apply only to school employees of the school employers described in this paragraph.

(c) School employees not represented by an exclusive representative may enter the school employee insurance program in the same manner described in subdivision 5, paragraph (c).

(d) School employees who do not enter the program upon first becoming eligible for participation are ineligible to participate for four years and must be pooled and rated separately from the other enrollees in the school employee insurance program for the first four years after entering the program. This paragraph does not apply to a school employee upon later becoming a member of a school employee group that has not declined participation.

(e) The decision of an exclusive representative of school employees or, in the case of unorganized employees, the decision of a school district, to enter into the school employee insurance program is irrevocable and applies to all future years.

Sec. 7. Minnesota Statutes 2008, section 43A.316, is amended by adding a subdivision to read:

Subd. 14. **School Employee Insurance Committee.** (a) Notwithstanding any other provision of law, all plan design decisions, including all pilot or demonstration programs in which school employees participate, must first be developed by the School Employee Insurance Committee in consultation with the commissioner or the commissioner's designee and other consultants as the committee sees fit. This paragraph does not apply to the initial offerings specified in subdivision 12.

(b) The committee must be composed of 14 members who represent school district employees and employers in equal number. The employee representatives shall be appointed as follows: four shall be appointed by Education Minnesota, one shall be appointed by the Service Employees International Union, one shall be appointed by the American Federation of State, County, and Municipal Employees, and one shall be appointed by the Minnesota School Employees Association. The seven school employer representatives who serve on the School Employee Insurance Committee must be appointed by the Minnesota School Boards Association. Members of the committee shall serve at the will of the appointing organization. The committee will select a chair from its membership.

(c) The School Employee Insurance Committee members are eligible for compensation and

expense reimbursement under section 15.0575, subdivision 3. In addition, if actual salary is lost by a committee member, or if a cost is charged by an employer of a committee member for time missed while performing the duties of a committee member, then the commissioner shall reimburse the member for the lost salary or the cost from funds appropriated for the operations of the committee.

(d) The commissioner shall provide the necessary meeting space and staff support for the committee.

Sec. 8. Minnesota Statutes 2008, section 43A.316, is amended by adding a subdivision to read:

Subd. 15. **Reinsurance.** The commissioner shall, on behalf of the program, participate in an insured or self-insured reinsurance pool for the first three years of the program and may continue to participate in a reinsurance pool after the first three years.

Sec. 9. Minnesota Statutes 2008, section 62E.02, subdivision 23, is amended to read:

Subd. 23. **Contributing member.** "Contributing member" means those companies regulated under chapter 62A and offering, selling, issuing, or renewing policies or contracts of accident and health insurance; health maintenance organizations regulated under chapter 62D; nonprofit health service plan corporations regulated under chapter 62C; community integrated service networks regulated under chapter 62N; fraternal benefit societies regulated under chapter 64B; the Minnesota employees insurance program established in section 43A.317, effective July 1, 1993; ~~and~~ joint self-insurance plans regulated under chapter 62H; and the school employee insurance program created under section 43A.316. For the purposes of determining liability of contributing members pursuant to section 62E.11 payments received from or on behalf of Minnesota residents for coverage by a health maintenance organization ~~or~~, a community integrated service network, or the school employee insurance program shall be considered to be accident and health insurance premiums.

Sec. 10. Minnesota Statutes 2008, section 62E.10, subdivision 1, is amended to read:

Subdivision 1. **Creation; tax exemption.** There is established a Comprehensive Health Association to promote the public health and welfare of the state of Minnesota with membership consisting of all insurers; self-insurers; fraternal; joint self-insurance plans regulated under chapter 62H; the Minnesota employees insurance program established in section 43A.317, effective July 1, 1993; the school employee insurance program created under section 43A.316, subdivision 12; health maintenance organizations; and community integrated service networks licensed or authorized to do business in this state. The Comprehensive Health Association is exempt from the taxes imposed under chapter 297I and any other laws of this state and all property owned by the association is exempt from taxation.

Sec. 11. Minnesota Statutes 2008, section 62E.11, subdivision 5, is amended to read:

Subd. 5. **Allocation of losses.** (a) Each contributing member of the association shall share the losses due to claims expenses of the comprehensive health insurance plan for plans issued or approved for issuance by the association, and shall share in the operating and administrative expenses incurred or estimated to be incurred by the association incident to the conduct of its affairs. Claims expenses of the state plan which exceed the premium payments allocated to the payment of benefits shall be the liability of the contributing members. Contributing members shall share in the claims expense of the state plan and operating and administrative expenses of

the association in an amount equal to the ratio of the contributing member's total accident and health insurance premium, received from or on behalf of Minnesota residents as divided by the total accident and health insurance premium, received by all contributing members from or on behalf of Minnesota residents, as determined by the commissioner. Payments made by the state to a contributing member for medical assistance, MinnesotaCare, or general assistance medical care services according to chapters 256, 256B, and 256D shall be excluded when determining a contributing member's total premium.

(b) In making the allocation of losses provided in paragraph (a) in each future year, the association's assessment against the school employee insurance program must be based on premiums received by the school employee insurance program in that future year from the school employers that, on May 1, 2009, were receiving health care coverage from a contributing member of the association. The association shall assess the premiums paid in each future year by those employers at the same rate as premiums paid to other members of the association. For purposes of this calculation, premiums of the program used must be net of rate credits and retroactive rate refunds on the same basis as the premiums of other association members.

Sec. 12. Minnesota Statutes 2008, section 297I.05, subdivision 5, is amended to read:

Subd. 5. **Health maintenance organizations, nonprofit health service plan corporations, and community integrated service networks, and the school employee insurance program.** (a) A tax is imposed on health maintenance organizations, community integrated service networks, and nonprofit health care service plan corporations. The rate of tax is equal to one percent of gross premiums less return premiums on all direct business received by the organization, network, or corporation or its agents in Minnesota, in cash or otherwise, in the calendar year.

(b) A tax is imposed on the school employee insurance program created under section 43A.316, subdivision 12. The rate of tax imposed for each year shall be the rate specified in paragraph (a) and shall be assessed upon gross premiums less return premiums received by the school employee insurance program in that calendar year from school employers that, on May 1, 2009, were receiving health care coverage from an entity that is required to pay the tax under paragraph (a). The commissioner shall assess the premiums paid in each year by those employers at the same rate as premiums paid by entities taxed under paragraph (a).

(c) The commissioner shall deposit all revenues, including penalties and interest, collected under this chapter from health maintenance organizations, community integrated service networks, and nonprofit health service plan corporations, and the school employee insurance program in the health care access fund. Refunds of overpayments of tax imposed by this subdivision must be paid from the health care access fund. There is annually appropriated from the health care access fund to the commissioner the amount necessary to make any refunds of the tax imposed under this subdivision.

Sec. 13. Minnesota Statutes 2008, section 297I.15, subdivision 3, is amended to read:

Subd. 3. **Public employees insurance program.** Premiums paid to the public employees insurance program under section 43A.316 are exempt from the taxes imposed under this chapter, except for premiums paid to the school employee insurance program as provided in section 297I.05, subdivision 5, paragraph (b).

Sec. 14. **APPOINTMENTS TO SCHOOL EMPLOYEE INSURANCE COMMITTEE; FIRST MEETING.**

The appointing authorities under Minnesota Statutes, section 43A.316, subdivision 14, shall complete their initial appointments no later than August 1, 2009. The commissioner of finance, or the commissioner's designee, shall convene the first meeting of the school employee insurance committee within 30 days after determining that (1) an amendment or change to the coverage offered under Minnesota Statutes, section 43A.316, subdivision 12, is necessary; or (2) advice from the committee concerning the administration of the coverage would assist the commissioner.

Sec. 15. APPROPRIATION.

(a) The commissioner of Minnesota management and budget shall use funds available in the insurance trust fund under section 43A.316, subdivision 9, in the form of temporary funding to pay for the administrative start-up costs necessary under this act in the amount of \$489,000 for fiscal year 2010 and \$736,000 for fiscal year 2011. In addition to the amounts of temporary funding, the commissioner shall determine the amount of interest lost to the insurance trust fund as a result of the temporary funding.

(b) The commissioner of Minnesota management and budget shall impose an enrollment fee upon the premium charged for the first three months of coverage under the school employee insurance program created in this act sufficient to repay to the insurance trust fund the loans provided to cover the costs incurred by the commissioner under paragraph (a), plus foregone interest to the insurance trust fund, as determined under paragraph (a). The commissioner shall deposit the enrollment fees in the insurance trust fund.

Sec. 16. EFFECTIVE DATE.

Sections 1 to 6 and 8 to 12 are effective for coverage to begin January 1, 2011. Sections 7 and 13 are effective August 1, 2009."

Delete the title and insert:

"A bill for an act relating to insurance; requiring school districts to obtain employee health coverage through the public employees insurance program; appropriating money; amending Minnesota Statutes 2008, sections 43A.316, subdivisions 9, 10, by adding subdivisions; 62E.02, subdivision 23; 62E.10, subdivision 1; 62E.11, subdivision 5; 297I.05, subdivision 5; 297I.15, subdivision 3."

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

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

S.F. No. 1053: A bill for an act relating to gambling; appropriating money for compulsive gambling.

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

Page 1, line 6, delete "commissioner of human services" and insert "Gambling Control Board"

Page 1, line 13, delete "commissioner" and insert "Gambling Control Board"

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

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

S.F. No. 1436: A bill for an act relating to human services; modifying provisions relating to the Minnesota sex offender program; creating additional oversight to the Minnesota sex offender program; creating a client grievance process; allowing access to the statewide supervision system; making changes to the vocational work program; requiring a report; imposing criminal penalties; amending Minnesota Statutes 2008, sections 16C.10, subdivision 5; 168.012, subdivision 1; 246B.01, by adding subdivisions; 246B.02; 246B.03; 246B.05; 246B.06; 609.485, subdivisions 2, 4; proposing coding for new law in Minnesota Statutes, chapter 246B.

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

Page 5, line 27, delete "ADVISORY PANEL" and insert "EVALUATION"

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

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

S.F. No. 1890: A bill for an act relating to health; changing provisions for health information technology and infrastructure; establishing an e-health advisory committee; changing electronic health records provisions; changing electronic health record system and revolving account and loan program; modifying electronic prescribing provisions; amending Minnesota Statutes 2008, sections 62J.495; 62J.496; 62J.497, subdivisions 1, 2.

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

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

S.F. No. 1600: A bill for an act relating to government operations; creating technology accessibility standards for the state; authorizing rulemaking; establishing the advisory committee for technology standards for accessibility and usability; requiring a report; appropriating money; amending Minnesota Statutes 2008, sections 16C.02, by adding a subdivision; 16C.03, subdivision 3; 16C.08, subdivision 2; 16E.01, subdivisions 1a, 3, by adding a subdivision; 16E.02, subdivision 1; 16E.03, subdivisions 2, 4, by adding a subdivision; 16E.04, subdivision 1; 16E.07, subdivision 1; 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. Minnesota Statutes 2008, section 16C.02, is amended by adding a subdivision to read:

Subd. 22. **Accessibility and accessible.** "Accessibility" and "accessible" are defined by the accessibility standards developed and required under section 16E.03, subdivision 9.

Sec. 2. Minnesota Statutes 2008, section 16C.03, subdivision 4, is amended to read:

Subd. 4. **Contracting authority.** The commissioner shall conduct all contracting by, for, and between agencies and perform all contract management and review functions for contracts, except those functions specifically delegated to be performed by the contracting agency, the attorney

general, or otherwise provided for by law. The commissioner may require that agency staff participate in the development of enterprise procurements including the development of product standards, the application of accessibility standards, specifications, and other requirements.

Sec. 3. Minnesota Statutes 2008, section 16C.08, subdivision 2, is amended to read:

Subd. 2. Duties of contracting agency. (a) Before an agency may seek approval of a professional or technical services contract valued in excess of \$5,000, it must provide the following:

(1) a description of how the proposed contract or amendment is necessary and reasonable to advance the statutory mission of the agency;

(2) a description of the agency's plan to notify firms or individuals who may be available to perform the services called for in the solicitation;

(3) a description of the performance measures or other tools, including accessibility measures, if applicable, that will be used to monitor and evaluate contract performance; and

(4) an explanation detailing, if applicable, why this procurement is being pursued unilaterally by the agency and not as an enterprise procurement.

(b) In addition to paragraph (a), the agency must certify that:

(1) no current state employee is able and available to perform the services called for by the contract;

(2) the normal competitive bidding mechanisms will not provide for adequate performance of the services;

(3) reasonable efforts will be made to publicize the availability of the contract to the public;

(4) the agency will develop and implement a written plan providing for the assignment of specific agency personnel to manage the contract, including a monitoring and liaison function, the periodic review of interim reports or other indications of past performance, and the ultimate utilization of the final product of the services;

(5) the agency will not allow the contractor to begin work before the contract is fully executed unless an exception under section 16C.05, subdivision 2a, has been granted by the commissioner and funds are fully encumbered;

(6) the contract will not establish an employment relationship between the state or the agency and any persons performing under the contract;

(7) in the event the results of the contract work will be carried out or continued by state employees upon completion of the contract, the contractor is required to include state employees in development and training, to the extent necessary to ensure that after completion of the contract, state employees can perform any ongoing work related to the same function; and

(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.

(c) A contract establishes an employment relationship for purposes of paragraph (b), clause (6),

if, under federal laws governing the distinction between an employee and an independent contractor, a person would be considered an employee.

Sec. 4. Minnesota Statutes 2008, section 16E.01, subdivision 1a, is amended to read:

Subd. 1a. **Responsibilities.** The office shall provide oversight, leadership, and direction for information and telecommunications technology policy and the management, delivery, accessibility, and security of information and telecommunications technology systems and services in Minnesota. The office shall manage strategic investments in information and telecommunications technology systems and services to encourage the development of a technically literate society, to ensure sufficient access to and efficient delivery of accessible government services, and to maximize benefits for the state government as an enterprise.

Sec. 5. Minnesota Statutes 2008, section 16E.01, subdivision 3, is amended to read:

Subd. 3. **Duties.** (a) The office shall:

(1) manage the efficient and effective use of available federal, state, local, and public-private resources to develop statewide information and telecommunications technology systems and services and its infrastructure;

(2) approve state agency and intergovernmental information and telecommunications technology systems and services development efforts involving state or intergovernmental funding, including federal funding, provide information to the legislature regarding projects reviewed, and recommend projects for inclusion in the governor's budget under section 16A.11;

(3) ensure cooperation and collaboration among state and local governments in developing intergovernmental information and telecommunications technology systems and services, and define the structure and responsibilities of a representative governance structure;

(4) cooperate and collaborate with the legislative and judicial branches in the development of information and communications systems in those branches;

(5) continue the development of North Star, the state's official comprehensive online service and information initiative;

(6) promote and collaborate with the state's agencies in the state's transition to an effectively competitive telecommunications market;

(7) collaborate with entities carrying out education and lifelong learning initiatives to assist Minnesotans in developing technical literacy and obtaining access to ongoing learning resources;

(8) promote and coordinate public information access and network initiatives, consistent with chapter 13, to connect Minnesota's citizens and communities to each other, to their governments, and to the world;

(9) promote and coordinate electronic commerce initiatives to ensure that Minnesota businesses and citizens can successfully compete in the global economy;

(10) manage and promote the regular and periodic reinvestment in the information and telecommunications technology systems and services infrastructure so that state and local government agencies can effectively and efficiently serve their customers;

(11) facilitate the cooperative development of and ensure compliance with standards and policies for information and telecommunications technology systems and services, electronic data practices and privacy, and electronic commerce among international, national, state, and local public and private organizations;

(12) eliminate unnecessary duplication of existing information and telecommunications technology systems and services provided by other public and private organizations while building on the existing governmental, educational, business, health care, and economic development infrastructures;

(13) identify, sponsor, develop, and execute shared information and telecommunications technology projects and ongoing operations; ~~and~~

(14) ensure overall security of the state's information and technology systems and services; and

(15) manage and direct compliance with accessibility standards for informational technology, including hardware, software, Web sites, online forms, and online surveys.

(b) The chief information officer, in consultation with the commissioner of finance, must determine when it is cost-effective for agencies to develop and use shared information and telecommunications technology systems and services for the delivery of electronic government services. The chief information officer may require agencies to use shared information and telecommunications technology systems and services. The chief information officer shall establish reimbursement rates in cooperation with the commissioner of finance to be billed to agencies and other governmental entities sufficient to cover the actual development, operating, maintenance, and administrative costs of the shared systems. The methodology for billing may include the use of interagency agreements, or other means as allowed by law.

(c) A state agency that has an information and telecommunications technology project with a total expected project cost of more than \$1,000,000, whether funded as part of the biennial budget or by any other means, shall register with the office by submitting basic project startup documentation, as specified by the chief information officer in both format and content, before any project funding is requested or committed and before the project commences. State agency project leaders must demonstrate that the project will be properly managed, provide updates to the project documentation as changes are proposed, and regularly report on the current status of the project on a schedule agreed to with the chief information officer.

(d) The chief information officer shall monitor progress on any active information and telecommunications technology project with a total expected project cost of more than \$5,000,000 and report on the performance of the project in comparison with the plans for the project in terms of time, scope, and budget. The chief information officer may conduct an independent project audit of the project. The audit analysis and evaluation of the projects subject to paragraph (c) must be presented to agency executive sponsors, the project governance bodies, and the chief information officer. All reports and responses must become part of the project record.

(e) For any active information and telecommunications technology project with a total expected project cost of more than \$10,000,000, the state agency must perform an annual independent audit that conforms to published project audit principles promulgated by the office.

(f) The chief information officer shall report by January 15 of each year to the chairs and

ranking minority members of the legislative committees and divisions with jurisdiction over the office regarding projects the office has reviewed under paragraph (a), clause (2). The report must include the reasons for the determinations made in the review of each project and a description of its current status.

Sec. 6. [16E.015] DEFINITIONS.

Subdivision 1. **Applicability.** For the purposes of chapter 16E, the following terms have the meanings given to them in this section.

Subd. 2. **Accessibility.** "Accessibility" and "accessible" are defined by the accessibility standards developed and required under section 16E.03.

Subd. 3. **Undue burden.** "Undue burden" means significant difficulty or expense determined and documented by the funding agency, including but not limited to, difficulty or expense associated with technical feasibility.

Subd. 4. **Infrastructure hardware.** "Infrastructure hardware" means servers, routers, switches, and non-end-user platform devices and their operating systems.

Sec. 7. Minnesota Statutes 2008, section 16E.02, subdivision 1, is amended to read:

Subdivision 1. **Office management and structure.** (a) The chief information officer is appointed by the governor. The chief information officer serves in the unclassified service at the pleasure of the governor. The chief information officer must have experience leading enterprise-level information technology organizations. The chief information officer is the state's chief information officer and information and telecommunications technology advisor to the governor.

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

Sec. 8. Minnesota Statutes 2008, section 16E.03, subdivision 2, is amended to read:

Subd. 2. **Chief information officer's responsibility.** The chief information officer shall coordinate the state's information and telecommunications technology systems and services to serve the needs of the state government. The chief information officer shall:

(1) design a master plan for information and telecommunications technology systems and services in the state and its political subdivisions and shall report on the plan to the governor and legislature at the beginning of each regular session;

(2) coordinate, review, and approve all information and telecommunications technology projects and oversee the state's information and telecommunications technology systems and services;

(3) establish and enforce compliance with standards for information and telecommunications technology systems and services that are cost-effective and support open systems environments and that are compatible with state, national, and international standards, including accessibility standards;

(4) maintain a library of systems and programs developed by the state and its political

subdivisions for use by agencies of government;

(5) direct and manage the shared operations of the state's information and telecommunications technology systems and services; and

(6) establish and enforce standards and ensure acquisition of hardware and software necessary to protect data and systems in state agency networks connected to the Internet.

Sec. 9. Minnesota Statutes 2008, section 16E.03, subdivision 4, is amended to read:

Subd. 4. **Evaluation procedure.** The chief information officer shall establish and, as necessary, update and modify procedures to evaluate information and communications projects proposed by state agencies. The evaluation procedure must assess the necessity, design and plan for development, ability to meet user requirements, accessibility, feasibility, and flexibility of the proposed data processing device or system, its relationship to other state data processing devices or systems, and its costs and benefits when considered by itself and when compared with other options.

Sec. 10. Minnesota Statutes 2008, section 16E.03, is amended by adding a subdivision to read:

Subd. 9. **Accessibility standards.** (a) The chief information officer shall develop accessibility standards applicable to technology, software, and hardware procurement, with the exception of infrastructure hardware. The standards shall not impose an undue burden on the state.

(b) The chief information officer shall require state agencies to adhere to the standards developed under this subdivision unless an exception is approved pursuant to subdivision 10. Except as provided in paragraph (c), the standards developed under this section must incorporate section 508 of the Rehabilitation Act, United States Code, title 29, section 794d, as amended by the Workforce Investment Act of 1998, Public Law 105-220, August 7, 1998, and the Web Content Accessibility Guidelines, 2.0. The chief information officer must review subsequent revisions to section 508 of the Rehabilitation Act and to the Web Content Accessibility Guidelines and may incorporate the revisions in the accessibility standards.

(c) If the chief information officer, in consultation with the advisory committee established under section 16E.0475, determines that any standard developed under this subdivision poses an undue burden to the state, the chief information officer may modify the burdensome standard, provided written findings and rationale are made explaining the deviation.

EFFECTIVE DATE. The standards adopted under this section may not take effect until July 1, 2009. The standards apply to all information technology procured, developed, or substantially modified or substantially enhanced after the effective date of the standards. The standards do not apply to any procurement or development process initiated before the effective date of the standards.

Sec. 11. Minnesota Statutes 2008, section 16E.03, is amended by adding a subdivision to read:

Subd. 10. **Exceptions to accessibility standards.** Exceptions to the standards may be granted by the chief information officer based upon a request by an agency made in accordance with the thresholds and process established under section 16E.0475, subdivision 2.

Sec. 12. **[16E.0475] ADVISORY COMMITTEE FOR TECHNOLOGY STANDARDS FOR ACCESSIBILITY AND USABILITY.**

Subdivision 1. **Membership.** The Advisory Committee for Technology Standards for Accessibility and Usability consists of ten members, appointed as follows:

- (1) the state chief information officer, or the state chief information officer's designee;
- (2) a representative from State Services for the Blind, appointed by the commissioner of employment and economic development;
- (3) the commissioner of administration, or the commissioner's designee;
- (4) a representative selected by the Minnesota system of technology to achieve results program;
- (5) a representative selected by the Commission of Deaf, DeafBlind, and Hard of Hearing Minnesotans;
- (6) the commissioner of education, or the commissioner's designee;
- (7) the commissioner of health, or the commissioner's designee;
- (8) the commissioner of human services, or the commissioner's designee;
- (9) one representative from the Minnesota judicial system designated by the chief justice; and
- (10) one staff member from the legislature, appointed by the chair of the Legislative Coordinating Commission.

The appointing authorities under this subdivision must use their best efforts to ensure that the membership of the advisory committee includes at least one representative who is deaf, hard-of-hearing, or deaf-blind, and at least one representative who is blind.

The advisory committee shall elect a chair from its membership.

Subd. 2. **Duties.** The advisory committee shall:

- (1) recommend review processes to be used for the evaluation or certification of accessibility of technology against accessibility standards;
- (2) recommend an exception process and thresholds for any deviation from the accessibility standards;
- (3) identify, in consultation with state agencies serving Minnesotans with disabilities, resources for training and technical assistance for state agency staff, including instruction regarding compliance with accessibility standards;
- (4) convene customer groups composed of individuals with disabilities to assist in implementation of accessibility standards;
- (5) review customer comments about accessibility and usability issues collected by State Services for the Blind; and
- (6) develop proposals for funding captioning of live videoconferencing, live Webcasts, Web streaming, podcasts, and other emerging technologies.

The advisory committee shall report to the chairs and ranking minority members of the

legislative committees with jurisdiction over state technology systems by January 15 of each year, regarding the findings, progress, and recommendations made by the advisory committee under this subdivision. The report shall include any draft legislation necessary to implement the committee's recommendations.

Subd. 3. **Terms, compensation, and removal.** The terms, compensation, and removal of members are governed by section 15.059.

Subd. 4. **Expiration.** This section expires June 30, 2011.

Sec. 13. Minnesota Statutes 2008, section 16E.07, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) **Core services.** "Core services" means accessible information system applications required to provide secure information services and online applications and content to the public from government units. Online applications may include, but are not limited to:

- (1) standardized public directory services and standardized content services;
- (2) online search systems;
- (3) general technical services to support government unit online services;
- (4) electronic conferencing and communication services;
- (5) secure electronic transaction services;
- (6) digital audio, video, and multimedia services; and
- (7) government intranet content and service development.

(c) **Government unit.** "Government unit" means a state department, agency, commission, council, board, task force, or committee; a constitutional office; a court entity; the Minnesota State Colleges and Universities; a county, statutory or home rule charter city, or town; a school district; a special district; or any other board, commission, district, or authority created under law, local ordinance, or charter provision.

Sec. 14. **ESTABLISHMENT OF ADVISORY COMMITTEE FOR TECHNOLOGY STANDARDS.**

The appointing authorities for the advisory committee established in Minnesota Statutes, section 16E.0475, must complete their appointments by August 1, 2009. The chief information officer or the chief information officer's designee shall convene the first meeting of the committee no later than September 1, 2009. The committee shall elect a chair as provided in Minnesota Statutes, section 16E.0475, at the first meeting of the committee.

Sec. 15. **EFFECTIVE DATE.**

This act is effective July 1, 2009."

Amend the title as follows:

Page 1, line 5, delete "appropriating money;"

Amend the title numbers accordingly

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

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

S.F. No. 727: A bill for an act relating to human services; establishing a self-advocacy program for persons with developmental disabilities; transferring money appropriated to the commissioner of administration; amending Minnesota Statutes 2008, section 256B.092, by adding a subdivision.

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

Page 1, line 15, delete "obtain" and insert "seek"

Page 1, line 20, delete everything after "year"

Page 1, line 21, delete "match,"

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

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

S.F. No. 1369: A bill for an act relating to health; consolidating and relocating nursing facility beds to a new site in Goodhue County; amending Minnesota Statutes 2008, section 144A.071, subdivision 4c.

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 2008, section 144A.071, subdivision 4c, is amended to read:

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

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

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

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

(3) to license and certify a new 60-bed facility in Austin, provided that: (i) 45 of the new beds are transferred from a 45-bed facility in Austin under common ownership that is closed and 15 of the new beds are transferred from a 182-bed facility in Albert Lea under common ownership; (ii) the commissioner of human services is authorized by the 2004 legislature to negotiate budget-neutral planned nursing facility closures; and (iii) money is available from planned closures of facilities under common ownership to make implementation of this clause budget-neutral to the state. The bed capacity of the Albert Lea facility shall be reduced to 167 beds following the transfer. Of the 60 beds at the new facility, 20 beds shall be used for a special care unit for persons with Alzheimer's disease or related dementias;

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

(5) to initiate a pilot program to license and certify up to 80 beds transferred from an existing county-owned nursing facility in Steele County relocated to the site of a new acute care facility as part of the county's Communities for a Lifetime comprehensive plan to create innovative responses to the aging of its population. Upon relocation to the new site, the nursing facility shall delicense 28 beds. The property payment rate for the first three years of operation of the new facility shall be increased by an amount as calculated according to items (i) to (v):

(i) compute the estimated decrease in medical assistance residents served by the nursing facility by multiplying the decrease in licensed beds by the historical percentage of medical assistance resident days;

(ii) compute the annual savings to the medical assistance program from the delicensure of 28 beds by multiplying the anticipated decrease in medical assistance residents, determined in item (i), by the existing facility's weighted average payment rate multiplied by 365;

(iii) compute the anticipated annual costs for community-based services by multiplying the anticipated decrease in medical assistance residents served by the nursing facility, determined in item (i), by the average monthly elderly waiver service costs for individuals in Steele County multiplied by 12;

(iv) subtract the amount in item (iii) from the amount in item (ii);

(v) divide the amount in item (iv) by an amount equal to the relocated nursing facility's occupancy factor under section 256B.431, subdivision 3f, paragraph (c), multiplied by the historical percentage of medical assistance resident days.

For subsequent years, the adjusted property payment rate shall be adjusted for inflation as provided in section 256B.434, subdivision 4, paragraph (c), as long as the facility has a contract under section 256B.434; and

(6) to consolidate and relocate nursing facility beds to a new site in Goodhue County and to

integrate these services with other community-based programs and services under a communities for a lifetime pilot program and comprehensive plan to create innovative responses to the aging of its population. Eighty beds in the city of Red Wing shall be transferred from the downsizing and relocation of an existing 84-bed, hospital-owned nursing facility and the entire closure or downsizing of beds from a 65-bed nonprofit nursing facility in the community resulting in the delicensure of 69 beds in the two existing facilities. Notwithstanding the carryforward of the approval authority in section 144A.073, subdivision 11, the funding approved in April 2009 by the commissioner of health for a project in Goodhue County shall not carry forward. The closure of the 69 beds shall not be eligible for a planned closure rate adjustment under section 256B.437. The construction project permitted in this item shall not be eligible for a threshold project rate adjustment under section 256B.434, subdivision 4f. The property payment rate for the first three years of operation of the new facility shall be increased by an amount as calculated according to items (i) to (vi):

(i) compute the estimated decrease in medical assistance residents served by both nursing facilities by multiplying the difference between the occupied beds of the two nursing facilities for the reporting year ended September 30, 2009, and the projected occupancy of the facility at 95 percent occupancy by the historical percentage of medical assistance resident days;

(ii) compute the annual savings to the medical assistance program from the delicensure by multiplying the anticipated decrease in the medical assistance residents, determined in item (i), by the hospital-owned nursing facility weighted average payment rate multiplied by 365;

(iii) compute the anticipated annual costs for community-based services by multiplying the anticipated decrease in medical assistance residents served by the facilities, determined in item (i), by the average monthly elderly waiver service costs for individuals in Goodhue County multiplied by 12;

(iv) subtract the amount in item (iii) from the amount in item (ii);

(v) multiply the amount in item (iv) by 57 percent; and

(vi) divide the difference of the amount in item (iv) and the amount in item (v) by an amount equal to the relocated nursing facility's occupancy factor under section 256B.431, subdivision 3f, paragraph (c), multiplied by the historical percentage of medical assistance resident days.

For subsequent years, the adjusted property payment rate shall be adjusted for inflation as provided in section 256B.434, subdivision 4, paragraph (c), as long as the facility has a contract under section 256B.434.

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

Amend the title numbers accordingly

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

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

S.F. No. 2127: A bill for an act relating to disaster assistance; reimbursing city of St. Charles for lost revenues and adjusting pupil unit aid in response to the North Star Foods fire; appropriating money.

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

Page 1, line 8, delete "\$430,000" and insert "\$267,000"

Page 1, line 9, before "reimburse" insert "partially" and delete "its"

Page 1, delete section 2 and insert:

"Sec. 2. **DECLINING PUPIL AID; ST. CHARLES SCHOOL DISTRICT.**

For fiscal years 2010 and 2011 only, Independent School District No. 858, St. Charles, is eligible for declining pupil unit aid equal to the greater of zero or the product of \$5,124 times the difference between the district's February 2009 estimated adjusted marginal cost pupil units for that year and the district's actual adjusted marginal cost pupil units for that year. Notwithstanding Minnesota Statutes, section 126C.13, the amounts required under this section are included in the general education aid payments for the district.

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

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

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

S.F. No. 1514: A bill for an act relating to public safety; authorizing commissioner of public safety to gather and compile data on human trafficking every two years; increasing criminal penalties for certain promoting prostitution/sex trafficking offenses; expanding the sex trafficking and labor trafficking crimes; adding the promotion of prostitution/sex trafficking crime to the firearm law's definition of crime of violence and the victim rights law's definition of violent crime; expanding the prostitution penalty enhancement provision for repeat offenders; broadening the prostitution in a public place crime; making driving records relating to prostitution offenses public for repeat offenders and ensuring that they are available to law enforcement for first-time offenders; requiring posting of notices related to human trafficking at establishments that sell alcoholic beverages at retail and certain lodging establishments that have been involved in prostitution-related activity; modifying civil liability for labor and sex trafficking crimes; amending Minnesota Statutes 2008, sections 299A.785, subdivision 2; 609.281, subdivision 5; 609.321, subdivisions 7, 7a, by adding subdivisions; 609.322; 609.324, subdivisions 2, 3, 5; 611A.036, subdivision 7; 617.87; 624.712, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 299A; 340A; repealing Minnesota Statutes 2008, section 609.284, subdivision 2.

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

Page 3, line 1, delete "labor trafficking or"

Page 3, line 2, delete "sections 609.282 and" and insert "section"

Page 4, delete section 7 and insert:

"Sec. 7. Minnesota Statutes 2008, section 609.321, subdivision 12, is amended to read:

Subd. 12. **Public place.** A "public place" means a public street or sidewalk, a pedestrian skyway system as defined in section 469.125, subdivision 4, a hotel, motel, steam room, sauna, massage parlor, shopping mall and other public shopping areas, or other place of public accommodation, a

place licensed to sell intoxicating liquor, wine, nonintoxicating malt beverages, or food, or a motor vehicle located on a public street, alley, or parking lot ordinarily used by or available to the public though not used as a matter of right and a driveway connecting such a parking lot with a street or highway.

EFFECTIVE DATE. This section is effective August 1, 2009, and applies to crimes committed on or after that date."

Amend the title numbers accordingly

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

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

S.F. No. 2060: A bill for an act relating to arts and culture; appropriating money for the Board of the Arts; proposing coding for new law in Minnesota Statutes, chapter 129D.

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

Delete everything after the enacting clause and insert:

"Section 1. **ARTS AND CULTURAL HERITAGE FUND APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this act. The appropriations are from the arts and cultural heritage fund, and are available for the fiscal years indicated for allowable activities under the Minnesota Constitution, article XI, section 15. The figures "2010" and "2011" used in this act mean that the appropriations listed under them are available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. "The first year" is fiscal year 2010. "The second year" is fiscal year 2011. "The biennium" is fiscal years 2010 and 2011. Appropriations for the fiscal year ending June 30, 2009, are effective the day following final enactment.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2010</u>	<u>2011</u>

Sec. 2. **BOARD OF THE ARTS.**

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>23,750,000</u>	<u>\$</u>	<u>23,750,000</u>
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The appropriations in this section are for arts, arts education, and arts access and to preserve Minnesota's history and cultural heritage as specified in the following subdivisions.

Subd. 2. Distribution Formula

Of these amounts:

(1) up to 78 percent of the money to support Minnesota artists and arts organizations in creating, producing, and presenting high-quality arts activities; to overcome barriers to accessing high-quality arts activities; and to instill the arts into the community and public life in this state;

(2) up to 15 percent of the money for high-quality, age-appropriate arts education for Minnesotans of all ages to develop knowledge, skills, and understanding of the arts;

(3) up to five percent of the money for events and activities that represent the diverse ethnic and cultural arts traditions, including folk and traditional artists and art organizations, represented in this state; and

(4) up to three percent of the money to administer grant programs, deliver technical services, provide fiscal oversight for the statewide system, and to ensure accountability for these state resources.

Thirty percent of the total appropriated to each of the categories established in this subdivision is for grants to the regional arts councils. This percentage does not apply to administrative costs.

These appropriations are added to the agency's base budget. Any unexpended balance under this section is available in either year.

Subd. 3. Reporting

The executive director shall submit an annual report on the expenditure and use of money appropriated under this section to the legislature as provided in Minnesota Statutes, section 3.195. The first year report must be submitted by March 1, 2010. In subsequent years the report shall be submitted by January 15. The report must relate the expenditure of funds by the categories established in subdivision 2.

Subd. 4. Appropriation Conditions

Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2011, as grants or contracts in this section are available until June 30, 2013.

Sec. 3. <u>MINNESOTA HISTORICAL SOCIETY</u>	\$	<u>12,500,000</u>	\$	<u>12,500,000</u>
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(a) These amounts are to preserve Minnesota's history and cultural heritage.

(b) Of these amounts:

(1) up to 45 percent each year for statewide history programs and projects;

(2) up to 30 percent of the money for a competitive grant program for history programs and projects operated by or through local, county, regional, other history organizations, or local units of government;

(3) up to 25 percent of the money for history programs and projects that involve partnerships or collaboration with history or other organizations; and

(4) up to three percent of the money to administer grant programs, deliver technical services, provide fiscal oversight, and ensure accountability for these state resources. The director may allocate administrative costs between the programs.

These appropriations are added to the agency's base budget. Any unexpended balance under this section is available in either year.

(c) The director shall submit an annual report on the expenditure and use of money appropriated under this section to the legislature as provided in Minnesota Statutes, section 3.195. The first year report must be submitted by March 1, 2010. In subsequent years the report shall be submitted by January 15. The report must relate the expenditure of funds by the categories established in paragraph (b), clauses (1) to (4).

(d) Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2011, as grants or contracts in this section are available until June 30, 2013.

Sec. 4. **HUMANITIES COMMISSION** \$ **1,500,000** \$ **1,500,000**

(a) These amounts are to preserve Minnesota's history and cultural heritage.

(b) The commission shall submit an annual report on the expenditure and use of money appropriated under this section to the legislature as provided in Minnesota Statutes, section 3.195. The first year report must be submitted by March 1, 2010. In subsequent years the report shall be submitted by January 15.

These appropriations are added to the agency's base budget. Any unexpended balance under this section is available in either year.

(c) Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2011, as grants or contracts in this section are available until June 30, 2013.

Sec. 5. **DEPARTMENT OF ADMINISTRATION** \$ **6,150,000** \$ **6,150,000**

(a) To the commissioner of administration for arts, arts education, and arts access and to preserve Minnesota's history and cultural heritage, as specified under this section.

(b) \$3,500,000 the first year and \$3,500,000 the second year are appropriated for a grant to the Minnesota Public Television Association for production and acquisition grants in accordance with Minnesota Statutes, section 129D.18.

(c) \$1,325,000 the first year and \$1,325,000 the second year are appropriated for a grant to Minnesota Public Radio to create new programming and events, expand regional news service, amplify Minnesota culture to a

regional and national audience, and document Minnesota's history through the Minnesota Audio Archives.

(d) \$1,325,000 the first year and \$1,325,000 the second year are appropriated for a grant to the Association of Minnesota Public Radio Stations for production and acquisition grants in accordance with Minnesota Statutes, section 129D.19.

These appropriations are added to the agency's base budget. Any unexpended balance under this section is available in either year.

(e) The commissioner shall submit an annual report on the expenditure and use of money appropriated under this section to the legislature as provided in Minnesota Statutes, sections 129D.18, subdivision 4, and 129D.19, subdivision 4.

(f) Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2011, as grants or contracts in this section are available until June 30, 2013.

Sec. 6. EXPLORE MINNESOTA TOURISM	\$	<u>500,000</u>	\$	<u>500,000</u>
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(a) To the director of Explore Minnesota Tourism for a grant to the Minnesota Film and TV Board for grants for reimbursements to eligible film projects that promote Minnesota's cultural heritage. "Eligible film project" means a film written by a resident of Minnesota and directed or produced by a resident of Minnesota; a film set in Minnesota and directed or produced by a resident of Minnesota; or a film that documents an event or period in Minnesota history, whether a true documentary or a fictionalized account of the historic event, and has either a writer or director who is a resident of Minnesota. Eligible film projects must be filmed in Minnesota.

(b) The director shall submit an annual

report on the expenditure and use of money appropriated under this section to the legislature as provided in Minnesota Statutes, section 3.195. The first year report must be submitted by March 1, 2010. In subsequent years the report shall be submitted by January 15.

(c) Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2011, as grants or contracts in this section are available until June 30, 2013.

Sec. 7. SCIENCE MUSEUM OF MINNESOTA \$ 500,000 \$ 500,000

(a) These amounts are for arts, arts education, and arts access and to preserve Minnesota's history and cultural heritage.

(b) The director shall submit an annual report on the expenditure and use of money appropriated under this section to the legislature as provided in Minnesota Statutes, section 3.195. The first year report must be submitted by March 1, 2010. In subsequent years the report shall be submitted by January 15.

(c) Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2011, as grants or contracts in this section are available until June 30, 2013.

Sec. 8. MINNESOTA CHILDREN'S MUSEUM \$ 100,000 \$ 100,000

(a) These amounts are for arts, arts education, and arts access and to preserve Minnesota's history and cultural heritage.

(b) The director shall submit an annual report on the expenditure and use of money appropriated under this section to the legislature as provided in Minnesota Statutes, section 3.195. The first year report must be submitted by March 1, 2010. In subsequent years the report shall be submitted by January 15.

(c) Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2011, as grants or contracts in this section are available until June 30, 2013.

Sec. 9. DULUTH CHILDREN'S MUSEUM \$ 100,000 \$ 100,000

(a) These amounts are for arts, arts education, and arts access and to preserve Minnesota's history and cultural heritage.

(b) The director shall submit an annual report on the expenditure and use of money appropriated under this section to the legislature as provided in Minnesota Statutes, section 3.195. The first year report must be submitted by March 1, 2010. In subsequent years the report shall be submitted by January 15.

(c) Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2011, as grants or contracts in this section are available until June 30, 2013.

Sec. 10. INDIAN AFFAIRS COUNCIL \$ 500,000 \$ 500,000

(a) These amounts are for arts, arts education, and arts access and to preserve Minnesota's history and cultural heritage.

(b) The director shall submit an annual report on the expenditure and use of money appropriated under this section to the legislature as provided in Minnesota Statutes, section 3.195. The first year report must be submitted by March 1, 2010. In subsequent years the report shall be submitted by January 15.

(c) Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2011, as grants or contracts in this section are available until June 30, 2013.

Sec. 11. **PERPICH CENTER FOR ARTS
EDUCATION**

\$ 200,000 \$ 800,000

(a) These amounts are for arts, arts education, and arts access and to preserve Minnesota's history and cultural heritage.

(b) The director shall submit an annual report on the expenditure and use of money appropriated under this section to the legislature as provided in Minnesota Statutes, section 3.195. The first year report must be submitted by March 1, 2010. In subsequent years the report shall be submitted by January 15.

(c) Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2011, as grants or contracts in this section are available until June 30, 2013.

Sec. 12. **[129D.18] PUBLIC TELEVISION CULTURAL AND HERITAGE
PRODUCTION AND ACQUISITION GRANTS.**

Subdivision 1. **Use of grant funds.** Money appropriated from the Minnesota arts and cultural heritage fund may be designated to make grants to public stations, as defined in section 129D.12, subdivision 2. Grants received under this section must be used to create, produce, acquire, or distribute programs that educate, enhance, or promote local, regional, or statewide items of artistic, cultural, or historic significance. Grant funds may be used to cover any expenses associated with the creation, production, acquisition, or distribution of public television programs through broadcast or online, including the creation and distribution of educational materials.

Subd. 2. **Administration.** Money appropriated under this section must be used by the commissioner of administration to make grants based upon the recommendations of the Minnesota Public Television Association.

Subd. 3. **Conditions.** (a) A public station receiving funds appropriated under this section must:

(1) make programs produced with these funds available for broadcast to all other public stations eligible to receive grants under this section;

(2) offer free public performance rights for public educational institutions;

(3) archive programs produced with these funds and make the programs available for future use through encore broadcast or other distribution, including online; and

(4) ensure that underwriting credit is given to the Minnesota arts and cultural heritage fund.

(b) Programs produced in partnership with other mission-centered nonprofit organizations may be used by the partnering organization for their own educational or promotional purposes.

Subd. 4. **Reporting.** A public station receiving funds appropriated under this section must report annually by January 15 to the commissioner and the chairs and ranking minority members of the senate and house of representatives committees and divisions having jurisdiction over arts and cultural heritage policy and budget regarding how the previous year's grant funds were expended. This report must contain specific information for each program produced and broadcast, including the cost of production, the number of stations broadcasting the program, estimated viewership, the number of Web site downloads, and other related measures. If the programs produced include educational material, the public station must report to the commissioner on these efforts.

Sec. 13. [129D.19] GENERAL NONCOMMERCIAL RADIO CULTURAL AND HERITAGE PRODUCTION AND ACQUISITION GRANTS.

Subdivision 1. **Use of grant funds.** Money appropriated from the Minnesota arts and cultural heritage fund may be designated to make grants to noncommercial radio stations, as defined in section 129D.14, subdivision 2. Grants received under this section must be used to create, produce, acquire, or distribute programs that educate, enhance, or promote local, regional, or statewide items of artistic, cultural, or historic significance. Grant funds may be used to cover any expenses associated with the creation, production, acquisition, or distribution of noncommercial radio programs through broadcast.

Subd. 2. **Administration.** Money appropriated under this section must be used by the commissioner of administration to make grants based upon the recommendations of the Association of Minnesota Public Educational Radio Stations.

Subd. 3. **Conditions.** (a) A noncommercial radio station receiving funds appropriated under this section must:

(1) make programs produced with these funds available for broadcast to all other noncommercial radio stations eligible to receive grants under this section;

(2) offer free public performance rights for public educational institutions;

(3) archive programs produced with these funds and make the programs available for future use through encore broadcast or other distribution, including online; and

(4) ensure that underwriting credit is given to the Minnesota arts and cultural heritage fund.

(b) Programs produced in partnership with other mission-centered nonprofit organizations may be used by the partnering organization for their own educational or promotional purposes.

Subd. 4. **Reporting.** A noncommercial radio station receiving funds appropriated under this section must report annually by January 15 to the commissioner and the chairs and ranking minority members of the senate and house of representatives committees and divisions having jurisdiction over arts and cultural heritage policy and budget regarding how the previous year's grant funds were expended. This report must contain specific information for each program produced and broadcast, including the cost of production, the number of stations broadcasting the program, estimated number of listeners, and other related measures. If the programs produced include educational material, the noncommercial radio station must report to the commissioner on these efforts.

Sec. 14. [129E.01] ARTS AND CULTURAL HERITAGE FUND.

Subdivision 1. **Fund established.** The arts and cultural heritage fund is established in the Minnesota Constitution, article XI, section 15. All money earned by the fund must be credited to the fund.

Subd. 2. **Appropriations.** Money in the arts and cultural heritage fund is appropriated annually as follows:

(1) 50 percent to the executive director of the Board of the Arts for grants and services provided in accordance with law; and

(2) at least 25 percent to the director of the Minnesota Historical Society for grants and distribution in accordance with law.

Subd. 3. **Acknowledgment.** A recipient of money from the arts and cultural heritage fund must include credit in printed materials, media releases, advertisements, and electronic, audio, or video promotional materials acknowledging that the activities and projects are the results of the legacy amendment to the Minnesota Constitution adopted by the voters on November 4, 2008.

Sec. 15. **VOLUNTEER WORKING GROUP ON DAKOTA AND OJIBWE LANGUAGE REVITALIZATION AND PRESERVATION.**

Subdivision 1. **Establishment.** A volunteer working group is established to develop a unified strategy to revitalize and preserve indigenous languages of the 11 federally recognized American Indian tribes in Minnesota. As the federal government recognized through passage of the Esther Martinez Native American Languages Preservation Act of 2006, the revitalization and preservation of American Indian languages is of vital importance to preserving the American Indian culture. There have been recent efforts in Minnesota to develop programs to teach the Dakota and Ojibwe languages to students and to create fluent speakers at both the kindergarten through grade 12 level and at the postsecondary level. The volunteer working group shall, among other duties, inventory these efforts and make recommendations regarding how to further revitalize and preserve Dakota and Ojibwe languages.

Subd. 2. **Membership.** The executive director of the Minnesota Indian Affairs Council shall invite each of the 11 federally recognized tribes under Minnesota Statutes, section 3.922, subdivision 1, clause (1), to participate by appointing one member of each tribe to the working group. Three additional members shall be appointed by the Indian Affairs Council. Two of these members must represent the American Indian population in the Minneapolis-St. Paul area and one member must represent the American Indian population in Duluth. Other working group members may include, at their discretion, the commissioner of education or the commissioner's appointee, the director of the Office of Higher Education or the director's appointee, one member of the Board of Teaching, and the director of the Minnesota Historical Society or the director's appointee. The working group may add other members as deemed appropriate by a majority vote of the existing members. The executive director of the Indian Affairs Council must convene the first meeting no later than September 1, 2009. At the first meeting, the members shall elect from amongst themselves a chair and vice chair of the working group.

Subd. 3. **Duties.** The working group must develop strategies for the 11 federally recognized American Indian tribes and the state to work together to revitalize and preserve the Dakota and Ojibwe languages in Minnesota. The duties of the working group include, but are not limited to:

(1) creating an inventory of existing programs designed to preserve Dakota and Ojibwe languages in the state, including postsecondary programs, programs in tribal schools, and other schools throughout the state;

(2) creating an inventory of available resources for Dakota and Ojibwe language revitalization and immersion programs, including curriculum, educational materials, and trained teachers;

(3) identifying curriculum needs to train teachers to teach the Dakota and Ojibwe languages in immersion programs and barriers to training teachers to teach the Dakota and Ojibwe language;

(4) identifying classroom curriculum needs for teaching students in Dakota and Ojibwe languages;

(5) determining how the identified curriculum needs should be met;

(6) determining if there is a need for a central repository of resources, and if there is a need, where the repository should be located, how it should be structured, and who should have responsibility for maintaining the repository;

(7) determining what technical assistance the state could offer to further Dakota and Ojibwe language immersion programs;

(8) identifying private, state, and national financial resources available to further Dakota and Ojibwe language revitalization and preservation efforts;

(9) identifying current state and federal law, rules, regulations, and policy that should be repealed, modified, or waived, in order to further Dakota and Ojibwe language immersion programs; and

(10) assessing the level of interest in the community for Dakota and Ojibwe language immersion programs.

Subd. 4. **Expenses.** Members of the group are not eligible for compensation but may receive reimbursement for their expenses as provided in Minnesota Statutes, section 15.059, subdivision 3.

Subd. 5. **Report.** The working group must report its findings and recommendations, including draft legislation, if necessary, to the Indian Affairs Council and the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over early childhood through grade 12 education and higher education by February 15, 2011. The committee expires on February 16, 2011.

Sec. 16. **REPEALER.**

Minnesota Statutes 2008, section 129D.17, is repealed."

Delete the title and insert:

"A bill for an act relating to arts and culture; appropriating money from the arts and cultural heritage fund; establishing a Dakota and Ojibwe language revitalization and preservation volunteer working group; proposing coding for new law in Minnesota Statutes, chapter 129D; proposing coding for new law as Minnesota Statutes, chapter 129E; repealing Minnesota Statutes 2008, section 129D.17."

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

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

S.F. No. 2043: A bill for an act relating to agriculture; appropriating money for a grant to reimburse expenses for certain farmers incurring crop damages.

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

Delete everything after the enacting clause and insert:

"Section 1. **PARKS AND TRAILS FUND APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this act. The appropriations are from the parks and trails fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2010" and "2011" used in this act mean that the appropriations listed under them are available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. "The first year" is fiscal year 2010. "The second year" is fiscal year 2011. "The biennium" is fiscal years 2010 and 2011. Appropriations for the fiscal year ending June 30, 2009, are effective the day following final enactment. All appropriations in this act are onetime.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2010</u>	<u>2011</u>
Sec. 2. <u>DEPARTMENT OF NATURAL RESOURCES</u>	<u>\$ 16,500,000</u>	<u>\$ 19,800,000</u>

\$13,000,000 the first year and \$15,500,000 the second year are for state parks, recreation areas, and trails to:

(1) connect people to the outdoors by providing access, conservation education, and interpretive services, including enhanced naturalist programs;

(2) accelerate natural resource management, restoration, and protection activities at state parks; and

(3) accelerate facility maintenance and rehabilitation, including energy-efficiency improvements and the use of renewable sources of energy.

\$3,500,000 the first year and \$4,300,000

the second year are for grants under new Minnesota Statutes, section 85.535, to parks and trails recognized as meeting the constitutional requirement of being a park or trail of regional or statewide significance. Grants under this section must be used only for acquisition, development, restoration, and maintenance. Up to 2.5 percent of this appropriation may be used for administering the grants.

The commissioner shall develop a ten-year strategic state parks and trails plan considering traditional funding and the funding available under the Minnesota Constitution, article XI, section 15. The plan shall incorporate the 25-year framework developed under section 7.

The commissioner shall submit an annual report on the expenditure and use of money appropriated under this section to the legislature as provided in Minnesota Statutes, section 3.195. The first year report must be submitted by March 1, 2010. In subsequent years the report shall be submitted by January 15. The report must relate the expenditure of funds by the categories established and detail the outcomes in terms of additional use of parks and trails resources, user satisfaction surveys, and other appropriate outcomes.

The department and grantees receiving money under this section shall give consideration to contracting with the Minnesota Conservation Corps for contract restoration, maintenance, and other activities.

Sec. 3. **METROPOLITAN COUNCIL**

\$ \$13,000,000 \$ \$15,500,000

(a) To be distributed as required under new Minnesota Statutes, section 85.53, subdivision 2.

(b) The Metropolitan Council shall submit an annual report on the expenditure and use of money appropriated under this section to the legislature as provided in Minnesota Statutes, section 3.195. The first report shall

(1) connect people to the outdoors by providing access, conservation education, and interpretive services, including enhanced naturalist programs;

(2) accelerate natural resource acquisition, management, restoration, and protection activities at regional parks; and

(3) accelerate facility acquisition, development, maintenance, and rehabilitation, including energy-efficiency improvements and the use of renewable sources of energy.

Sec. 6. [85.535] PARKS AND TRAILS GRANT PROGRAM.

Subdivision 1. **Establishment.** The commissioner of natural resources shall administer a program to provide grants from the parks and trails fund to support parks and trails of regional or statewide significance. Grants shall not be made under this section for state parks, state recreational areas, or state trails.

Subd. 2. **Priorities.** In awarding trails grants under this section, the commissioner shall give priority to:

(1) trail projects that provide connectivity;

(2) trail projects that provide enhanced opportunities for commuters; and

(3) trail projects that provide enhanced safety.

Subd. 3. **Match.** Recipients must provide a nonstate cash match of at least 25 percent of the total eligible project costs.

Sec. 7. CREATION OF FRAMEWORK AND INVENTORY.

Subdivision 1. **Framework development.** (a) The University of Minnesota Center for Changing Landscapes is directed to create a long-range, 25-year framework for an integrated statewide parks and trails system that provides information on the natural resource-based recreational opportunities available throughout the state. The detailed framework must include an inventory of existing regionally and statewide significant parks and trails, respond to recreational trends and demographic changes, and identify underserved areas, overused facilities, and gaps in the current parks and trails system. The framework must identify opportunities for enhancing existing assets, developing new assets, and linking those assets together effectively. In developing the framework and creating the inventory, the Center for Changing Landscapes shall use geographic information system technology, aerial photographs, and other pertinent data from government agencies.

(b) As part of the inventory, the Center for Changing Landscapes shall develop a user-friendly Web-based application that will function as a guide for information on state and regional parks in the state. The Department of Natural Resources and the Metropolitan Council shall work with the Center for Changing Landscapes to ensure that all the information currently available on their Web sites is incorporated into the newly developed statewide Web system. The statewide parks and trails Web guide shall be incorporated into the Department of Natural Resources Web site.

(c) In developing the framework and inventory, the Center for Changing Landscapes shall consult with the Department of Natural Resources, the Metropolitan Council, local units of government, park and trail groups, the public, and other stakeholder groups. The Center for Changing Landscapes shall ensure public participation and active involvement of user groups and

local communities.

Subd. 2. **Report.** The Center for Changing Landscapes shall submit the framework in a report to the chairs and ranking minority members of the senate and house of representatives committees and divisions having jurisdiction over natural resources policy and finance by October 1, 2010."

Delete the title and insert:

"A bill for an act relating to natural resources; appropriating money from the parks and trails fund; providing for the allocation of certain funding for metropolitan area parks and trails; creating a regional park and trail grant program; providing funding for a statewide 25-year park and trail framework; amending Minnesota Statutes 2008, section 85.53; proposing coding for new law in Minnesota Statutes, chapter 85."

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

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

S.F. No. 1927: A bill for an act relating to state government; appropriating money for environment and natural resources; modifying administration of the Lessard Outdoor Heritage Council; amending Minnesota Statutes 2008, section 97A.056, subdivisions 2, 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. **OUTDOOR HERITAGE APPROPRIATION.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this act. The appropriations are from the outdoor heritage fund and are available for the fiscal years indicated for each purpose. The figures "2010" and "2011" used in this act mean that the appropriations listed under them are available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. "The first year" is fiscal year 2010. "The second year" is fiscal year 2011. "The biennium" is fiscal years 2010 and 2011. The appropriations in this act are onetime.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2010</u>	<u>2011</u>
Sec. 2. <u>OUTDOOR HERITAGE</u>		
Subdivision 1. <u>Total Appropriation</u>	<u>\$ 69,522,000</u>	<u>\$ 16,000,000</u>

This appropriation is from the outdoor heritage fund.

The amounts that may be spent for each purpose are specified in the following

subdivisions.

Subd. 2. Prairies

14,213,000

-0-

(a) Accelerated Prairie and Grassland Management

\$1,700,000 in fiscal year 2010 is to the commissioner of natural resources to accelerate the restoration and enhancement of native prairie vegetation on public lands, including roadsides. A list of proposed projects, describing the types and locations of restorations and enhancements, must be provided as part of the required accomplishment plan.

(b) Green Corridor Legacy Program

\$1,617,000 in fiscal year 2010 is to the commissioner of natural resources for an agreement with the Southwest Initiative Foundation to acquire land in Redwood County to be added to the state outdoor recreation system. A list of proposed fee title acquisitions must be provided as part of the required accomplishment plan. The commissioner of natural resources must agree to each proposed acquisition. No more than five percent of this appropriation may be spent on professional services directly related to this appropriation's purposes.

(c) Prairie Heritage Fund – Acquisition and Restoration

\$3,000,000 in fiscal year 2010 is to the commissioner of natural resources for an agreement with Pheasants Forever to acquire and restore land to be added to the state wildlife management area system. A list of proposed fee title acquisitions and a list of proposed restoration projects, describing the types and locations of restorations, must be provided as part of the required accomplishment plan. The commissioner of natural resources must agree to each proposed acquisition.

(d) Accelerated Prairie Grassland Wildlife Management Area Acquisition

\$3,913,000 in fiscal year 2010 is to the commissioner of natural resources to acquire land for wildlife management areas with native prairie or grassland habitats. A list of proposed fee title acquisitions must be provided as part of the required accomplishment plan.

(e) Northern Tall Grass Prairie National Wildlife Refuge Protection

\$1,583,000 in fiscal year 2010 is to the commissioner of natural resources for an agreement with the United States Fish and Wildlife Service to acquire land or permanent easements within the Northern Tall Grass Prairie Habitat Preservation Area in western Minnesota. The commissioner may advance funds to the United States Fish and Wildlife Service. A list of proposed fee title and permanent easement acquisitions must be provided as part of the required accomplishment plan.

(f) Bluffland Prairie Protection Initiative

\$500,000 in fiscal year 2010 is to the commissioner of natural resources for an agreement with the Minnesota Land Trust to acquire permanent easements protecting critical prairie and grassland habitats in the blufflands in southeastern Minnesota. A list of proposed fee title and permanent easement acquisitions must be provided as part of the required accomplishment plan.

(g) Rum River – Cedar Creek Initiative

\$1,900,000 in fiscal year 2010 is to the commissioner of natural resources for an agreement with Anoka County to acquire land at the confluence of the Rum River and Cedar Creek in Anoka County. Acquired land must remain open to hunting and fishing, consistent with the capacity of the land, during the open

season, as determined by the commissioner of natural resources. This is the first of two planned appropriations for this acquisition.

Subd. 3. Forests

20,000,000

16,000,000

\$20,000,000 in fiscal year 2010 and \$16,000,000 in fiscal year 2011 are to the commissioner of natural resources to acquire land or permanent working forest easements on private forests in areas identified through the Minnesota forests for the future program under Minnesota Statutes, section 84.66. Priority must be given to acquiring land or interests in private lands within existing Minnesota state forest boundaries. Any easements acquired must have a forest management plan as defined in Minnesota Statutes, section 290C.02, subdivision 7. A list of proposed fee title and easement acquisitions must be provided as part of the required accomplishment plan. The fiscal year 2011 appropriation is available only for acquisitions that, by August 15, 2009, are:

(1) subject to a binding agreement with the commissioner; and

(2) matched by at least \$9,000,000 in private donations.

Subd. 4. Wetlands

20,536,000

-0-

(a) Accelerated Wildlife Management Area Acquisition

\$2,900,000 in fiscal year 2010 is to the commissioner of natural resources to acquire land for wildlife management areas. A list of proposed fee title acquisitions must be provided as part of the required accomplishment plan.

(b) Accelerated Shallow Lake Restorations and Enhancements

\$2,528,000 in fiscal year 2010 is to the commissioner of natural resources for an agreement with Ducks Unlimited, Inc. to

restore and enhance shallow lake habitats. Up to \$400,000 of this appropriation may be used for permanent easements related to shallow lake restorations and enhancements. A list of proposed easements and projects, describing the types and locations of easements, restorations, and enhancements, must be provided as part of the required accomplishment plan. The commissioner of natural resources must agree to each easement, restoration, and enhancement.

(c) Accelerate the Waterfowl Production Area Program in Minnesota

\$5,600,000 in fiscal year 2010 is to the commissioner of natural resources for an agreement with Pheasants Forever to acquire and restore wetland and related upland habitats, in cooperation with the United States Fish and Wildlife Service and Ducks Unlimited, Inc., to be managed as waterfowl production areas. A list of proposed acquisitions and a list of proposed projects, describing the types and locations of restorations, must be provided as part of the required accomplishment plan.

(d) Reinvest in Minnesota Wetlands Reserve Program Acquisition and Restoration

\$9,058,000 in fiscal year 2010 is to the Board of Water and Soil Resources to acquire permanent easements and restore wetlands and associated uplands in cooperation with the United States Department of Agriculture Wetlands Reserve Program. A list of proposed acquisitions and a list of proposed projects, describing the types and locations of restorations, must be provided as part of the required accomplishment plan.

(e) Shallow Lake Critical Shoreland

\$450,000 in fiscal year 2010 is to the commissioner of natural resources for an agreement with Ducks Unlimited, Inc. to protect habitat by acquiring land associated

with shallow lakes. A list of proposed acquisitions must be provided as part of the required accomplishment plan. The commissioner of natural resources must agree to each proposed acquisition.

Subd. 5. Fish, Game, and Wildlife Habitat

13,903,000

-0-

(a) Outdoor Heritage Conservation Partners Grant Program

\$4,000,000 in fiscal year 2010 is to the commissioner of natural resources for an agreement with the National Fish and Wildlife Foundation to provide competitive, matching grants of up to \$400,000 to local, regional, state, and national organizations, including government, for enhancement, restoration, or protection of forests, wetlands, prairies, and habitat for fish, game, or wildlife in Minnesota. The funds may be advanced in three equal sums, on or after November 1, 2009, February 1, 2010, and April 1, 2010. Grantees may protect land through acquisition of land or interests in land. Easements must be permanent. Land acquired in fee must be open to hunting and fishing during the open season unless otherwise provided by state law. The commissioner of natural resources must agree to each proposed acquisition of land or interest in land. The program shall require a match of at least \$1 nonstate funds to \$10 state funds. Nonstate dollars match may be in-kind. The criteria for evaluating grant applications must include amount of habitat restored, enhanced, or protected; local support; degree of collaboration; urgency; multiple benefits; habitat benefits provided; consistency with sound conservation science; adjacency to protected lands; full funding of the project; supplementing existing funding; public access for hunting and fishing during the open season; sustainability; and use of native plant materials. All projects must conform to the Minnesota statewide conservation and preservation plan. Wildlife

habitat projects must also conform to the state wildlife action plan. All restoration or enhancement projects must be on land permanently protected by conservation easement or public ownership. No more than four of the members of the Lessard Outdoor Heritage Council may be selected to sit on any advising panel developed by the National Fish and Wildlife Foundation. The program must be open for application year-round and grants must be evaluated and granted at least every three months. Up to six percent of this appropriation is available for grant program management expenses, including indirect expenses related to this grant program, of the National Fish and Wildlife Foundation. The National Fish and Wildlife Foundation's administration and management must be consistent with Minnesota Statutes, sections 16B.97 and 16B.98, and policies adopted thereunder by the Department of Administration, Office of Grants Management. Subdivision 10 applies to grants awarded under this paragraph. This appropriation is available until June 30, 2013, at which time all grant projects must be completed and final products delivered, unless an earlier date is specified in the grant agreement. No less than 15 percent of the amount of each grant must be held back from reimbursement until the grant recipient has completed a grant accomplishment report in the form prescribed by and satisfactory to the Lessard Outdoor Heritage Council.

(b) Aquatic Management Area Acquisition

\$5,748,000 in fiscal year 2010 is to the commissioner of natural resources to acquire land in fee title and easement to be added to the state aquatic management area system. Acquired land must remain open to hunting and fishing, consistent with the capacity of the land, during the open season, as determined by the commissioner of natural resources. A list of proposed fee title and easement acquisitions must be provided as part of the

required accomplishment plan.

(c) Cold Water River and Stream Restoration, Protection, and Enhancement

\$2,050,000 in fiscal year 2010 is to the commissioner of natural resources for an agreement with Trout Unlimited to restore, enhance, and protect cold water river and stream habitats in Minnesota. A list of proposed acquisitions and a list of proposed projects, describing the types and locations of restorations and enhancements, must be provided as part of the required accomplishment plan. The commissioner of natural resources must agree to each proposed acquisition, restoration, and enhancement.

(d) Dakota County Habitat Protection

\$1,000,000 in fiscal year 2010 is to the commissioner of natural resources for an agreement with Dakota County for acquisition of permanent easements. A list of proposed acquisitions must be provided as part of the required accomplishment plan.

(e) Lake Rebecca Water Quality Improvement Project

\$450,000 in fiscal year 2010 is to the commissioner of natural resources for an agreement with the Three Rivers Park District to improve the water quality in Lake Rebecca in Lake Rebecca Park Reserve in Hennepin County. A description of the activities to enhance fish habitat in Lake Rebecca must be provided as part of the required accomplishment plan.

(f) Fountain Lake Fish Barriers

\$655,000 in fiscal year 2010 is to the commissioner of natural resources for an agreement with the Shell Rock River Watershed District to construct fish barriers at three locations on Fountain Lake. Land acquisition necessary for fish barrier

construction is permitted. A list of proposed projects, describing the types and locations of barriers, must be provided as part of the required accomplishment plan. The commissioner of natural resources must agree to each proposed barrier.

Subd. 6. Administration and Other

870,000

-0-

(a) Contract Management

\$175,000 in fiscal year 2010 is to the commissioner of natural resources for contract management, in fiscal years 2010 and 2011, for duties assigned in this section.

(b) Legislative Coordinating Commission

\$695,000 in fiscal year 2010 is to the Legislative Coordinating Commission for administrative expenses of the Lessard Outdoor Heritage Council and for compensation and expense reimbursement of council members. Up to \$100,000 may be transferred to the game and fish fund as reimbursement for advances to the Lessard Outdoor Heritage Council made in fiscal year 2009.

(c) Lessard Outdoor Heritage Council Site Visit Exception

Travel to and from site visits by council members paid for under paragraph (b) are not meetings of the council for the purpose of receiving information under Minnesota Statutes, section 97A.056, subdivision 5.

Subd. 7. Availability of Appropriation

Unless otherwise provided, the amounts in this section are available until June 30, 2011, when projects must be completed and final accomplishments reported. For acquisition of an interest in real property, the amounts in this section are available until June 30, 2012. If a project receives federal funds, the time period of the appropriation is extended to equal the

availability of federal funding.

Subd. 8. Cash Advances

When the operations of the outdoor heritage fund would be impeded by projected cash deficiencies resulting from delays in the receipt of dedicated income, and when the deficiencies would be corrected within fiscal year 2010, the commissioner of finance may use fund-level cash reserves to meet cash demands of the outdoor heritage fund. If funds are transferred from the general fund to meet cash flow needs, the cash flow transfers must be returned to the general fund as soon as sufficient cash balances are available in the outdoor heritage fund. Any interest earned on general fund cash flow transfers accrues to the general fund and not to the outdoor heritage fund.

Subd. 9. Accomplishment Plans

It is a condition of acceptance of the appropriations made by this section that the agency or entity using the appropriation shall submit to the council an accomplishment plan and periodic accomplishment reports in the form determined by the Lessard Outdoor Heritage Council. The accomplishment plan must account for the use of the appropriation and outcomes of the expenditure in measures of wetlands, prairies, forests, and fish, game, and wildlife habitat restored, protected, and enhanced. The plan must include evaluation of results. None of the money provided in this section may be expended unless the council has approved the pertinent accomplishment plan.

Subd. 10. Project Requirements

(a) As a condition of accepting an appropriation in this section, any agency or entity receiving an appropriation must, for any project funded in whole or in part with funds from the appropriation:

(1) plant vegetation or sow seed only of native ecotypes to Minnesota and preferably of the local ecotype using a high diversity of species grown as close to the restoration site as possible, if the planting of vegetation or sowing of seed is a component of the accomplishment plan;

(2) provide that all easements:

(i) are permanent;

(ii) specify the parties to an easement in the easement;

(iii) specify all of the provisions of an agreement that are permanent;

(iv) are sent to the office of the Lessard Outdoor Heritage Council; and

(v) include a long-term stewardship plan and funding for monitoring and enforcing the easement agreement;

(3) for all restorations, prepare an ecological restoration and management plan that, to the degree practicable, is consistent with the highest quality conservation and ecological goals for the restoration site. Consideration should be given to soil, geology, topography, and other relevant factors that would provide the best chance for long-term success of the restoration projects. The plan shall include the proposed timetable for implementing the restoration, including, but not limited to, site preparation, establishment of diverse plant species, maintenance, and additional enhancement to establish the restoration; identify long-term maintenance and management needs of the restoration and how the maintenance, management, and enhancement will be financed; and use the best available science to achieve the best restoration;

(4) for new lands acquired, prepare a restoration and management plan in compliance with clause (3), including identification of sufficient funding for

implementation;

(5) to ensure public accountability for the use of public funds, provide to the Lessard Outdoor Heritage Council documentation of the selection process used to identify parcels acquired and provide documentation of all related transaction costs, including but not limited to appraisals, legal fees, recording fees, commissions, other similar costs, and donations. This information must be provided for all parties involved in the transaction. The recipient shall also report to the Lessard Outdoor Heritage Council any difference between the acquisition amount paid to the seller and the state-certified or state-reviewed appraisal. Acquisition data such as appraisals may remain private during negotiations but must ultimately be made public according to Minnesota Statutes, chapter 13;

(6) provide that all restoration and enhancement projects are on land permanently protected by conservation easement or public ownership; and

(7) give consideration to contracting with the Minnesota Conservation Corps for contract restoration and enhancement services.

(b) The Lessard Outdoor Heritage Council may waive the application of paragraph (a), clause (5), for specific projects.

Subd. 11. Payment Conditions and Capital Equipment Expenditures

All agreements, grants, or contracts referred to in this section must be administered on a reimbursement basis unless otherwise provided in this section. Payments for reimbursement may not be made before November 1, 2009. Notwithstanding Minnesota Statutes, section 16A.41, expenditures directly related to each appropriation's purpose made on or after July 1, 2009, are eligible for reimbursement unless otherwise provided in this section. Periodic payment must be made upon receiving

documentation that the deliverable items articulated in the approved accomplishment plan have been achieved, including partial achievements as evidenced by approved progress reports. Reasonable amounts may be advanced to projects to accommodate cash flow needs or to match federal share. The advances must be approved as part of the accomplishment plan. Capital equipment expenditures in excess of \$10,000 must be approved as part of the accomplishment plan.

Subd. 12. Purchase of Recycled and Recyclable Materials

A political subdivision, public or private corporation, or other entity that receives an appropriation in this section must use the appropriation in compliance with Minnesota Statutes, sections 16B.121, regarding purchase of recycled, repairable, and durable materials, and 16B.122, regarding purchase and use of paper stock and printing.

Subd. 13. Accessibility

Structural and nonstructural facilities must meet the design standards in the Americans with Disabilities Act (ADA) accessibility guidelines.

Subd. 14. Land Acquisition Restrictions

(a) An interest in real property, including but not limited to an easement or fee title, that is acquired with money appropriated under this section must be used in perpetuity or for the specific term of an easement interest for the purpose for which the appropriation was made.

(b) A recipient of funding who acquires an interest in real property subject to this subdivision may not alter the intended use of the interest in real property or convey any interest in the real property acquired with the appropriation without the prior review and approval of the Lessard Outdoor Heritage

Council or its successor. The council shall establish procedures to review requests from recipients to alter the use of or convey an interest in real property. These procedures shall allow for the replacement of the interest in real property with another interest in real property meeting the following criteria:

(1) the interest is at least equal in fair market value, as certified by the commissioner of natural resources, to the interest being replaced; and

(2) the interest is in a reasonably equivalent location and has a reasonably equivalent useful conservation purpose compared to the interest being replaced.

(c) A recipient of funding who acquires an interest in real property under paragraph (a) must separately record a notice of funding restrictions in the appropriate local government office where the conveyance of the interest in real property is filed. The notice of funding agreement must contain:

(1) a legal description of the interest in real property covered by the funding agreement;

(2) a reference to the underlying funding agreement;

(3) a reference to this section; and

(4) the following statement: "This interest in real property shall be administered in accordance with the terms, conditions, and purposes of the grant agreement controlling the acquisition of the property. The interest in real property, or any portion of the interest in real property, shall not be sold, transferred, pledged, or otherwise disposed of or further encumbered without obtaining the prior written approval of the Lessard Outdoor Heritage Council or its successor. If the holder of the interest in real property fails to comply with the terms and conditions of the grant agreement or work program, ownership of the interest in real property shall transfer to the state."

Subd. 15. Real Property Interest Report

By December 1 each year, a recipient of money appropriated under this section that is used for the acquisition of an interest in real property, including but not limited to an easement or fee title, must submit annual reports on the status of the real property to the Lessard Outdoor Heritage Council or its successor in a form determined by the council. The responsibility for reporting under this section may be transferred by the recipient of the appropriation to another person or entity that holds the interest in the real property. To complete the transfer of reporting responsibility, the recipient of the appropriation must:

(1) inform the person to whom the responsibility is transferred of that person's reporting responsibility;

(2) inform the person to whom the responsibility is transferred of the property restrictions under subdivision 14; and

(3) provide written notice to the council of the transfer of reporting responsibility, including contact information for the person to whom the responsibility is transferred. Before the transfer, the entity receiving the transfer of property must certify to the Lessard Outdoor Heritage Council, or its successor, acceptance of all obligations and responsibilities held by the prior owner.

After the transfer, the person or entity that holds the interest in the real property is responsible for reporting requirements under this section.

Sec. 3. Minnesota Statutes 2008, section 97A.056, subdivision 2, is amended to read:

Subd. 2. **Lessard Outdoor Heritage Council.** (a) The Lessard Outdoor Heritage Council of 12 members is created in the legislative branch, consisting of:

(1) two public members appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration;

(2) two public members appointed by the speaker of the house;

(3) four public members appointed by the governor;

(4) two members of the senate appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration; and

(5) two members of the house of representatives appointed by the speaker of the house.

(b) Members appointed under paragraph (a) must not be registered lobbyists. In making appointments, the governor, senate Subcommittee on Committees of the Committee on Rules and Administration, and the speaker of the house shall consider geographic balance, gender, age, ethnicity, and varying interests including hunting and fishing. The governor's appointments to the council are subject to the advice and consent of the senate.

(c) Public members appointed under paragraph (a) shall have practical experience or expertise or demonstrated knowledge in the science, policy, or practice of restoring, protecting, and enhancing wetlands, prairies, forests, and habitat for fish, game, and wildlife.

(d) Legislative members appointed under paragraph (a) shall include the chairs of the legislative committees with jurisdiction over environment and natural resources finance or their designee, one member from the minority party of the senate, and one member from the minority party of the house of representatives.

(e) Members serve four-year terms and shall be initially appointed according to the following schedule of terms:

(1) two public members appointed by the governor for a term ending the first Monday in January 2011;

(2) one public member appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration for a term ending the first Monday in January 2011;

(3) one public member appointed by the speaker of the house for a term ending the first Monday in January 2011;

(4) two public members appointed by the governor for a term ending the first Monday in January 2013;

(5) one public member appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration for a term ending the first Monday in January 2013;

(6) one public member appointed by the speaker of the house for a term ending the first Monday in January 2013; and

(7) two members of the senate appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration for a term ending the first Monday in January 2013, and two members of the house of representatives appointed by the speaker of the house for a term ending the first Monday in January 2013.

(f) Compensation and removal of public members are as provided in section 15.0575. A vacancy on the council may be filled by the appointing authority for the remainder of the unexpired term.

(g) The first meeting of the council shall be convened by the chair of the Legislative Coordinating

Commission no later than December 1, 2008. Members shall elect a chair, vice-chair, secretary, and other officers as determined by the council. The chair may convene meetings as necessary to conduct the duties prescribed by this section.

(h) ~~The Department of Natural Resources shall provide administrative support for council~~ may employ staff and contract with consultants as necessary to carry out the functions of the council. Up to one percent of the money appropriated from the fund may be used to ~~cover the staffing and related administrative expenses of the department and to cover the compensation and travel expenses pay~~ for administrative expenses of the council and for compensation and expense reimbursement of council members.

Sec. 4. Minnesota Statutes 2008, section 97A.056, subdivision 7, is amended to read:

Subd. 7. **Legislative oversight.** (a) The senate and house of representatives chairs of the committees with jurisdiction over the environment and natural resources budget shall convene a joint hearing to review the activities and evaluate the effectiveness of the council and evaluate the effectiveness and efficiency of the ~~department's~~ administration and staffing of the council after five years but no later than June 30, 2014.

(b) By January 15, 2013, a professional outside review authority shall be chosen by the chairs of the house of representatives and senate committees with jurisdiction over environment and natural resources to evaluate the effectiveness and efficiency of the ~~department's~~ administration and staffing of the council. A report shall be submitted to the chairs by January 15, 2014."

Amend the title numbers accordingly

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

Senator Pogemiller, from the Committee on Rules and Administration, to which was referred

H.F. No. 265 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
265	262				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 265 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 265, the first engrossment; and insert the language after the enacting clause of S.F. No. 262, the first engrossment; further, delete the title of H.F. No. 265, the first engrossment; and insert the title of S.F. No. 262, the first engrossment.

And when so amended H.F. No. 265 will be identical to S.F. No. 262, and further recommends that H.F. No. 265 be given its second reading and substituted for S.F. No. 262, and that the Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on

behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Senator Pogemiller, from the Committee on Rules and Administration, to which was referred

H.F. No. 1275 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1275	1449				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 1275 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1275, the first engrossment; and insert the language after the enacting clause of S.F. No. 1449, the first engrossment; further, delete the title of H.F. No. 1275, the first engrossment; and insert the title of S.F. No. 1449, the first engrossment.

And when so amended H.F. No. 1275 will be identical to S.F. No. 1449, and further recommends that H.F. No. 1275 be given its second reading and substituted for S.F. No. 1449, and that the Senate File be indefinitely postponed.

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

SECOND READING OF SENATE BILLS

S.F. Nos. 203, 915, 1053, 1436, 1890, 1600, 727, 1369, 2127, 1514, 2060, 2043 and 1927 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 265 and 1275 were read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senators Saltzman, Sieben and Anderson introduced—

S.F. No. 2131: A bill for an act relating to energy; appropriating money to city of Oak Park Heights for cost-sharing purchase and construction of geothermal heating and cooling system.

Referred to the Committee on Finance.

Senator Dibble introduced–

S.F. No. 2132: A bill for an act relating to the city of Minneapolis; expanding the use of the city's local sales tax revenue; amending Laws 1986, chapter 396, section 4, subdivision 3; by adding a subdivision.

Referred to the Committee on State and Local Government Operations and Oversight.

Senator Dibble introduced–

S.F. No. 2133: A bill for an act relating to the city of Minneapolis; repealing special street light provisions; repealing Laws 1959, chapter 577.

Referred to the Committee on State and Local Government Operations and Oversight.

MOTIONS AND RESOLUTIONS**Senator Cohen introduced –**

Senate Resolution No. 94: A Senate resolution honoring Minnesota Orchestra concertmaster Jorja Fleezanis for her 20 years of service.

Referred to the Committee on Rules and Administration.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of General Orders.

GENERAL ORDERS

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

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

S.F. No. 1036, which the committee recommends to pass.

H.F. No. 1056, which the committee recommends to pass, subject to the following motion:

Senator Scheid moved that the amendment made to H.F. No. 1056 by the Committee on Rules and Administration in the report adopted May 4, 2009, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

S.F. No. 1481, which the committee recommends to pass with the following amendments offered by Senators Gerlach and Senjem:

Senator Gerlach moved to amend S.F. No. 1481 as follows:

Page 1, lines 14, 17, and 18, after "inflation" insert "or deflation"

The motion prevailed. So the amendment was adopted.

Senator Senjem moved to amend S.F. No. 1481 as follows:

Page 4, line 24, after "chairs" insert "and ranking minority members"

Page 5, lines 6 and 7, after "chair" insert "and ranking minority member"

The motion prevailed. So the amendment was adopted.

The question was taken on the recommendation to pass S.F. No. 1481.

The roll was called, and there were yeas 45 and nays 18, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Dille	Gimse	Koering	Ortman	Senjem
Fischbach	Ingebrigtsen	Limmer	Pariseau	Vandev eer
Frederickson	Johnson	Michel	Robling	
Gerlach	Koch	Olson, G.	Rosen	

The motion prevailed. So S.F. No. 1481 was recommended to pass.

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 12, Senator Stumpf moved that the following members be excused for a Conference Committee on H.F. No. 2 from 12:10 to 12:30 p.m.:

Senators Stumpf; Olson, G.; Saltzman; Wiger and Dahle. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 12, Senator Pappas moved that the following members be excused for a Conference Committee on S.F. No. 2083 from 12:00 noon to 12:25 p.m.:

Senators Pappas, Lynch, Erickson Ropes, Latz and Robling. The motion prevailed.

RECESS

Senator Pogemiller moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

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, Second Reading of Senate Bills and Second Reading of House Bills.

REPORTS OF COMMITTEES

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

Senator Bakk from the Committee on Taxes, to which was re-referred

S.F. No. 2078: A bill for an act relating to economic development; providing for stimulation of the construction industry; streamlining certain construction projects; creating a construction loan guarantee program; authorizing green energy revenue bonds; permitting local assessments for energy improvements; providing for home purchase loans; providing a historic structure rehabilitation tax credit; providing a low-income housing tax credit; appropriating money; amending Minnesota Statutes 2008, sections 16C.16, by adding a subdivision; 429.011, by adding subdivisions; 429.021, subdivision 1; 429.031, subdivision 3; 469.153, subdivision 2; 469.176, subdivision 2, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 116J; 290; 462A; 469.

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

Pages 3 to 6, delete sections 3 and 4 and insert:

"Sec. 3. [290.0682] LOW-INCOME HOUSING CREDIT.

Subdivision 1. **Definitions.** For purposes of this section, unless the context clearly requires otherwise, the following terms have the meanings given.

(a) "Agency" means the Minnesota Housing Finance Agency.

(b) "Commissioner" means the commissioner of revenue.

(c) "Compliance period" means the period of 15 taxable years beginning with the first taxable year the credit is claimed under this section.

(d) "Eligibility statement" means a statement authorized and issued by the agency certifying that a project is a qualified Minnesota project. The eligibility statement must specify the maximum annual amount of the credit authorized for the project. The agency shall only authorize tax credits to qualified Minnesota projects that are placed in service on or after January 1, 2010. The agency shall issue the eligibility statement for any suballocator within ten days of a request for a qualified Minnesota project.

(e) "Federal Low-Income Housing Tax Credit" means the federal tax credit as provided in section

42 of the Internal Revenue Code.

(f) "Low-income project" is a qualified low-income housing project, as defined in section 42 of the Internal Revenue Code that has restricted rents that do not exceed 30 percent of applicable imputed income limitation under section 42 of the Internal Revenue Code, for at least 40 percent of its units occupied by persons or families having income of 60 percent or less of the median income, or at least 20 percent of the units occupied by persons or families having income of 50 percent or less of the median income.

(g) "Median income" means the area median gross income as provided in section 42 of the Internal Revenue Code, and which is determined by the federal Department of Housing and Urban Development guidelines and adjusted for family size.

(h) "Qualified Minnesota project" means a qualified low-income housing project as that term is defined in section 42 of the Internal Revenue Code that is located in Minnesota, that:

(1) meets the requirements of this section;

(2) has been allocated federal low-income housing tax credits by the agency or a suballocator;

(3) has been allocated Minnesota low-income housing tax credits by the agency or a suballocator;
and

(4) whose owner enters into a regulatory agreement with the agency or the suballocator enforceable by state and local agencies.

(i) "Regulatory agreement" means an agreement between the owner of the qualified Minnesota project and the agency or suballocator and recorded as an affordable housing restriction on the real property on which the qualified Minnesota project is located, that requires the project to be operated in accordance with the requirements of this section for not less than 30 years from the expiration date of the compliance period. The agreement may be subordinated to the lien of a bank or other institutional lender providing financing to the qualified Minnesota project upon the request of the bank or lender.

(j) "Suballocator" means an allocator of low-income federal housing credits and credits under this section, other than the agency, as provided in section 462A.222.

(k) "Taxpayer" means a person, firm, partnership, or other entity subject to the income tax imposed by the provisions of this chapter.

(l) Terms not otherwise defined in this subdivision have the meanings provided in section 42 of the Internal Revenue Code.

Subd. 2. **Minnesota low-income housing tax credit; allocation.** (a) A Minnesota low-income housing tax credit may be claimed under this section. The agency and all suballocators, as provided in section 462A.222, may authorize credits annually, for the ten-year period beginning January 1, 2010, and ending December 31, 2019, and each year thereafter. The total amount of the credits allowable each year is: (1) 50 percent of the federal per capita tax credits awarded to the state under section 42 of the Internal Revenue Code; (2) unused Minnesota low-income housing tax credits, if any, for the preceding calendar years; and (3) any Minnesota low-income housing tax credits returned to the agency or a suballocator by a qualified Minnesota project.

(b) Unless otherwise provided in this section, the agency shall authorize, administer, and determine eligibility for the credit under this section, in accordance with rules adopted by the agency. The agency and suballocators, in the manner and in the respective amounts provided in section 462A.222, shall allocate the credit in accordance with the standards and requirements as set forth in section 42 of the Internal Revenue Code; provided, however, that the combined allocated federal and Minnesota low-income housing tax credit must be the least amount necessary to ensure financial feasibility.

(c) The agency and suballocators shall allocate the total available Minnesota low-income housing tax credit among as many qualified Minnesota projects as fiscally feasible.

(d) A taxpayer, if allocated a federal low-income housing tax credit with respect to a project, is allowed a state tax credit with respect to the same qualified Minnesota project, if the agency issues an eligibility statement for that project, and provided that the amount of the credit available to a qualified Minnesota project shall be authorized and allocated by the agency or suballocator, based on the qualified Minnesota project's need for the credit for economic feasibility.

Subd. 3. **How taken.** (a) A taxpayer may claim the Minnesota low-income housing tax credit against the taxes imposed under this chapter, in equal amounts for each of the ten years of the credit period. The credit is not refundable. Any amount of the credit that exceeds the tax due for a taxable year may be carried forward to any of the five subsequent taxable years.

(b) All or any portion of tax credits issued under this section may be allocated to one or more taxpayers who have any ownership interest in the taxpayer that owns the qualified Minnesota project, without regard to any other allocation of credits, depreciation, profits, or losses under the entities' organizational documents. Alternatively, all or any portions of the tax credits issued under this section may be transferred, sold, or assigned to a taxpayer without transferring any ownership interest in the qualified Minnesota project or any interest in the entity owning the project. The transfer must include all credits attributable to periods after the transfer date, except for carryforward of prior year credits.

(c) An owner of a qualified Minnesota project must certify to the commissioner the amount of credit allocated to each taxpayer and provide the commissioner with other information required by the commissioner to determine the allocation of the credit. The owner of a qualified Minnesota project eligible for the credit shall submit, together with the project owner's tax return under this chapter, a copy of the eligibility statement issued by the agency with respect to the qualified Minnesota project. If the owner fails to attach the eligibility statement, a credit is not allowed for that project for that taxable year until the copy is provided to the commissioner.

(d) If recapture is required under subdivision 5, any statement submitted to the commissioner as provided in this subdivision must include the proportion of the state credit required to be recaptured, the identity of each taxpayer subject to the recapture, and the amount of credit previously allocated to the taxpayer.

Subd. 4. **Rules.** The director of the agency, in consultation with the commissioner, may adopt rules necessary to administer the provisions of this section.

Subd. 5. **Recapture.** If under section 42 of the Internal Revenue Code, a portion of any federal low-income housing tax credits taken on a low-income project is required to be recaptured, the credit authorized by this section with respect to the qualified Minnesota project must also be recaptured.

The state recapture amount shall be equal to the amount of the state low-income housing tax credits previously claimed times a fraction, the numerator of which is the amount of recaptured federal low-income housing tax credits and the denominator of which is the amount of federal low-income housing tax credits previously claimed.

Subd. 6. **Credit duration.** Except for unused credits carried forward under this section, a taxpayer is not eligible for Minnesota low-income housing tax credits for more than ten taxable years.

Subd. 7. **Education, promotion, and enhancement.** (a) The agency, in cooperation with the suballocators, shall conduct periodic educational seminars and promotional events to inform potentially interested purchasers of the state credit and shall facilitate and encourage creation of state credit buyer pools to acquire federal and state credits in Minnesota.

(b) The agency, in collaboration with the suballocators, may pursue methods of enhancing the efficiency of the Minnesota low-income housing tax credit program, including pursuing opinions from the United States Department of Treasury's Internal Revenue Service in the form of general counsel memoranda, private letter rulings and other notices, rulings, or guidelines, to enhance the value of the credits; by reviewing other state low-income housing tax programs that utilize an option for taxpayers to receive the tax credits in the form of a loan generated by transferring the credit to a designated state entity; and any other methods.

(c) Not later than January 15, 2015, the agency shall submit a report to the chairs and ranking minority members of the taxes committees of the senate and the house of representatives on the success and efficiency of the Minnesota low-income housing tax credit program and recommendations for enhancement or modifications of the program.

EFFECTIVE DATE. This section is effective the day following final enactment, provided that the credit is available for taxable years beginning after December 31, 2009."

Page 12, delete section 9 and insert:

"Sec. 8. [462A.2094] TAX CREDIT ADVANCE LOAN PROGRAM FOR FIRST-TIME HOMEBUYERS.

Subdivision 1. **Establishment.** The agency may develop the tax credit advance loan program for first-time homebuyers, up to the limits of available appropriations and transfers. The program provides loans to first-time homebuyers who are eligible for the federal first-time homebuyer credit. The maximum tax credit advance loan is the lesser of (i) 8.5 percent of the purchase price of the home, or (ii) \$6,750. The agency may charge a reasonable fee for the costs associated with making and servicing tax credit advance loans. The agency shall require the first-time homebuyer to execute a promissory note secured by a second mortgage on the property being purchased to secure repayment of the loan as referenced in subdivision 5. The agency may use amounts in the first-time homebuyer tax credit advance loan account to fund the tax credit advance loan program.

Subd. 2. **Definitions.** For purposes of this section, "federal first-time homebuyer credit" means the credit allowed under section 36 of the Internal Revenue Code, and "first-time homebuyer" has the meaning given in section 36 of the Internal Revenue Code.

Subd. 3. **Eligibility requirements.** To be eligible for a tax credit advance loan, a first-time homebuyer must:

- (1) meet the eligibility requirements for the federal first-time homebuyer credit;
- (2) have an annual gross income that does not exceed (A) 115 percent of the greater of the state or area median income, as determined by the U.S. Department of Housing and Urban Development, or (B) the federal first-time homebuyer tax credit income limits, whichever is less;
- (3) use the tax credit advance loan in conjunction with a home mortgage loan at a 30-year fixed rate; and
- (4) agree to apply for the federal first-time homebuyer credit and use the credit refund to repay the tax credit advance loan.

Subd. 4. **Repayment requirement.** The tax credit advance loan agreement between the agency and the homebuyer must require repayment of the tax credit advance loan on or before June 15 of the calendar year following the year in which the tax credit advance loan is received.

Subd. 5. **Claims for repayments; deposit of repayments.** The agency may submit claims for debts owed due to failure to repay tax credit advance loans as provided under the revenue recapture act in chapter 270A. Repayments of tax credit advance loans are deposited in the housing development fund and credited to the first-time homebuyer taxpayer advance loan account.

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

Sec. 9. Minnesota Statutes 2008, section 462A.21, is amended by adding a subdivision to read:

Subd. 2a. **First-time homebuyer tax credit advance loan account.** The agency may establish a first-time homebuyer tax credit advance loan account as a separate account within the housing development fund for the purposes of section 462A.2094, and may pay costs and expenses necessary and incidental to the development and operation of the tax credit advance loan program from the account."

Page 17, line 25, before the period, insert "located within the district"

Page 18, after line 3, insert:

"Sec. 15. **TAX ABATEMENT; NEWLY-CONSTRUCTED RESIDENTIAL STRUCTURES IN FLOOD-DAMAGED AREAS.**

Subdivision 1. **Eligibility.** Property containing a residential structure qualifies for a tax abatement under this section, if:

- (1) the property is located in a city that meets the qualifications for the credit under Minnesota Statutes, section 273.1398, subdivision 4;
- (2) construction of the structure commenced after January 1, 2009, and is substantially completed prior to December 31, 2010; and
- (3) the property is classified as class 1a, 1b, 2a, 4a, 4b, 4bb, or 4d under Minnesota Statutes, section 273.13.

Subd. 2. **Application.** Application for the abatement authorized under this section must be filed by January 2 of the year following the year in which construction began. The application must be filed with the assessor of the county in which the property is located on a form prescribed by the

commissioner of revenue.

Subd. 3. **Tax abated.** (a) For a property qualifying under subdivision 1 and classified as either class 1a, 1b, 2a, 4b, or 4bb, the tax attributable to the market value of the structure shall be abated. For a property qualifying under subdivision 1 and classified as class 4a or 4d, the tax attributable to (i) \$250,000 of market value, or (ii) the entire market value of the structure, whichever is less, shall be abated.

(b) The abatement under paragraph (a) shall be in effect for two taxes payable years, corresponding to the two assessment years after construction has begun. The abatement shall not apply to any special assessments that have been levied against the property.

Subd. 4. **Reimbursement.** By May 1 of each taxes payable year in which an abatement has been authorized under this section, the auditor shall report the amount of taxes abated for each jurisdiction within the county to the commissioner of revenue, on a form prescribed by the commissioner. On or before September 1 of each taxes payable year in which an abatement has been authorized under this section, the commissioner of revenue shall reimburse each local jurisdiction for the amount of taxes abated for the year under this section.

Subd. 5. **Appropriation.** The amount necessary to make the reimbursements required under this section is annually appropriated to the commissioner of revenue from the general fund.

EFFECTIVE DATE. This section is effective for assessment years 2010 to 2012, for taxes payable in 2011 to 2013."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete "providing a historic structure rehabilitation tax credit;"

Amend the title numbers accordingly

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

Senator Bakk from the Committee on Taxes, to which was referred

S.F. No. 681: A bill for an act relating to taxation; making policy, technical, administrative, and clarifying changes to various taxes and tax-related provisions; amending Minnesota Statutes 2008, sections 16D.16, subdivision 2; 126C.21, subdivision 4; 126C.48, subdivision 8; 270B.14, subdivision 16; 270C.446, subdivisions 2, 5; 270C.56, subdivision 1; 273.11, subdivision 23; 273.111, subdivision 4; 273.1115, subdivision 2; 273.113, subdivisions 1, 2; 273.1231, subdivision 8; 273.124, subdivisions 13, 21; 273.13, subdivisions 23, 25, 33; 273.33, subdivision 2; 273.37, subdivision 2; 274.13, subdivision 2; 274.135, subdivision 3; 274.14; 274.175; 275.70, subdivision 5; 275.71, subdivision 4; 282.01, subdivisions 1, 1a, 1c, 1d, 2, 3, 4, 7, 7a, by adding a subdivision; 287.04; 287.05, by adding a subdivision; 287.22; 287.2205; 287.25; 289A.08, subdivision 3; 289A.12, by adding a subdivision; 289A.18, subdivision 1; 289A.19, subdivision 4; 289A.38, subdivision 7; 289A.41; 289A.60, by adding a subdivision; 290.01, subdivision 19b; 290.0671, subdivision 1; 290A.10; 290A.14; 290C.06; 290C.07; 295.56; 295.57, subdivision 5; 296A.21, subdivision 1; 297A.70, subdivisions 2, 4; 297A.992, subdivision 2; 297A.993, subdivision 1; 297E.02, subdivision 4; 297E.06, by adding a subdivision; 297E.11, subdivision 1; 297F.09,

subdivision 7; 297G.09, subdivision 6; 297I.30, by adding a subdivision; 297I.35, subdivision 2; 298.28, subdivisions 4, 11; 473.843, subdivision 3; 477A.011, subdivisions 34, 42; 477A.013, subdivision 8; repealing Minnesota Statutes 2008, sections 282.01, subdivisions 1b, 9, 10, 11; 287.26; 287.27, subdivision 1; 297A.67, subdivision 24; 298.28, subdivisions 11a, 13; Minnesota Rules, parts 8009.3000; 8115.0200; 8115.0300; 8115.0400; 8115.0500; 8115.0600; 8115.1000; 8115.1100; 8115.1200; 8115.1300; 8115.1400; 8115.1500; 8115.1600; 8115.1700; 8115.1800; 8115.1900; 8115.2000; 8115.2100; 8115.2200; 8115.2300; 8115.2400; 8115.2500; 8115.2600; 8115.2700; 8115.2800; 8115.2900; 8115.3000; 8115.4000; 8115.4100; 8115.4200; 8115.4300; 8115.4400; 8115.4500; 8115.4600; 8115.4700; 8115.4800; 8115.4900; 8115.5000; 8115.5100; 8115.5200; 8115.5300; 8115.5400; 8115.5500; 8115.5600; 8115.5700; 8115.5800; 8115.5900; 8115.6000; 8115.6100; 8115.6200; 8115.6300; 8115.6400; 8115.9900.

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

Page 4, after line 26, insert:

"Sec. 5. Minnesota Statutes 2008, section 289A.31, subdivision 5, is amended to read:

Subd. 5. Withholding tax, withholding from payments to out-of-state contractors, and withholding by partnerships and small business corporations. (a) Except as provided in paragraph (b), an employer or person withholding tax under section 290.92 or 290.923, subdivision 2, who fails to pay to or deposit with the commissioner a sum or sums required by those sections to be deducted, withheld, and paid, is personally and individually liable to the state for the sum or sums, and added penalties and interest, and is not liable to another person for that payment or payments. The sum or sums deducted and withheld under section 290.92, subdivision 2a or 3, or 290.923, subdivision 2, must be held as a special fund in trust for the state of Minnesota.

(b) If the employer or person withholding tax under section 290.92 or 290.923, subdivision 2, fails to deduct and withhold the tax in violation of those sections, and later the taxes against which the tax may be credited are paid, the tax required to be deducted and withheld will not be collected from the employer. This does not, however, relieve the employer from liability for any penalties and interest otherwise applicable for failure to deduct and withhold. This paragraph does not apply to an employer subject to paragraph (g), or to a contractor required to withhold under section 290.92, subdivision 31.

(c) Liability for payment of withholding taxes includes a responsible person or entity described in the personal liability provisions of section 270C.56.

(d) Liability for payment of withholding taxes includes a third party lender or surety described in section 270C.59.

(e) A partnership or S corporation required to withhold and remit tax under section 290.92, subdivisions 4b and 4c, is liable for payment of the tax to the commissioner, and a person having control of or responsibility for the withholding of the tax or the filing of returns due in connection with the tax is personally liable for the tax due.

(f) A payor of sums required to be withheld under section 290.9705, subdivision 1, is liable to the state for the amount required to be deducted, and is not liable to an out-of-state contractor for the amount of the payment.

(g) If an employer fails to withhold tax from the wages of an employee when required to do so

under section 290.92, subdivision 2a, by reason of treating such employee as not being an employee, then the liability for tax is equal to three percent of the wages paid to the employee. The liability for tax of an employee is not affected by the assessment or collection of tax under this paragraph. The employer is not entitled to recover from the employee any tax determined under this paragraph.

EFFECTIVE DATE. This section is effective for taxes required to be withheld after June 30, 2009."

Page 5, delete section 6

Page 15, delete sections 1 and 2

Page 23, delete section 17

Page 26, line 24, delete "\$....." and insert "\$1,140,000."

Page 27, delete section 2 and insert:

"Sec. 2. Minnesota Statutes 2008, section 273.111, subdivision 4, is amended to read:

Subd. 4. **Determination of value.** (a) The value of any real estate described in subdivision 3 shall upon timely application by the owner, in the manner provided in subdivision 8, be determined solely with reference to its appropriate agricultural classification and value notwithstanding sections 272.03, subdivision 8, and 273.11. Furthermore, the assessor shall not consider any added values resulting from nonagricultural factors. In order to account for the presence of nonagricultural influences that may affect the value of agricultural land, the commissioner of revenue shall develop a fair and uniform method of determining agricultural values for each county in the state that are consistent with this subdivision. The commissioner shall annually assign the resulting values to each county, and these values shall be used as the basis for determining the agricultural value for all properties in the county qualifying for tax deferral under this section.

(b) In the case of property qualifying for tax deferral only under subdivision 3a, the value shall be based on the value in effect for assessment year 2008, multiplied by the ratio of the total taxable market value of all property in the county for the current assessment year divided by the total taxable market value of all property in the county for assessment year 2008 assessor shall not consider the presence of commercial, industrial, residential, or seasonal recreational land use influences in determining the value for ad valorem tax purposes; provided that in no case shall the value exceed the value prescribed by the commissioner of revenue for class 2a tillable property in that county.

EFFECTIVE DATE. This section is effective for assessment year 2009 and thereafter."

Page 28, delete sections 4 and 5

Page 29, after line 7, insert:

"Sec. 5. Minnesota Statutes 2008, section 273.124, subdivision 3, is amended to read:

Subd. 3. **Cooperatives and charitable corporations; homestead and other property.** (a) When property is owned by a corporation or association organized under chapter 308A or 308B, and each person who owns a share or shares in the corporation or association is entitled to occupy a building on the property, or a unit within a building on the property, the corporation or

association may claim homestead treatment for each dwelling, or for each unit in the case of a building containing several dwelling units, or for the part of the value of the building occupied by a shareholder. Each building or unit must be designated by legal description or number. The net tax capacity of each building or unit that qualifies for assessment as a homestead under this subdivision must include not more than one-half acre of land, if platted, nor more than 80 acres if unplatted. The net tax capacity of the property is the sum of the net tax capacities of each of the respective buildings or units comprising the property, including the net tax capacity of each unit's or building's proportionate share of the land and any common buildings. To qualify for the treatment provided by this subdivision, the corporation or association must be wholly owned by persons having a right to occupy a building or unit owned by the corporation or association. A charitable corporation organized under the laws of Minnesota and not otherwise exempt thereunder with no outstanding stock qualifies for homestead treatment with respect to member residents of the dwelling units who have purchased and hold residential participation warrants entitling them to occupy the units.

(b) To the extent provided in paragraph (a), a cooperative or corporation organized under chapter 308A or 308B may obtain separate assessment and valuation, and separate property tax statements for each residential homestead, residential nonhomestead, or for each seasonal residential recreational building or unit not used for commercial purposes. The appropriate class rates under section 273.13 shall be applicable as if each building or unit were a separate tax parcel; provided, however, that the tax parcel which exists at the time the cooperative or corporation makes application under this subdivision shall be a single parcel for purposes of property taxes or the enforcement and collection thereof, other than as provided in paragraph (a) or this paragraph.

(c) A member of a corporation or association may initially obtain the separate assessment and valuation and separate property tax statements, as provided in paragraph (b), by applying to the assessor by June 30 of the assessment year.

(d) When a building, or dwelling units within a building, no longer qualify under paragraph (a) or (b), the current owner must notify the assessor within 30 days. Failure to notify the assessor within 30 days shall result in the loss of benefits under paragraph (a) or (b) for taxes payable in the year that the failure is discovered. For these purposes, "benefits under paragraph (a) or (b)" means the difference in the net tax capacity of the building or units which no longer qualify as computed under paragraph (a) or (b) and as computed under the otherwise applicable law, times the local tax rate applicable to the building for that taxes payable year. Upon discovery of a failure to notify, the assessor shall inform the auditor of the difference in net tax capacity for the building or buildings in which units no longer qualify, and the auditor shall calculate the benefits under paragraph (a) or (b). Such amount, plus a penalty equal to 100 percent of that amount, shall then be demanded of the building's owner. The property owner may appeal the county's determination by serving copies of a petition for review with county officials as provided in section 278.01 and filing a proof of service as provided in section 278.01 with the Minnesota Tax Court within 60 days of the date of the notice from the county. The appeal shall be governed by the Tax Court procedures provided in chapter 271, for cases relating to the tax laws as defined in section 271.01, subdivision 5; disregarding sections 273.125, subdivision 5, and 278.03, but including section 278.05, subdivision 2. If the amount of the benefits under paragraph (a) or (b) and penalty are not paid within 60 days, and if no appeal has been filed, the county auditor shall certify the amount of the benefit and penalty to the succeeding year's tax list to be collected as part of the property taxes on the affected property.

Sec. 6. Minnesota Statutes 2008, section 273.124, subdivision 3a, is amended to read:

Subd. 3a. **Manufactured home park cooperative.** When a manufactured home park is owned by a corporation or association organized under chapter 308A or 308B, and each person who owns a share or shares in the corporation or association is entitled to occupy a lot within the park, the corporation or association may claim homestead treatment for each lot occupied by a shareholder. Each lot must be designated by legal description or number, and each lot is limited to not more than one-half acre of land for each homestead. The manufactured home park shall be valued and assessed as if it were homestead property within class 1 if all of the following criteria are met:

(1) the occupant is using the property as a permanent residence;

(2) the occupant or the cooperative association is paying the ad valorem property taxes and any special assessments levied against the land and structure either directly, or indirectly through dues to the corporation; and

(3) the corporation or association organized under chapter 308A or 308B is wholly owned by persons having a right to occupy a lot owned by the corporation or association.

A charitable corporation, organized under the laws of Minnesota with no outstanding stock, and granted a ruling by the Internal Revenue Service for 501(c)(3) tax-exempt status, qualifies for homestead treatment with respect to member residents of the manufactured home park who hold residential participation warrants entitling them to occupy a lot in the manufactured home park."

Page 49, delete section 18

Page 52, delete section 19

Page 56, delete article 5 and insert:

"ARTICLE 5

CONDITIONAL USE DEEDS

Section 1. Minnesota Statutes 2008, section 282.01, subdivision 1, is amended to read:

Subdivision 1. **Classification as conservation or nonconservation.** ~~It is the general policy of this state to encourage the best use of tax forfeited lands, recognizing that some lands in public ownership should be retained and managed for public benefits while other lands should be returned to private ownership.~~ (a) When acting on behalf of the state under laws allowing the county board to classify and manage tax-forfeited lands held by the state in trust for the local units as provided in section 281.25, the county board has the discretion to decide that some lands in public ownership should be retained and managed for public benefits while other lands should be returned to private ownership. Parcels of land becoming the property of the state in trust under law declaring the forfeiture of lands to the state for taxes must be classified by the county board of the county in which the parcels lie as conservation or nonconservation. In making the classification the board shall consider the present use of adjacent lands, the productivity of the soil, the character of forest or other growth, accessibility of lands to established roads, schools, and other public services, their peculiar suitability or desirability for particular uses, and the suitability of the forest resources on the land for multiple use, and sustained yield management. The classification, furthermore, must: (1) encourage and foster a mode of land utilization that will facilitate the economical and adequate provision of transportation, roads, water supply, drainage, sanitation, education, and recreation; (2) facilitate reduction of governmental expenditures; (3) conserve and develop the natural resources;

and (4) protect and sustain important environmental and ecological systems; and (5) foster and develop agriculture and other industries in the districts and places best suited to them.

~~In making the classification the county board may use information made available by any office or department of the federal, state, or local governments, or by any other person or agency possessing pertinent information at the time the classification is made. The lands may be reclassified from time to time as the county board considers necessary or desirable, except for conservation lands held by the state free from any trust in favor of any taxing district.~~

~~If the lands are located within the boundaries of an organized town, with taxable valuation in excess of \$20,000, or incorporated municipality, the classification or reclassification and sale must first be approved by the town board of the town or the governing body of the municipality in which the lands are located. The town board of the town or the governing body of the municipality is considered to have approved the classification or reclassification and sale if the county board is not notified of the disapproval of the classification or reclassification and sale within 60 days of the date the request for approval was transmitted to the town board of the town or governing body of the municipality. If the town board or governing body desires to acquire any parcel lying in the town or municipality by procedures authorized in this section, it must file a written application with the county board to withhold the parcel from public sale. The application must be filed within 60 days of the request for classification or reclassification and sale. The county board shall then withhold the parcel from public sale for six months. A municipality or governmental subdivision shall pay maintenance costs incurred by the county during the six-month period while the property is withheld from public sale, provided the property is not offered for public sale after the six-month period. A clerical error made by county officials does not serve to eliminate the request of the town board or governing body if the board or governing body has forwarded the application to the county auditor. If the town board or governing body of the municipality fails to submit an application and a resolution of the board or governing body to acquire the property within the withholding period, the county may offer the property for sale upon the expiration of the withholding period.~~

(b) Whenever the county board deems it appropriate, the board may hold a meeting for the purpose of reclassifying tax-forfeited land that has not been sold or released from the trust. The criteria and procedures for reclassification are the same as those required for an initial classification.

(c) Prior to meeting for the purpose of classifying or reclassifying tax-forfeited lands, the county board must give notice of its intent to meet for that purpose as provided in this paragraph. The notice must be given no more than 90 days and no less than 60 days before the date of the meeting; provided that if the meeting is rescheduled, notice of the new date, time, and location must be given at least 14 days before the date of the rescheduled meeting. The notice must be posted on a Web site. The notice must also be mailed or otherwise delivered to each person who has filed a request for notice of special meetings with the public body, regardless of whether the matter is considered at a regular or special meeting. The notice must be mailed or delivered at least 60 days before the date of the meeting. If the meeting is rescheduled, notice of the new date, time, and location must be mailed or delivered at least 14 days before the date of the rescheduled meeting. The public body shall publish the notice once, at least 30 days before the meeting, in a newspaper of general circulation within the area of the public body's authority. The board must also mail a notice by electronic means to each person who requests notice of meetings dealing with this subject and who agrees as provided in chapter 325L to accept notice that is mailed by electronic means. Receipt of actual notice under the conditions specified in section 13D.04, subdivision 7, satisfies the notice requirements of this

paragraph.

The board may classify or reclassify tax-forfeited lands at any regular or special meeting, as those terms are defined in chapter 13D and may conduct only this business, or this business as well as other business or activities at the meeting.

(d) At the meeting, the county board must allow any person or agency possessing pertinent information to make or submit comments and recommendations about the pending classification or reclassification. In addition, representatives of governmental entities in attendance must be allowed to describe plans, ideas, or projects that may involve use or acquisition of the property by that or another governmental entity. The county board must solicit and consider any relevant components of current municipal or metropolitan comprehensive land use plans that incorporate the area in which the land is located. After allowing testimony, the board may classify, reclassify, or delay taking action on any parcel or parcels. In order for a state agency or a governmental subdivision of the state to preserve its right to request a purchase or other acquisition of a forfeited parcel, it may, at any time following forfeiture, file a written request to withhold the parcel from sale or lease to others under the provisions of subdivision 1a.

(e) When classifying, reclassifying, appraising, and selling lands under this chapter, the county board may designate the tracts as assessed and acquired, or may by resolution provide for the subdivision of the tracts into smaller units or for the grouping of several tracts into one tract when the subdivision or grouping is deemed advantageous for conservation or sale purposes. This paragraph does not authorize the county board to subdivide a parcel or tract of tax-forfeited land that, as assessed and acquired, is withheld from sale under section 282.018, subdivision 1.

(f) A county board may by resolution elect to use the classification and reclassification procedures provided in paragraphs (g), (h), and (i), instead of the procedures provided in paragraphs (b), (c), and (d). Once an election is made under this paragraph, it is effective for a minimum of five years.

(g) The classification or reclassification of tax-forfeited land that has not been sold or released from the trust may be made by the county board using information made available to it by any office or department of the federal, state, or local governments, or by any other person or agency possessing pertinent information at the time the classification is made.

(h) If the lands are located within the boundaries of an organized town or incorporated municipality, a classification or reclassification and sale must first be approved by the town board of the town or the governing body of the municipality in which the lands are located. The town board of the town or the governing body of the municipality is considered to have approved the classification or reclassification and sale if the county board is not notified of the disapproval of the classification or reclassification and sale within 60 days of the date the request for approval was transmitted to the town board of the town or governing body of the municipality. If the town board or governing body disapproves of the classification or reclassification and sale, the county board must follow the procedures in paragraphs (c) and (d), with regard to the parcel, and must additionally cause to be published in a newspaper a notice of the date, time, location, and purpose of the required meeting.

(i) If a town board or a governing body of a municipality desires to acquire any parcel lying in the town or municipality by procedures authorized in this section, it may file a written request under subdivision 1a, paragraph (a).

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 2. Minnesota Statutes 2008, section 282.01, subdivision 1a, is amended to read:

Subd. 1a. **Conveyance; generally to public entities.** (a) Upon written request from a state agency or a governmental subdivision of the state, a parcel of unsold tax-forfeited land must be withheld from sale or lease to others for a maximum of six months. The request must be submitted to the county auditor. Upon receipt, the county auditor must withhold the parcel from sale or lease to any other party for six months, and must confirm the starting date of the six-month withholding period to the requesting agency or subdivision. If the request is from a governmental subdivision of the state, the governmental subdivision must pay the maintenance costs incurred by the county during the period the parcel is withheld. The county board may approve a sale or conveyance to the requesting party during the withholding period. A conveyance of the property to the requesting party terminates the withholding period.

A governmental subdivision of the state must not make, and a county auditor must not act upon, a second request to withhold a parcel from sale or lease within 18 months of a previous request for that parcel. A county may reject a request made under this paragraph if the request is made more than 30 days after the county has given notice to the requesting state agency or governmental subdivision of the state that the county intends to sell or otherwise dispose of the property.

(b) Nonconservation tax-forfeited lands may be sold by the county board, for their market value as determined by the county board, to an organized or incorporated governmental subdivision of the state for any public purpose for which the subdivision is authorized to acquire property or. When the term "market value" is used in this section, it means an estimate of the full and actual market value of the parcel as determined by the county board, but in making this determination, the board and the persons employed by or under contract with the board in order to perform, conduct, or assist in the determination, are exempt from the licensure requirements of chapter 82B.

(c) Nonconservation tax-forfeited lands may be released from the trust in favor of the taxing districts on application of to the county board by a state agency for an authorized use at not less than their market value as determined by the county board.

(d) Nonconservation tax-forfeited lands may be sold by the county board to an organized or incorporated governmental subdivision of the state or state agency for less than their market value if:

(1) the county board determines that a sale at a reduced price is in the public interest because a reduced price is necessary to provide an incentive to correct the blighted conditions that make the lands undesirable in the open market, or the reduced price will lead to the development of affordable housing; and

(2) the governmental subdivision or state agency has documented its specific plans for correcting the blighted conditions or developing affordable housing, and the specific law or laws that empower it to acquire real property in furtherance of the plans.

If the sale under this paragraph is to a governmental subdivision of the state, the commissioner of revenue must convey the property on behalf of the state by quit claim deed. If the sale under this paragraph is to a state agency, the commissioner must issue a conveyance document that releases the property from the trust in favor of the taxing districts.

(e) Nonconservation tax-forfeited land held in trust in favor of the taxing districts may be conveyed by the commissioner of revenue ~~may convey by deed~~ in the name of the state ~~a tract of tax forfeited land held in trust in favor of the taxing districts~~ to a governmental subdivision for an authorized public use, if an application is submitted to the commissioner which includes a statement of facts as to the use to be made of the tract ~~and the need therefor~~ and the favorable recommendation of the county board. For the purposes of this paragraph, "authorized public use" means a use that allows an indefinite segment of the public to physically use and enjoy the property in numbers appropriate to its size and use, or is for a public service facility. Authorized public uses as defined in this paragraph are limited to:

(1) a road, or right-of-way for a road;

(2) a park that is both available to, and accessible by, the public that contains amenities such as campgrounds, playgrounds, athletic fields, trails, or shelters;

(3) trails for walking, bicycling, snowmobiling, or other recreational purposes, along with a reasonable amount of surrounding land maintained in its natural state;

(4) transit ways for buses or commuter trains;

(5) public beaches or boat launches;

(6) public parking;

(7) civic recreation or conference facilities; and

(8) public service facilities such as fire halls, police stations, lift stations, water towers, sanitation facilities, water treatment facilities, and administrative offices.

(f) The commissioner of revenue shall convey a parcel of nonconservation tax-forfeited land to a local governmental subdivision of the state by quit claim deed on behalf of the state upon the favorable recommendation of the county board if the governmental subdivision has certified to the board that prior to forfeiture the subdivision was entitled to the parcel under a written development agreement or instrument, but the conveyance failed to occur prior to forfeiture. No compensation or consideration is required for, and no conditions attach to, the conveyance.

(g) The commissioner of revenue shall convey a parcel of nonconservation tax-forfeited land to the association of a common interest community by quit claim deed upon the favorable recommendation of the county board if the association certifies to the board that prior to forfeiture the association was entitled to the parcel under a written agreement, but the conveyance failed to occur prior to forfeiture. No compensation or consideration is required for, and no conditions attach to, the conveyance.

(h) Conservation tax-forfeited land may be sold to a governmental subdivision of the state for less than its market value for either: (1) creation or preservation of wetlands; (2) drainage or storage of storm water under a storm water management plan; or (3) preservation, or restoration and preservation, of the land in its natural state. The deed must contain a restrictive covenant limiting the use of the land to one of these purposes for 30 years or until the property is reconveyed back to the state in trust. At any time, the governmental subdivision may reconvey the property to the state in trust for the taxing districts. The deed of reconveyance is subject to approval by the commissioner of revenue. No part of a purchase price determined under this paragraph shall be

refunded upon a reconveyance, but the amount paid for a conveyance under this paragraph may be taken into account by the county board when setting the terms of a future sale of the same property to the same governmental subdivision under paragraph (b) or (d). If the lands are unplatted and located outside of an incorporated municipality and the commissioner of natural resources determines there is a mineral use potential, the sale is subject to the approval of the commissioner of natural resources.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 3. Minnesota Statutes 2008, section 282.01, subdivision 1b, is amended to read:

Subd. 1b. **Conveyance; targeted neighborhood lands.** ~~(a)~~ Notwithstanding subdivision 1a, in the case of tax-forfeited lands located in a targeted neighborhood, ~~as defined in section 469.201, subdivision 10~~ in a city of the first class, the commissioner of revenue shall convey by quit claim deed in the name of the state any tract of tax-forfeited land held in trust in favor of the taxing districts, to a political subdivision of the state that submits an application to the commissioner of revenue and the favorable recommendation of the county board. For purposes of this subdivision, the term "targeted neighborhood" has the meaning given in section 469.201, subdivision 10, except that the land must be located within a first class city.

~~(b) The application under paragraph (a) must include a statement of facts as to the use to be made of the tract, the need therefor, and a resolution, adopted by the governing body of the political subdivision, finding that the conveyance of a tract of tax-forfeited land to the political subdivision is necessary to provide for the redevelopment of land as productive taxable property. Deeds of conveyance issued under paragraph (a) are not conditioned on continued use of the property for the use stated in the application.~~

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 4. Minnesota Statutes 2008, section 282.01, subdivision 1c, is amended to read:

Subd. 1c. **Deed of conveyance; form; approvals.** The deed of conveyance for property conveyed for a an authorized public use under the authorities in subdivision 1a, paragraph (e), must be on a form approved by the attorney general and must be conditioned on continued use for the purpose stated in the application as provided in this section. These deeds are conditional use deeds that convey a defeasible estate. Reversion of the estate occurs by operation of law and without the requirement for any affirmative act by or on behalf of the state when there is a failure to put the property to the approved authorized public use for which it was conveyed, or an abandonment of that use, except as provided in subdivision 1d.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 5. Minnesota Statutes 2008, section 282.01, subdivision 1d, is amended to read:

Subd. 1d. **Reverter for failure to use; conveyance to state.** (a) If after three years from the date of the conveyance a governmental subdivision to which tax-forfeited land has been conveyed for ~~a specified~~ an authorized public use as provided in this section subdivision 1a, paragraph (e), fails to put the land to that use, or abandons that use, the governing body of the subdivision ~~may,~~ must: (1) with the approval of the county board, purchase the property for an authorized public purpose at the present ~~appraised market value~~ as determined by the county board. ~~In that case, the commissioner of revenue shall, upon proper written application approved by the county board,~~

~~issue an appropriate deed to the subdivisions free of a use restriction and reverter. The governing body may also, or (2) authorize the proper officers to convey the land, or the part of the land not required for an authorized public use, to the state of Minnesota in trust for the taxing districts. If the governing body purchases the property under clause (1), the commissioner of revenue shall, upon property application submitted by the county auditor, convey the property on behalf of the state by quit claim deed to the subdivision free of a use restriction and the possibility of reversion or defeasement. If the governing body decides to reconvey the property to the state under clause (2), the officers shall execute a deed of conveyance immediately. The conveyance is subject to the approval of the commissioner and its form must be approved by the attorney general. A sale, lease, transfer, or other conveyance of tax forfeited lands by a housing and redevelopment authority, a port authority, an economic development authority, or a city as authorized by chapter 469 is not an abandonment of use and the lands shall not be reconveyed to the state nor shall they revert to the state. A certificate made by a housing and redevelopment authority, a port authority, an economic development authority, or a city referring to a conveyance by it and stating that the conveyance has been made as authorized by chapter 469 may be filed with the county recorder or registrar of titles, and the rights of reverter in favor of the state provided by subdivision 1e will then terminate. No vote of the people is required for the conveyance. For the purposes of this paragraph, there is no failure to put the land to the authorized public use and no abandonment of that use if a formal plan of the governmental subdivision, including, but not limited to, a comprehensive plan or land use plan that shows an intended future use of the land for the authorized public use.~~

(b) Property held by a governmental subdivision of the state under a conditional use deed executed by the commissioner of revenue after January 1, 2006, may be acquired by that governmental subdivision after 15 years from the date of the conveyance if the commissioner determines upon written application from the subdivision that the subdivision has in fact put the property to the authorized public use for which it was conveyed, and the subdivision has made a finding that it has no current plans to change the use of the lands. Prior to conveying the property, the commissioner shall inquire whether the county board where the land is located objects to a conveyance of the property to the subdivision without conditions and without further act by or obligation of the subdivision. If the county does not object within 60 days, and the commissioner makes a favorable determination, the commissioner shall issue a quit claim deed on behalf of the state unconditionally conveying the property to the governmental subdivision. For purposes of this paragraph, demonstration of an intended future use for the authorized public use in a formal plan of the governmental subdivision does not constitute use for that authorized public use.

(c) Property held by a governmental subdivision of the state under a conditional use deed executed by the commissioner of revenue before January 1, 2006, is released from the use restriction and possibility of reversion on January 1, 2021, if the county board records a document describing the land and citing this paragraph. The county board may authorize the county treasurer to deduct the amount of the recording fees from future settlements of property taxes to the subdivision.

(d) All property held by a governmental subdivision of the state under a conditional use deed executed by the commissioner of revenue is released from the use restriction and possibility of reversion on the later of: (1) January 1, 2015; (2) 40 years after the date the deed was executed; or (3) upon final resolution of an appeal to district court under subdivision 1e if the appeal was commenced prior to January 1, 2015. Upon the occurrence of clause (1), (2), or (3), the governmental subdivision may record a certificate referring to the land, the original conveyance, and to the release under this paragraph.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 6. Minnesota Statutes 2008, section 282.01, is amended by adding a subdivision to read:

Subd. 1g. **Conditional use deed fees.** (a) A governmental subdivision of the state applying for a conditional use deed under subdivision 1a, paragraph (e), must submit a fee of \$250 to the commissioner of revenue along with the application. If the application is denied, the commissioner shall refund \$150 of the application fee.

(b) The proceeds from the fees must be deposited in a Department of Revenue conditional use deed revolving fund. The sums deposited into the revolving fund are appropriated to the commissioner of revenue for the purpose of making the refunds described in this subdivision, and administering conditional use deed laws.

EFFECTIVE DATE. This section is effective for applications received by the commissioner after June 30, 2009.

Sec. 7. Minnesota Statutes 2008, section 282.01, subdivision 2, is amended to read:

Subd. 2. **Conservation lands; county board supervision.** (a) Lands classified as conservation lands, ~~unless reclassified as nonconservation lands, sold to a governmental subdivision of the state, designated as lands primarily suitable for forest production and sold as hereinafter provided, or released from the trust in favor of the taxing districts, as herein provided, will~~ must be held under the supervision of the county board of the county within which such the parcels lie and must not be conveyed or sold unless the lands are:

~~The county board may, by resolution duly adopted, declare lands classified as conservation lands as primarily suitable for timber production and as lands which should be placed in private ownership for such purposes. If such action be approved by the commissioner of natural resources, the lands so designated, or any part thereof, may be sold by the county board in the same manner as provided for the sale of lands classified as nonconservation lands. Such county action and the approval of the commissioner shall be limited to lands lying within areas zoned for restricted uses under the provisions of Laws 1939, chapter 340, or any amendments thereof.~~

- (1) reclassified as nonconservation lands;
- (2) conveyed to a governmental subdivision of the state under subdivision 1a;
- (3) released from the trust in favor of the taxing districts as provided in paragraph (b); or
- (4) conveyed or sold under the authority of another general or special law.

(b) The county board may, by resolution duly adopted, resolve that certain lands classified as conservation lands shall be devoted to conservation uses and may submit ~~such~~ a resolution to the commissioner of natural resources. If, upon investigation, the commissioner of natural resources determines that the lands covered by ~~such~~ the resolution, or any part thereof, can be managed and developed for conservation purposes, the commissioner shall make a certificate describing the lands and reciting the acceptance thereof on behalf of the state ~~for such purposes~~. The commissioner shall transmit the certificate to the county auditor, who shall note the same upon the auditor's records and record the same with the county recorder. The title to all lands so accepted shall be held by the state free from any trust in favor of any and all taxing districts and ~~such~~ the

lands shall be devoted thereafter to the purposes of forestry, water conservation, flood control, parks, game refuges, controlled game management areas, public shooting grounds, or other public recreational or conservation uses, and managed, controlled, and regulated for such purposes under the jurisdiction of the commissioner of natural resources and the divisions of the department.

(c) All proceeds derived from the sale of timber, lease of crops of hay, or other revenue from lands under the jurisdiction of the commissioner of natural resources shall be credited to the general fund of the state.

~~In case (d) If the commissioner of natural resources shall determine~~ determines that any tract of land ~~so held~~ acquired by the state under paragraph (b) and situated within or adjacent to the boundaries of any governmental subdivision of the state is suitable for use by ~~such~~ the subdivision for any authorized public purpose, the commissioner may convey ~~such~~ the tract by deed in the name of the state to ~~such~~ the subdivision upon the filing with the commissioner of a resolution adopted by a majority vote of all the members of the governing body thereof, stating the purpose for which the land is desired. The deed of conveyance shall be upon a form approved by the attorney general and must be conditioned upon continued use for the purpose stated in the resolution. ~~All proceeds derived from the sale of timber, lease of hay stumpage, or other revenue from such lands under the jurisdiction of the natural resources commissioner shall be paid into the general fund of the state.~~

(e) The county auditor, with the approval of the county board, may lease conservation lands remaining under the jurisdiction supervision of the county board and sell timber and hay stumpage thereon in the manner hereinafter provided, and all proceeds derived therefrom shall be distributed in the same manner as provided in section 282.04.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 8. Minnesota Statutes 2008, section 282.01, subdivision 3, is amended to read:

Subd. 3. **Nonconservation lands; appraisal and sale.** (a) All parcels of land classified as nonconservation, except those which may be reserved, shall be sold as provided, if it is determined, by the county board of the county in which the parcels lie, that it is advisable to do so, having in mind their accessibility, their proximity to existing public improvements, and the effect of their sale and occupancy on the public burdens. Any parcels of land proposed to be sold shall be first appraised by the county board of the county in which the parcels lie. The parcels may be reappraised whenever the county board deems it necessary to carry out the intent of sections 282.01 to 282.13.

(b) In an appraisal the value of the land and any standing timber on it shall be separately determined. No parcel of land containing any standing timber may be sold until the appraised value of the timber on it and the sale of the land have been approved by the commissioner of natural resources. The commissioner shall base review of a proposed sale on the policy and considerations specified in subdivision 1. The decision of the commissioner shall be in writing and shall state the reasons for it. The commissioner's decision is exempt from the rulemaking provisions of chapter 14 and section 14.386 does not apply. The county may appeal the decision of the commissioner in accordance with chapter 14.

(c) In any county in which a state forest or any part of it is located, the county auditor shall submit to the commissioner at least 60 days before the first publication of the list of lands to be offered for sale a list of all lands included on the list which are situated outside of any incorporated municipality. If, at any time before the opening of the sale, the commissioner notifies the county

auditor in writing that there is standing timber on any parcel of such land, the parcel shall not be sold unless the requirements of this section respecting the separate appraisal of the timber and the approval of the appraisal by the commissioner have been complied with. The commissioner may waive the requirement of the 60-day notice as to any parcel of land which has been examined and the timber value approved as required by this section.

(d) If any public improvement is made by a municipality after any parcel of land has been forfeited to the state for the nonpayment of taxes, and the improvement is assessed in whole or in part against the property benefited by it, the clerk of the municipality shall certify to the county auditor, immediately upon the determination of the assessments for the improvement, the total amount that would have been assessed against the parcel of land if it had been subject to assessment; or if the public improvement is made, petitioned for, ordered in or assessed, whether the improvement is completed in whole or in part, at any time between the appraisal and the sale of the parcel of land, the cost of the improvement shall be included as a separate item and added to the appraised value of the parcel of land at the time it is sold. No sale of a parcel of land shall discharge or free the parcel of land from lien for the special benefit conferred upon it by reason of the public improvement until the cost of it, including penalties, if any, is paid. The county board shall determine the amount, if any, by which the value of the parcel was enhanced by the improvement and include the amount as a separate item in fixing the appraised value for the purpose of sale. ~~In classifying, appraising, and selling the lands, the county board may designate the tracts as assessed and acquired, or may by resolution provide for the subdivision of the tracts into smaller units or for the grouping of several tracts into one tract when the subdivision or grouping is deemed advantageous for the purpose of sale. Each such smaller tract or larger tract must be classified and appraised as such before being offered for sale. If any such lands have once been classified, the board of county commissioners, in its discretion, may, by resolution, authorize the sale of the smaller tract or larger tract without reclassification.~~

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 9. Minnesota Statutes 2008, section 282.01, subdivision 4, is amended to read:

Subd. 4. **Sale: method, requirements, effects.** The sale authorized under subdivision 3 must be conducted by the county auditor at the county seat of the county in which the parcels lie, except that in St. Louis and Koochiching Counties, the sale may be conducted in any county facility within the county. The sale must not be for less than the appraised value except as provided in subdivision 7a. The parcels must be sold for cash only ~~and at not less than the appraised value~~, unless the county board of the county has adopted a resolution providing for their sale on terms, in which event the resolution controls with respect to the sale. When the sale is made on terms other than for cash only (1) a payment of at least ten percent of the purchase price must be made at the time of purchase, and the balance must be paid in no more than ten equal annual installments, or (2) the payments must be made in accordance with county board policy, but in no event may the board require more than 12 installments annually, and the contract term must not be for more than ten years. Standing timber or timber products must not be removed from these lands until an amount equal to the appraised value of all standing timber or timber products on the lands at the time of purchase has been paid by the purchaser. If a parcel of land bearing standing timber or timber products is sold at public auction for more than the appraised value, the amount bid in excess of the appraised value must be allocated between the land and the timber in proportion to their respective appraised values. In that case, standing timber or timber products must not be removed from the land until the amount of the

excess bid allocated to timber or timber products has been paid in addition to the appraised value of the land. The purchaser is entitled to immediate possession, subject to the provisions of any existing valid lease made in behalf of the state.

For sales occurring on or after July 1, 1982, the unpaid balance of the purchase price is subject to interest at the rate determined pursuant to section 549.09. The unpaid balance of the purchase price for sales occurring after December 31, 1990, is subject to interest at the rate determined in section 279.03, subdivision 1a. The interest rate is subject to change each year on the unpaid balance in the manner provided for rate changes in section 549.09 or 279.03, subdivision 1a, whichever, is applicable. Interest on the unpaid contract balance on sales occurring before July 1, 1982, is payable at the rate applicable to the sale at the time that the sale occurred.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 10. Minnesota Statutes 2008, section 282.01, subdivision 7, is amended to read:

Subd. 7. **County sales; notice, purchase price, disposition.** The sale must commence at the time determined by the county board of the county in which the parcels are located. The county auditor shall offer the parcels of land in order in which they appear in the notice of sale, and shall sell them to the highest bidder, but not for a sum less than the appraised value, until all of the parcels of land have been offered. Then the county auditor shall sell any remaining parcels to anyone offering to pay the appraised value, except that if the person could have repurchased a parcel of property under section 282.012 or 282.241, that person may not purchase that same parcel of property at the sale under this subdivision for a purchase price less than the sum of all taxes, assessments, penalties, interest, and costs due at the time of forfeiture computed under section 282.251, and any special assessments for improvements certified as of the date of sale. The sale must continue until all the parcels are sold or until the county board orders a reappraisal or withdraws any or all of the parcels from sale. The list of lands may be added to and the added lands may be sold at any time by publishing the descriptions and appraised values. The added lands must be: (1) parcels of land that have become forfeited and classified as nonconservation since the commencement of any prior sale; (2) parcels classified as nonconservation that have been reappraised; (3) parcels that have been reclassified as nonconservation; or (4) other parcels that are subject to sale but were omitted from the existing list for any reason. The descriptions and appraised values must be published in the same manner as provided for the publication of the original list. Parcels added to the list must first be offered for sale to the highest bidder before they are sold at appraised value. All parcels of land not offered for immediate sale, as well as parcels that are offered and not immediately sold, continue to be held in trust by the state for the taxing districts interested in each of the parcels, under the supervision of the county board. Those parcels may be used for public purposes until sold, as directed by the county board.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 11. Minnesota Statutes 2008, section 282.01, subdivision 7a, is amended to read:

Subd. 7a. **City sales; alternate procedures.** Land located in a home rule charter or statutory city, or in a town which cannot be improved because of noncompliance with local ordinances regarding minimum area, shape, frontage or access may be sold by the county auditor pursuant to this subdivision if the auditor determines that a nonpublic sale will encourage the approval of sale of the land by the city or town and promote its return to the tax rolls. If the physical characteristics of the land indicate that its highest and best use will be achieved by combining it with an adjoining

parcel and the city or town has not adopted a local ordinance governing minimum area, shape, frontage, or access, the land may also be sold pursuant to this subdivision. If the property consists of an undivided interest in land or land and improvements, the property may also be sold to the other owners under this subdivision. The sale of land pursuant to this subdivision shall be subject to any conditions imposed by the county board pursuant to section 282.03. The governing body of the city or town may recommend to the county board conditions to be imposed on the sale. The county auditor may restrict the sale to owners of lands adjoining the land to be sold. The county auditor shall conduct the sale by sealed bid or may select another means of sale. The land shall be sold to the highest bidder ~~but in no event shall the land~~ and may be sold for less than its appraised value. All owners of land adjoining the land to be sold shall be given a written notice at least 30 days prior to the sale.

This subdivision shall be liberally construed to encourage the sale and utilization of tax-forfeited land, to eliminate nuisances and dangerous conditions and to increase compliance with land use ordinances.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 12. Minnesota Statutes 2008, section 287.2205, is amended to read:

287.2205 TAX-FORFEITED LAND.

Before a state deed for tax-forfeited land may be issued, the deed tax must be paid by the purchaser of tax-forfeited land whether the purchase is the result of a public auction or private sale or a repurchase of tax-forfeited land. State agencies and local units of government that acquire tax-forfeited land by purchase or any other means are subject to this section. The deed tax is \$1.65 for a conveyance of tax-forfeited lands to a governmental subdivision for an authorized public use under section 282.01, subdivision 1a, ~~or for redevelopment purposes under section 282.01, subdivision 1b.~~

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 13. **REPEALER.**

Minnesota Statutes 2008, sections 282.01, subdivisions 9, 10, and 11; and 383A.76, are repealed.

EFFECTIVE DATE. This section is effective July 1, 2009."

Page 68, delete section 1

Page 69, delete section 2 and insert:

"Section 1. Minnesota Statutes 2008, section 270B.14, subdivision 16, is amended to read:

Subd. 16. **Disclosure to law enforcement authorities.** Under circumstances involving threat of death or physical injury to any individual, or harassment of a Department of Revenue employee, the commissioner may disclose return information to the extent necessary to apprise appropriate federal, state, or local law enforcement authorities of such circumstances. For purposes of this subdivision, "harassment" is purposeful conduct directed at an individual and causing an individual to feel frightened, threatened, oppressed, persecuted, or intimidated. For purposes of harassment, the return information that initially can be disclosed is limited to the name, address, and phone number of the harassing individual, the name of the employee being harassed, and the nature and circumstances of the harassment. Data disclosed under this subdivision are classified under section

13.82 once they are received by the law enforcement authority.

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

Sec. 2. Minnesota Statutes 2008, section 270C.12, is amended by adding a subdivision to read:

Subd. 5. **Duration.** Notwithstanding the provisions of any statutes to the contrary, including section 15.059, the coordinating committee as established by this section to oversee and coordinate preparation of the microdata samples of income tax returns and other information shall not expire.

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

Renumber the sections in sequence

Amend the title numbers accordingly

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

Senator Bakk from the Committee on Taxes, to which was re-referred

S.F. No. 1257: A bill for an act relating to public finance; providing terms and conditions relating to issuance of obligations and financing of public improvements; modifying restrictions on mail elections; amending Minnesota Statutes 2008, sections 204B.46; 360.036, subdivision 2; 366.095, subdivision 1; 373.01, subdivision 3; 373.40, subdivision 1; 373.47, subdivision 1; 375.18, subdivision 3; 383B.117, subdivision 2; 410.32; 412.301; 428A.02, subdivision 1; 428A.03, subdivision 1; 428A.08; 428A.09; 428A.10; 469.005, subdivision 1; 469.034, subdivision 2; 469.040, subdivisions 1, 2, 4; 471.191, subdivision 1; 475.67, subdivision 8; repealing Minnesota Statutes 2008, sections 428A.101; 428A.21.

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

Delete everything after the enacting clause and insert:

"Section 1. **[16A.647] TAX CREDIT AND INTEREST SUBSIDY BONDS.**

Subdivision 1. **Authority to issue.** When authorized by law to issue state general obligation bonds, the commissioner may issue all or part of the bonds as tax credit bonds or as interest subsidy bonds or a combination of the two. The provisions of section 16A.695 do not apply to bonds issued as tax credit bonds or interest subsidy bonds.

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

(b) "Tax credit bonds" means bonds, the interest on which is includable in the income of the owner of the bonds for federal income tax purposes, but for which the owner is entitled to a federal tax credit.

(c) "Interest subsidy bonds" means bonds, the interest on which is includable in the income of the owner of the bonds for federal income tax purposes, but for which the issuer is entitled to federal interest subsidy payments based on a percentage of the interest payable on the interest subsidy bonds.

Subd. 3. **Method of sale.** Notwithstanding the provisions of section 16A.641, subdivision 4, the commissioner may sell any series of tax credit bonds or interest subsidy bonds at negotiated

sale upon the terms and conditions and the restrictions the commissioner prescribes, but the commissioner may contract for investment banking and banking services only after receiving competitive proposals for the services. The commissioner may enter into all contracts deemed necessary or desirable to accomplish the sale in a cost-effective manner.

Subd. 4. **Sinking fund.** The commissioner's order authorizing the issuance of interest subsidy bonds must establish a separate sinking fund account for the interest subsidy bonds in the state bond fund. There is annually appropriated, as received, to each interest subsidy bond account, in addition to amounts appropriated under section 16A.641, the interest subsidy payments received from the federal government with respect to that issue of interest subsidy bonds in that year.

Subd. 5. **Sale.** Tax credit bonds and interest subsidy bonds must be sold at a price not less than 98 percent of their stated principal amount. No state trunk highway bond may be sold for a price of less than par and accrued interest.

Sec. 2. Minnesota Statutes 2008, section 37.31, subdivision 8, is amended to read:

Subd. 8. **Expiration.** The authority to issue bonds, other than bonds to refund outstanding bonds, under this section expires July 1, ~~2009~~ 2015.

Sec. 3. Minnesota Statutes 2008, section 126C.55, subdivision 4, is amended to read:

Subd. 4. **Pledge of district's full faith and credit.** If, at the request of a school district or intermediate school district, the state has paid part or all of the principal or interest due on a district's debt obligation on a specific date, the pledge of the full faith and credit and unlimited taxing powers of the school district or the member districts of the intermediate district to repay the principal and interest due on those debt obligations shall also, without an election or the requirement of a further authorization, become a pledge of the full faith and credit and unlimited taxing powers of the school district or the member districts of the intermediate district to repay to the state the amount paid, with interest. Amounts paid by the state must be repaid in the order in which the state payments were made. Whenever the state pays under this section interest on bonds for which the issuer is entitled to federal interest subsidy payments, the state is subrogated to the issuer's rights to any federal interest subsidy payments relating to the interest paid by the state, unless and until the state has been reimbursed by the issuer in full.

Sec. 4. Minnesota Statutes 2008, section 204B.46, is amended to read:

204B.46 MAIL ELECTIONS; QUESTIONS.

A county, municipality, or school district submitting questions to the voters at a special election may conduct an election by mail with no polling place other than the office of the auditor or clerk. ~~No more than two questions may be submitted at a mail election and no~~ offices may be voted on at a mail election. Notice of the election must be given to the county auditor at least 53 days prior to the election. This notice shall also fulfill the requirements of Minnesota Rules, part 8210.3000. The special mail ballot procedures must be posted at least six weeks prior to the election. No earlier than 20 or later than 14 days prior to the election, the auditor or clerk shall mail ballots by nonforwardable mail to all voters registered in the county, municipality, or school district. Eligible voters not registered at the time the ballots are mailed may apply for ballots pursuant to chapter 203B.

Sec. 5. Minnesota Statutes 2008, section 360.036, subdivision 2, is amended to read:

Subd. 2. **Issuance of bonds.** (a) Bonds to be issued by a municipality under sections 360.011 to 360.076, shall be authorized and issued in the manner and within the limitation prescribed by laws or the charter of the municipality for the issuance and authorization of bonds for public purposes generally, except as provided in paragraphs (b) and (c).

(b) No election is required to authorize the issuance of the bonds if:

(1) a board organized under section 360.042 recommends by a resolution adopted by a vote of not less than 60 percent of its members the issuance of bonds, and the bonds are authorized by a resolution of the governing body of each of the municipalities acting jointly pursuant to section 360.042, adopted by a vote of not less than 60 percent of its members; ~~or~~

(2) the bonds are authorized by a resolution of the governing body of the municipality, adopted by a vote of not less than 60 percent of its members; or

(3) the bonds are being issued for the purpose of financing the costs of constructing, enlarging, or improving airports and other air navigation facilities; and

(i) the governing body estimates that passenger facility charges and other revenues pledged to the payment thereof will be at least 20 percent of the debt service payable on the bonds in any year;

(ii) the project will be funded in part by a state or federal grant for airport development; and

(iii) the principal amount of the bonds issued under this clause does not exceed 25 percent of the amount of the state or federal grant.

(c) If the bonds are general obligations of the municipality, the levy of taxes required by section 475.61 to pay principal and interest on the bonds is not included in computing or applying any levy limitation applicable to the municipality.

Sec. 6. Minnesota Statutes 2008, section 366.095, subdivision 1, is amended to read:

Subdivision 1. **Certificates of indebtedness.** The town board may issue certificates of indebtedness within the debt limits for a town purpose otherwise authorized by law. The certificates shall be payable in not more than five ten years and be issued on the terms and in the manner as the board may determine. If the amount of the certificates to be issued exceeds 0.25 percent of the market value of the town, they shall not be issued for at least ten days after publication in a newspaper of general circulation in the town of the board's resolution determining to issue them. If within that time, a petition asking for an election on the proposition signed by voters equal to ten percent of the number of voters at the last regular town election is filed with the clerk, the certificates shall not be issued until their issuance has been approved by a majority of the votes cast on the question at a regular or special election. A tax levy shall be made to pay the principal and interest on the certificates as in the case of bonds.

Sec. 7. Minnesota Statutes 2008, section 373.47, subdivision 1, is amended to read:

Subdivision 1. **Authority to incur debt.** Subject to prior approval by the Statewide Radio Board under section 403.36, the governing body of a county may finance the cost of designing, constructing, and acquiring public safety communication system infrastructure and equipment for use on the statewide, shared public safety radio system by issuing:

(1) capital improvement bonds under section 373.40, as if the infrastructure and equipment

qualified as a "capital improvement" within the meaning of section 373.40, subdivision 1, paragraph (b), bonds issued under this section are exempt from and shall not be included in calculating the limitations in section 373.40, subdivision 4; and

(2) capital notes under the provisions of section 373.01, subdivision 3, as if the equipment qualified as "capital equipment" within the meaning of section 373.01, subdivision 3.

EFFECTIVE DATE. This section is effective the day following final enactment, and applies to bonds issued after May 22, 2002.

Sec. 8. Minnesota Statutes 2008, section 446A.086, is amended by adding a subdivision to read:

Subd. 12. **Federal interest subsidy payments.** Whenever the state pays under this section interest on bonds for which the issuer is entitled to federal interest subsidy payments, the state is subrogated to the issuer's rights to any federal interest subsidy payments relating to the interest paid by the state, unless and until the state has been reimbursed by the issuer in full.

Sec. 9. Minnesota Statutes 2008, section 469.005, subdivision 1, is amended to read:

Subdivision 1. **County and multicounty authorities.** The area of operation of a county authority shall include all of the county for which it is created, and in case of a multicounty authority, it shall include all of the political subdivisions for which the multicounty authority is created; provided, that a county authority or a multicounty authority shall not undertake any project within the boundaries of any city which has not empowered the authority to function therein as provided in section 469.004 unless a resolution has been adopted by the governing body of the city, ~~and by any authority which has been established in the city,~~ declaring that there is a need for the county or multicounty authority to exercise its powers in the city. A resolution is not required for the operation of a Section 8 program or a public housing scattered site project.

Sec. 10. Minnesota Statutes 2008, section 469.015, subdivision 1, is amended to read:

Subdivision 1. **Bids; notice.** All construction work, and work of demolition or clearing, and every purchase of equipment, supplies, or materials, necessary in carrying out the purposes of sections 469.001 to 469.047, ~~that involve expenditure of \$50,000 or more~~ shall be awarded by contract as provided in section 471.345. Before receiving bids under section 471.345, subdivision 3, the authority shall publish, once a week for two consecutive weeks in an official newspaper of general circulation in the community a notice that bids will be received for that construction work, or that purchase of equipment, supplies, or materials. The notice shall state the nature of the work and the terms and conditions upon which the contract is to be let, naming a time and place where bids will be received, opened and read publicly, which time shall be not less than seven days after the date of the last publication. After the bids have been received, opened and read publicly and recorded, the authority shall award the contract to the lowest responsible bidder, provided that the authority reserves the right to reject any or all bids. Each contract shall be executed in writing, and the person to whom the contract is awarded shall give sufficient bond to the authority for its faithful performance. If no satisfactory bid is received, the authority may readvertise. The authority may establish reasonable qualifications to determine the fitness and responsibility of bidders and to require bidders to meet the qualifications before bids are accepted.

Sec. 11. Minnesota Statutes 2008, section 469.015, subdivision 2, is amended to read:

Subd. 2. **Exception; emergency.** If the authority by a vote of four-fifths of its members shall

declare that an emergency exists requiring the immediate purchase of any equipment or material or supplies at a cost in excess of \$50,000 ~~but not exceeding \$75,000~~ the amount provided in section 471.345, or making of emergency repairs, it shall not be necessary to advertise for bids, but the material, equipment, or supplies may be purchased in the open market at the lowest price obtainable, or the emergency repairs may be contracted for or performed without securing formal competitive bids. An emergency, for purposes of this subdivision, shall be understood to be unforeseen circumstances or conditions which result in the placing in jeopardy of human life or property.

Sec. 12. Minnesota Statutes 2008, section 469.015, subdivision 3, is amended to read:

Subd. 3. **Performance and payment bonds.** Performance and payment bonds shall be required from contractors for any works of construction as provided in and subject to all the provisions of sections 574.26 to 574.31 ~~except for contracts entered into by an authority for an expenditure of less than \$50,000.~~

Sec. 13. Minnesota Statutes 2008, section 469.034, subdivision 2, is amended to read:

Subd. 2. **General obligation revenue bonds.** (a) An authority may pledge the general obligation of the general jurisdiction governmental unit as additional security for bonds payable from income or revenues of the project or the authority. The authority must find that the pledged revenues will equal or exceed 110 percent of the principal and interest due on the bonds for each year. The proceeds of the bonds must be used for a qualified housing development project or projects. The obligations must be issued and sold in the manner and following the procedures provided by chapter 475, except the obligations are not subject to approval by the electors, and the maturities may extend to not more than 35 years for obligations sold to finance housing for the elderly and 40 years for other obligations issued under this subdivision. The authority is the municipality for purposes of chapter 475.

(b) The principal amount of the issue must be approved by the governing body of the general jurisdiction governmental unit whose general obligation is pledged. Public hearings must be held on issuance of the obligations by both the authority and the general jurisdiction governmental unit. The hearings must be held at least 15 days, but not more than 120 days, before the sale of the obligations.

(c) The maximum amount of general obligation bonds that may be issued and outstanding under this section equals the greater of (1) one-half of one percent of the taxable market value of the general jurisdiction governmental unit whose general obligation is pledged, or (2) \$3,000,000. In the case of county or multicounty general obligation bonds, the outstanding general obligation bonds of all cities in the county or counties issued under this subdivision must be added in calculating the limit under clause (1).

(d) "General jurisdiction governmental unit" means the city in which the housing development project is located. In the case of a county or multicounty authority, the county or counties may act as the general jurisdiction governmental unit. In the case of a multicounty authority, the pledge of the general obligation is a pledge of a tax on the taxable property in each of the counties.

(e) "Qualified housing development project" means a housing development project providing housing either for the elderly or for individuals and families with incomes not greater than 80 percent of the median family income as estimated by the United States Department of Housing and Urban Development for the standard metropolitan statistical area or the nonmetropolitan county in which the project is located. The project must be owned for the term of the bonds either by the authority

or by a limited partnership or other entity in which the authority or another entity under the sole control of the authority is the sole general partner and the partnership or other entity must receive (1) an allocation from the Department of Finance or an entitlement issuer of tax-exempt bonding authority for the project and a preliminary determination by the Minnesota Housing Finance Agency or the applicable suballocator of tax credits that the project will qualify for four percent low-income housing tax credits or (2) a reservation of nine percent low-income housing tax credits from the Minnesota Housing Finance Agency or a suballocator of tax credits for the project. A qualified housing development project may admit nonelderly individuals and families with higher incomes if:

(1) three years have passed since initial occupancy;

(2) the authority finds the project is experiencing unanticipated vacancies resulting in insufficient revenues, because of changes in population or other unforeseen circumstances that occurred after the initial finding of adequate revenues; and

(3) the authority finds a tax levy or payment from general assets of the general jurisdiction governmental unit will be necessary to pay debt service on the bonds if higher income individuals or families are not admitted.

(f) The authority may issue bonds to refund bonds issued under this subdivision in accordance with section 475.67. The finding of the adequacy of pledged revenues required by paragraph (a) and the public hearing required by paragraph (b) shall not apply to the issuance of refunding bonds. This paragraph applies to refunding bonds issued on and after July 1, 1992.

Sec. 14. Minnesota Statutes 2008, section 469.040, subdivision 2, is amended to read:

Subd. 2. **Leased property, exception.** Notwithstanding the provisions of subdivision 1, any property other than property to be operated as a parking facility that the authority leases to private individuals or corporations for development in connection with a redevelopment project shall have the same tax status as if the leased property were owned by the private individuals or corporations. This subdivision does not apply to leases by the authority to individuals or families for residential use.

EFFECTIVE DATE. This section applies to housing projects and housing development projects constructed or acquired by an authority after July 1, 1987, for property taxes payable in 2010 and thereafter.

Sec. 15. Minnesota Statutes 2008, section 469.040, subdivision 4, is amended to read:

Subd. 4. **Facilities funded from multiple sources.** In the metropolitan area, as defined in section 473.121, subdivision 2, the tax treatment provided in subdivision 3 applies to that portion of any multifamily rental housing facility represented by the ratio of (1) the number of units in the facility that are ~~subject to the requirements of~~ constructed with funds provided under Section 5 of the United States Housing Act of 1937, and are receiving operating subsidy under Section 5 or rental assistance under Section 8 of the United States Housing Act of 1937 as the result of the implementation of a federal court order or consent decree to (2) the total number of units within the facility.

The housing and redevelopment authority for the city in which the facility is located, any public entity exercising the powers of such housing and redevelopment authority, or the county housing and redevelopment authority for the county in which the facility is located, shall annually certify to the

assessor responsible for assessing the facility, at the time and in the manner required by the assessor, the number of units in the facility that are ~~subject to the requirements of~~ constructed with funds provided under Section 5 of the United States Housing Act of 1937, and are receiving operating subsidy under Section 5 or rental assistance under Section 8 of the United States Housing Act of 1937.

Nothing in this subdivision shall prevent that portion of the facility not subject to this subdivision from meeting the requirements of section 273.128, and for that purpose the total number of units in the facility must be taken into account.

Sec. 16. Minnesota Statutes 2008, section 469.153, subdivision 2, is amended to read:

Subd. 2. **Project.** (a) "Project" means (1) any properties, real or personal, used or useful in connection with a revenue producing enterprise, or any combination of two or more such enterprises engaged or to be engaged in generating, transmitting, or distributing electricity, assembling, fabricating, manufacturing, mixing, processing, storing, warehousing, or distributing any products of agriculture, forestry, mining, or manufacture, or in research and development activity in this field, or in the manufacturing, creation, or production of intangible property, including any patent, copyright, formula, process, design, know how, format, or other similar item; (2) any properties, real or personal, used or useful in the abatement or control of noise, air, or water pollution, or in the disposal of solid wastes, in connection with a revenue producing enterprise, or any combination of two or more such enterprises engaged or to be engaged in any business or industry; (3) any properties, real or personal, used or useful in connection with the business of telephonic communications, conducted or to be conducted by a telephone company, including toll lines, poles, cables, switching, and other electronic equipment and administrative, data processing, garage, and research and development facilities; (4) any properties, real or personal, used or useful in connection with a district heating system, consisting of the use of one or more energy conversion facilities to produce hot water or steam for distribution to homes and businesses, including cogeneration facilities, distribution lines, service facilities, and retrofit facilities for modifying the user's heating or water system to use the heat energy converted from the steam or hot water.

(b) "Project" also includes any properties, real or personal, used or useful in connection with a revenue producing enterprise, or any combination of two or more such enterprises engaged in any business.

(c) "Project" also includes any properties, real or personal, used or useful for the promotion of tourism in the state. Properties may include hotels, motels, lodges, resorts, recreational facilities of the type that may be acquired under section 471.191, and related facilities.

(d) "Project" also includes any properties, real or personal, used or useful in connection with a revenue producing enterprise, whether or not operated for profit, engaged in providing health care services, including hospitals, nursing homes, and related medical facilities.

(e) "Project" does not include any property to be sold or to be affixed to or consumed in the production of property for sale, and does not include any housing facility to be rented or used as a permanent residence.

(f) "Project" also means the activities of any revenue producing enterprise involving the construction, fabrication, sale, or leasing of equipment or products to be used in gathering, processing, generating, transmitting, or distributing solar, wind, geothermal, biomass, agricultural

or forestry energy crops, or other alternative energy sources for use by any person or any residential, commercial, industrial, or governmental entity in heating, cooling, or otherwise providing energy for a facility owned or operated by that person or entity.

(g) "Project" also includes any properties, real or personal, used or useful in connection with a county jail, county regional jail, community corrections facilities authorized by chapter 401, or other law enforcement facilities, the plans for which are approved by the commissioner of corrections; provided that the provisions of section 469.155, subdivisions 7 and 13, do not apply to those projects.

(h) "Project" also includes any real properties used or useful in furtherance of the purpose and policy of section 469.141.

(i) "Project" also includes related facilities as defined by section 471A.02, subdivision 11.

(j) "Project" also includes an undertaking to purchase the obligations of local governments located in whole or in part within the boundaries of the municipality that are issued or to be issued for public purposes.

Sec. 17. Minnesota Statutes 2008, section 471.191, subdivision 1, is amended to read:

Subdivision 1. **Lease to nonprofit.** Any city operating a program of public recreation and playgrounds pursuant to sections 471.15 to 471.19 may acquire or lease, equip, and maintain land, buildings, and other recreational facilities, including, but without limitation, outdoor or indoor swimming pools, skating rinks and arenas, athletic fields, golf courses, marinas, concert halls, museums, and facilities for other kinds of athletic or cultural participation, contests, conventions, conferences, and exhibitions, together with related automobile parking facilities as defined in section 459.14, and may expend funds for the operation of such program and borrow and expend funds for capital costs thereof pursuant to the provisions of this section. A school district operating a program of public recreation and playgrounds has the rights provided in this section. Any facilities to be operated by a nonprofit corporation, as contemplated in section 471.16, may be leased to the corporation upon such rentals and for such term, not exceeding 30 years, and subject to such other provisions as may be agreed; including but not limited to provisions (a) permitting the lessee, subject to whatever conditions are stated, to provide for the construction and equipment of the facilities by any means available to it and in the manner determined by it, without advertisement for bids as required for other municipal facilities, and (b) granting the lessee the option to renew the lease upon such conditions and rentals, or to purchase the facilities at such price, as may be agreed; provided that (c) any such lease shall require the lessee to pay net rentals sufficient to pay the principal, interest, redemption premiums, and other expenses when due with respect to all city bonds issued for the acquisition or betterment of the facilities, less such amount of taxes and special assessments, if any, as may become payable in any year of the term of the lease, on the land, building, or other facilities leased, and (d) no option shall be granted to purchase the facilities at any time at a price less than the amount required to pay all principal and interest to become due on such bonds to the earliest date or dates on which they may be paid and redeemed, and all redemption premiums and other expenses of such payment and redemption.

Sec. 18. Minnesota Statutes 2008, section 474A.02, subdivision 2, is amended to read:

Subd. 2. **Annual volume cap.** "Annual volume cap" means the aggregate dollar amount of obligations constituting "private activity bonds" under federal tax law and bearing interest excluded from gross income for purposes of federal income taxation which, under the provisions of federal

tax law, may be issued in one year by issuers. Employees of the department shall handle the volume cap allocations for obligations permitted under the federal American Recovery and Reinvestment Act of 2009, whether taxable or tax-exempt, in accordance with orders of the commissioner.

Sec. 19. Minnesota Statutes 2008, section 474A.02, subdivision 14, is amended to read:

Subd. 14. **Manufacturing project.** "Manufacturing project" means any facility which is used in the manufacturing or production of tangible personal property, including the processing resulting in a change in the condition of the property, or in the manufacturing, creation, or production of intangible property, including any patent, copyright, formula, process, design, know how, format, or other similar item.

Sec. 20. Minnesota Statutes 2008, section 475.67, subdivision 8, is amended to read:

Subd. 8. **Escrow account securities.** Securities purchased for the escrow account shall be limited to:

(a) general obligations of the United States, securities whose principal and interest payments are guaranteed by the United States, and securities issued by the following agencies of the United States: Banks for Cooperatives, Federal Home Loan Banks, Federal Intermediate Credit Banks, Federal Land Banks, and the Federal National Mortgage Association; or

(b) obligations issued or guaranteed by any state or any political subdivision of a state, which at the date of purchase are rated in the highest or the next highest rating given category by Standard and Poor's Corporation, Moody's Investors Service, or a similar nationally recognized rating agency, but not less than the rating on the refunded bonds immediately prior to the refunding.

"Rating category," as used in this subdivision, means a generic securities rating category, without regard in the case of a long-term rating category to any refinement or gradation of such long-term rating category by a numerical modifier or otherwise.

Sec. 21. Laws 1971, chapter 773, section 4, as amended by Laws 1976, chapter 234, section 2, is amended to read:

Sec. 4. No proceeds of any bonds issued pursuant to section 1 hereof shall be expended for the construction or equipment of any portion of the St. Paul auditorium or civic center connected thereto; nor shall any proceeds be expended for the acquisition or betterment of the building known as the Lowry Medical Arts Annex. All bonds issued under this act shall mature at any time or times within ten or, for bonds for public buildings or parking structures, 30 years from the date of issue.

EFFECTIVE DATE. This section is effective the day after the city council and the chief clerical officer of the city of St. Paul have timely completed their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 22. Laws 2008, chapter 366, article 7, section 18, subdivision 3, is amended to read:

Subd. 3. **Bonding authority.** Cook County may issue bonds under Minnesota Statutes, chapter 475, to pay capital and administrative expenses for the projects authorized in subdivision 2, in an amount that does not exceed \$14,000,000 \$20,000,000. An election to approve the bonds under Minnesota Statutes, section 475.58, is not required. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61. The debt represented by the bonds is

not included in computing any debt limitation applicable to the county, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest on the bonds is not subject to any levy limitation.

EFFECTIVE DATE. This section is effective the day after the governing body of Cook County and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 23. **ST. PAUL PORT AUTHORITY CREDIT.**

Notwithstanding Minnesota Statutes, section 474A.061, subdivision 4, the commissioner of finance shall apply the \$31,800 deposit paid in 2008 for a proposed issue of \$1,590,000 in tax exempt bonds by the St. Paul Port Authority for District Cooling St. Paul, Inc. to an application for an allocation of tax exempt bonds by the St. Paul Port Authority for the same project.

EFFECTIVE DATE. This section is effective the day following final enactment and expires January 1, 2011.

Sec. 24. **REPEALER; CITY OF MINNEAPOLIS.**

Laws 1959, chapter 577, sections 1, 2, 3, and 4, are repealed.

EFFECTIVE DATE. Pursuant to Minnesota Statutes, section 645.023, subdivision 1, clause (b), this section is effective without local approval the day following final enactment.

Sec. 25. **EFFECTIVE DATE.**

Except where provided otherwise, this act is effective the day following final enactment."

Amend the title as follows:

Page 1, line 4, after "elections;" insert "providing for the application of a deposit by the city of St. Paul; increasing Cook County bonding authorization; eliminating a restriction on the city of Minneapolis;"

Amend the title numbers accordingly

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

Senator Pogemiller from the Committee on Rules and Administration, to which was re-referred

S.F. No. 1708: A resolution memorializing the members of the Minnesota Congressional delegation to sponsor and support the Main Street Fairness Act.

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

Senator Pogemiller from the Committee on Rules and Administration, to which was re-referred

S.F. No. 986: A bill for an act relating to health and human services; relieving counties of certain mandates; modifying county payment of funeral expenses; modifying provisions related to children's therapeutic services and supports; modifying certain nursing facility rules; providing

an alternative licensing method for day training and habilitation services; accepting certain independent audits; modifying health care program information that a school district or charter school must provide; amending Minnesota Statutes 2008, sections 62Q.37, subdivision 3; 144A.04, subdivision 11, by adding a subdivision; 144A.43, by adding a subdivision; 144A.45, subdivision 1, by adding a subdivision; 157.22; 245.4871, subdivision 10; 245.4885, subdivision 1a; 256.935; 256.962, subdivision 6; 256B.0943, subdivisions 4, 6, 9; 256F.13, subdivision 1; 260C.212, subdivisions 4a, 11; 261.035; 471.61, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 245B.

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

Senator Pogemiller from the Committee on Rules and Administration, to which was re-referred

S.F. No. 1778: A resolution memorializing the Congress of the United States to oppose enactment of legislation of the substance and tenor of S. 40/H.R. 3200 – the National Insurance Act of 2007 – proposed optional federal charter legislation.

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

Page 2, line 30, delete "\$348" and insert "\$346"

Page 3, line 1, before "state" insert "over \$10 million in"

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

Senator Pogemiller from the Committee on Rules and Administration, to which was re-referred

S.F. No. 358: A resolution memorializing the Congress of the United States not to reauthorize the No Child Left Behind Act in its current form.

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

Senator Pogemiller from the Committee on Rules and Administration, to which was re-referred

H.F. No. 928: A bill for an act relating to transportation; including pedestrian and bicycle components in bridge improvement program; removing sunset of corporate deputy registrars; authorizing deputy registrars to collect surcharges on credit card transactions; amending eligibility for impounded vehicle contents retrieval; removing four-hour towing waiting period; imposing petty misdemeanor for blocking intersection; allowing certain GPS and safety-tracking devices on windshields; providing for enhanced driver's license; modifying driving after suspension provisions; expanding DWI ignition interlock device pilot program; modifying transportation department goals; requiring feasibility study of transit service in Little Crow and Sioux Trail transit ways; establishing council on transportation access; identifying commissioner of transportation duties for passenger rail; adding members to commuter rail corridor coordinating committee; requiring commissioner to apply for railroad safety technology grants; regulating motor carriers of railroad employees; authorizing governor to adjust fuel content requirement for metro transit

buses in cold weather; requiring commissioner of transportation to submit certain environmental impact statements; prohibiting imposition of seasonal load restrictions; requiring feasibility study of commuter rail in Sioux Trail Line; directing commissioner of transportation to study mandatory 24-hour vehicle lighting; requiring report; authorizing rulemaking; amending Minnesota Statutes 2008, sections 161.14, by adding a subdivision; 165.14, subdivisions 4, 5; 168.33, subdivisions 2, 7; 168B.06, subdivision 1; 168B.07, subdivision 3; 169.041, subdivision 5; 169.13, by adding a subdivision; 169.15; 169.71, subdivision 1; 169A.275, subdivision 7; 171.01, by adding subdivisions; 171.04, by adding a subdivision; 171.06, subdivisions 1, 2, 3, 6; 171.07, subdivision 3, by adding subdivisions; 171.071, by adding a subdivision; 171.18, subdivision 1; 171.24, by adding a subdivision; 171.306, subdivisions 1, 3; 174.01, subdivisions 1, 2; 174.02, subdivision 1a; 174.03, subdivision 1b; 174.86, subdivision 5; 219.01; 221.012, subdivision 38, by adding a subdivision; 239.77, by adding a subdivision; 514.18, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapters 174; 221; repealing Minnesota Statutes 2008, sections 13.721, subdivision 4; 169.041, subdivisions 3, 4; 221.0355, subdivisions 1, 2, 3, 4, 5, 6, 7, 7a, 8, 9, 10, 11, 12, 13, 14, 16, 17, 18.

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

Page 23, delete lines 5 and 6 and insert:

"(1) two members of the senate appointed by the Subcommittee on Committees of the Committee on Rules and Administration, one of whom must be a member of the minority;"

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

SECOND READING OF SENATE BILLS

S.F. Nos. 2078, 681, 1257, 1708, 986, 1778 and 358 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 928 was read the second time.

MEMBERS EXCUSED

Senator Hann was excused from the Session of today. Senator Rest was excused from the Session of today from 12:00 noon to 12:30 p.m. and at 1:20 p.m. Senator Anderson was excused from the Session of today from 12:00 noon to 12:45 p.m. Senator Bakk was excused from the Session of today from 12:00 noon to 12:50 p.m. Senator Murphy was excused from the Session of today from 12:30 to 12:50 p.m. Senator Torres Ray was excused from the Session of today from 12:30 to 1:15 p.m. Senator Stumpf was excused from the Session of today at 1:20 p.m.

ADJOURNMENT

Senator Pogemiller moved that the Senate do now adjourn until 12:00 noon, Thursday, May 7, 2009. The motion prevailed.

Peter S. Wattson, Secretary of the Senate (Legislative)

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