

## EIGHTY-SIXTH DAY

St. Paul, Minnesota, Wednesday, April 9, 2014

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

**CALL OF THE SENATE**

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

Prayer was offered by the Chaplain, Rev. Richard Buller.

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

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

Anderson	Eaton	Johnson	Osmek	Sieben
Bakk	Eken	Kent	Pappas	Skoe
Benson	Fischbach	Kiffmeyer	Pederson, J.	Sparks
Bonoff	Franzen	Koenen	Petersen, B.	Thompson
Brown	Gazelka	Latz	Pratt	Tomassoni
Carlson	Goodwin	Limmer	Reinert	Torres Ray
Chamberlain	Hall	Lourey	Rest	Weber
Champion	Hann	Marty	Rosen	Westrom
Clausen	Hawj	Metzen	Ruud	Wiger
Cohen	Hayden	Miller	Saxhaug	Wicklund
Dahle	Hoffman	Nelson	Scalze	
Dahms	Housley	Newman	Schmit	
Dibble	Ingebrigtsen	Nienow	Senjem	
Dziedzic	Jensen	Ortman	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.

March 19, 2014

The Honorable Sandra L. Pappas  
President of the Senate

Dear Senator Pappas:

The following appointments are hereby respectfully submitted to the Senate for confirmation as required by law:

#### BOARD OF THE ARTS

Peggy Burnet, 1545 Hunter Dr., Wayzata, in the county of Hennepin, effective March 24, 2014, for a term expiring on January 1, 2018.

Jan Sivertson, P.O. Box 526, Grand Marais, in the county of Cook, effective March 24, 2014, for a term expiring on January 1, 2018.

(Referred to the Committee on State and Local Government.)

Sincerely,  
Mark Dayton, Governor

#### MESSAGES FROM THE HOUSE

Madam President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 2569.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned April 8, 2014

Madam President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 2746, 2840, 2953, 2576, 2733 and 3017.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted April 8, 2014

#### FIRST READING OF HOUSE BILLS

The following bills were read the first time.

**H.F. No. 2746:** A bill for an act relating to agriculture; removing obsolete, redundant, and unnecessary laws administered by the Department of Agriculture; amending Minnesota Statutes 2012, sections 17.03, subdivision 1; 17.101, subdivision 5; 28A.05; 28A.08, subdivision 3; 32.645, subdivision 1; 609B.105; Minnesota Statutes 2013 Supplement, section 28A.0752, subdivision 1; repealing Minnesota Statutes 2012, sections 17.03, subdivision 2; 17.038; 17.045; 17.1161; 17.138; 17.14, subdivisions 1, 3, 4; 17.15; 17.16; 17.17; 17.18; 17.181; 17.19; 17.42; 17.43; 17.44; 17.452, subdivisions 1, 2; 18.011; 18.62; 18.63; 18.64; 18.65; 18.66; 18.67; 18.68; 18.69; 18.70; 18.71; 30.003; 30.01, subdivisions 1, 6; 30.099; 30.10; 30.102; 30.103; 30.104; 30.15; 30.151; 30.152; 30.16; 30.161; 30.17; 30.19; 30.20; 30.201; 30.55; 30.56; 30.57; 30.58; 30.59; 32.104; 32.411, subdivisions 1, 2, 3, 4, 5; 32.417; 32.57; 32.59.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2618, now on General Orders.

**H.F. No. 2840:** A bill for an act relating to local government; authorizing District One Hospital to sell real and personal property; providing for dissolution of a hospital district; repealing Laws 1961, chapter 372, sections 1; 2; Laws 1963, chapter 118, sections 1, as amended; 2, as amended; 3; 4, as amended; 5; 6, as amended; 7; 8; 9; 10; Laws 1996, chapter 471, article 8, sections 19; 20; 21; 22.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2399, now on General Orders.

**H.F. No. 2953:** A bill for an act relating to corrections; eliminating the requirement of contiguous counties from qualifications for a grant for the delivery of correctional services; amending Minnesota Statutes 2012, section 401.02, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2592, now on General Orders.

**H.F. No. 2576:** A bill for an act relating to criminal justice; modifying provisions governing expungement of criminal records; requiring business screening services to delete expunged records; allowing expungement of eviction records in certain cases; appropriating money; amending Minnesota Statutes 2012, sections 245C.22, subdivision 7; 245C.23, subdivision 1; 260B.198, subdivision 6; 332.70, by adding a subdivision; 504B.345, subdivision 1; 609A.02, subdivision 3; 609A.03, subdivisions 1, 5, 7, 8, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 609A.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2214, now on General Orders.

**H.F. No. 2733:** A bill for an act relating to natural resources; modifying all-terrain vehicle and off-highway motorcycle provisions; providing for certain regulatory efficiencies; modifying invasive species provisions; modifying definition of snowmobile; prohibiting tampering with off-road recreational vehicle odometers; modifying use of forest trails; modifying outdoor recreation system provisions; modifying Water Law; modifying forestry provisions; modifying provision related to environmental impact statements; amending Minnesota Statutes 2012, sections 17.4982, subdivision 18a; 84.027, subdivisions 13a, 14a; 84.0857; 84.791, subdivision 4; 84.81, subdivision 3; 84.92, subdivisions 8, 9, 10; 84.925, subdivision 3; 84.926, subdivision 4; 84D.01, subdivisions 8, 8b, 13, 15, 17, 18; 84D.03, as amended; 84D.06; 84D.10, subdivision 3; 84D.11, subdivision 2a; 84D.12; 84D.13, subdivision 5; 86A.09; 86A.11; 89A.02; 89A.03, subdivisions 1, 6; 89A.04; 89A.05, subdivisions 1, 3; 89A.06, subdivisions 1, 2, 4; 89A.07; 89A.08, subdivisions 1, 2, 3; 89A.09; 89A.10; 89A.11; 97C.821; 103E.065; 103F.121, subdivisions 2, 5; 103F.165, subdivision 3; 103G.245, subdivision 2; 103G.287, subdivision 2; 103G.305, subdivision 1; 103G.615, subdivision 3a; 116D.04, subdivision 2a; 325E.13, by adding a subdivision; 325E.14, subdivisions 1, 3, 4, 6; Minnesota Statutes 2013 Supplement, sections 84.027, subdivision 13; 84.9256, subdivision 1; 84D.10, subdivision 4; 84D.105, subdivision 2; 103C.311, subdivision 2; 103G.287, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 89A; repealing Minnesota Statutes 2012, sections 84.521; 89.01, subdivision 7; 89A.05, subdivisions 2a, 4; 89A.06, subdivision 2a; 103F.121, subdivisions 3, 4; 103F.165, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2191, now on General Orders.

**H.F. No. 3017:** A bill for an act relating to public safety; amending and repealing outdated and redundant statutes; modifying provisions related to the Violent Crime Coordinating Council; providing grants for support services to victims of sexual assault and victims of crime; requiring a report on collection of data on victims of domestic abuse; amending Minnesota Statutes 2012, sections 13.823; 15.0591, subdivision 2; 299A.642, subdivisions 1, 3; 299C.05; 299C.111; 403.025, subdivision 7; 403.05, subdivision 1; 403.08, subdivision 10; 518B.01, subdivision 21; 611A.0311, subdivision 2; 611A.37, subdivision 5; 611A.76; 629.342, subdivision 2; Minnesota Statutes 2013 Supplement, sections 13.82, subdivision 5; 403.11, subdivision 1; 611A.02, subdivisions 2, 3; proposing coding for new law in Minnesota Statutes, chapter 611A; repealing Minnesota Statutes 2012, sections 237.83, subdivision 4; 299A.63; 299C.01, subdivision 1; 299C.04; 299C.145, subdivision 4; 299C.19; 299C.20; 299C.215; 299C.30; 299C.31; 299C.32; 299C.33; 299C.34; 299C.49; 299F.01, subdivision 1; 299F.04, subdivision 3a; 299F.37; 403.02, subdivision 15; 611A.02, subdivision 1; 611A.0311, subdivision 3; 611A.21; 611A.22; 611A.221; 611A.36; 611A.41; 611A.43; 611A.78.

Referred to the Committee on Finance.

### REPORTS OF COMMITTEES

Senator Bakk moved that the Committee Reports at the Desk be now adopted, with the exception of the reports pertaining to appointments. The motion prevailed.

#### **Senator Bakk, from the Committee on Rules and Administration, to which was referred**

**H.F. No. 2318** 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.
2318	1924				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 2318 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2318, the first engrossment; and insert the language after the enacting clause of S.F. No. 1924, the first engrossment; further, delete the title of H.F. No. 2318, the first engrossment; and insert the title of S.F. No. 1924, the first engrossment.

And when so amended H.F. No. 2318 will be identical to S.F. No. 1924, and further recommends that H.F. No. 2318 be given its second reading and substituted for S.F. No. 1924, 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 Bakk, from the Committee on Rules and Administration, to which was referred**

**H.F. No. 2276** 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.
2276	2277				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 2276 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2276, the first engrossment; and insert the language after the enacting clause of S.F. No. 2277, the first engrossment; further, delete the title of H.F. No. 2276, the first engrossment; and insert the title of S.F. No. 2277, the first engrossment.

And when so amended H.F. No. 2276 will be identical to S.F. No. 2277, and further recommends that H.F. No. 2276 be given its second reading and substituted for S.F. No. 2277, 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 Bakk, from the Committee on Rules and Administration, to which was referred**

**H.F. No. 3072** 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.
3072	2613				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 3072 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 3072, the first engrossment; and insert the language after the enacting clause of S.F. No. 2613; further, delete the title of H.F. No. 3072, the first engrossment; and insert the title of S.F. No. 2613.

And when so amended H.F. No. 3072 will be identical to S.F. No. 2613, and further recommends that H.F. No. 3072 be given its second reading and substituted for S.F. No. 2613, 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 Bakk, from the Committee on Rules and Administration, to which was referred**

**H.F. No. 2948** 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.
2948	2617				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 2948 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2948, the second engrossment; and insert the language after the enacting clause of S.F. No. 2617, the first engrossment; further, delete the title of H.F. No. 2948, the second engrossment; and insert the title of S.F. No. 2617, the first engrossment.

And when so amended H.F. No. 2948 will be identical to S.F. No. 2617, and further recommends that H.F. No. 2948 be given its second reading and substituted for S.F. No. 2617, 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 Bakk, from the Committee on Rules and Administration, to which was referred**

**H.F. No. 2937** for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2937	2654				

and that the above Senate File be indefinitely postponed.

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

**Senator Bakk, from the Committee on Rules and Administration, to which was referred**

**H.F. No. 2659** for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2659	2110				

and that the above Senate File be indefinitely postponed.

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

**Senator Bakk, from the Committee on Rules and Administration, to which was referred**

**H.F. No. 2090** for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2090	1757				

and that the above Senate File be indefinitely postponed.

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

**Senator Marty from the Committee on Environment and Energy, to which were referred the following appointments:**

MINNESOTA POLLUTION CONTROL AGENCY  
Pakou Hang  
David Ybarra II

Reports the same back with the recommendation that the appointments be confirmed.

Senator Bakk moved that the foregoing committee report be laid on the table. The motion prevailed.

**Senator Marty from the Committee on Environment and Energy, to which was referred the following appointment:**

MINNESOTA ENVIRONMENTAL QUALITY BOARD  
Erik Tomlinson

Reports the same back with the recommendation that the appointment be confirmed.

Senator Bakk moved that the foregoing committee report be laid on the table. The motion prevailed.

**Senator Marty from the Committee on Environment and Energy, to which was referred the following appointment:**

PUBLIC UTILITIES COMMISSION  
Dan Lipschultz

Reports the same back with the recommendation that the appointment be confirmed.

Senator Bakk moved that the foregoing committee report be laid on the table. The motion prevailed.

**SECOND READING OF HOUSE BILLS**

H.F. Nos. 2318, 2276, 3072, 2948, 2937, 2659 and 2090 were read the second time.

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

The following bill was read the first time.

**Senator Ruud introduced—**

**S.F. No. 2963:** A bill for an act relating to natural resources; applying open meeting law to certain treaty-related meetings; requiring aquatic invasive species report; proposing coding for new law in Minnesota Statutes, chapter 97A.

Referred to the Committee on Environment and Energy.

**MOTIONS AND RESOLUTIONS**

Senator Eken moved that his name be stricken as a co-author to S.F. No. 1915. The motion prevailed.

Senator Sieben moved that the name of Senator Rest be added as a co-author to S.F. No. 1915. The motion prevailed.

Senator Petersen, B. moved that the name of Senator Johnson be added as a co-author to S.F. No. 2474. The motion prevailed.

**RECESS**

Senator Bakk 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.

**CALL OF THE SENATE**

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

**SPECIAL ORDERS**

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

S.F. Nos. 2066, 1732 and H.F. No. 2091.

**SPECIAL ORDER**

**S.F. No. 2066:** A bill for an act relating to state government; creating a Legislative Commission on Data Practices and Personal Data Privacy; proposing coding for new law in Minnesota Statutes, chapter 3.

Senator Dibble moved to amend S.F. No. 2066 as follows:



Page 1, line 17, after the period, insert "The ranking senator from the majority party appointed to the commission must convene the first meeting of a biennium by February 15 in the odd-numbered year."

Page 2, after line 19, insert:

**"Sec. 2. INITIAL APPOINTMENTS AND MEETING.**

Appointing authorities for the Legislative Commission on Data Practices under Minnesota Statutes, section 3.8843, must make initial appointments by June 1, 2014. The speaker of the house of representatives must designate one member of the commission to convene the first meeting of the commission by June 15, 2014."

The motion prevailed. So the amendment was adopted.

S.F. No. 2066 was read the third time, as amended, and placed on its final passage.

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

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

Those who voted in the affirmative were:

Anderson	Dziedzic	Johnson	Osmek	Sheran
Bakk	Eaton	Kent	Pappas	Sieben
Benson	Fischbach	Koenen	Pederson, J.	Skoe
Bonoff	Franzen	Latz	Petersen, B.	Sparks
Brown	Gazelka	Limmer	Pratt	Thompson
Carlson	Goodwin	Lourey	Reinert	Tomassoni
Chamberlain	Hall	Marty	Rest	Torres Ray
Champion	Hann	Metzen	Rosen	Weber
Clausen	Hawj	Miller	Ruud	Westrom
Cohen	Hayden	Nelson	Saxhaug	Wiger
Dahle	Hoffman	Newman	Scalze	Wiklund
Dahms	Housley	Nienow	Schmit	
Dibble	Ingebrigtsen	Ortman	Senjem	

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

### SPECIAL ORDER

**S.F. No. 1732:** A bill for an act relating to elections; extending the deadline to purchase voting equipment with Help America Vote Act grants; amending Laws 2010, chapter 379, section 4, subdivisions 2, 4.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Clausen	Fischbach	Hoffman	Limmer
Bakk	Cohen	Franzen	Housley	Lourey
Benson	Dahle	Gazelka	Ingebrigtsen	Marty
Bonoff	Dahms	Goodwin	Jensen	Metzen
Brown	Dibble	Hall	Johnson	Miller
Carlson	Dziedzic	Hann	Kent	Nelson
Chamberlain	Eaton	Hawj	Kiffmeyer	Newman
Champion	Eken	Hayden	Koenen	Nienow

Ortman	Pratt	Saxhaug	Sieben	Torres Ray
Osmek	Reinert	Scalze	Skoe	Weber
Pappas	Rest	Schmit	Sparks	Westrom
Pederson, J.	Rosen	Senjem	Thompson	Wiger
Petersen, B.	Ruud	Sheran	Tomassoni	Wiklund

So the bill passed and its title was agreed to.

### SPECIAL ORDER

**H.F. No. 2091:** A bill for an act relating to state employees; expanding the use of the vacation donation to sick leave account; amending Minnesota Statutes 2012, section 43A.1815.

Senator Dahms moved to amend H.F. No. 2091, the unofficial engrossment, as follows:

Page 2, delete section 2 and insert:

"Sec. 2. Minnesota Statutes 2012, section 177.24, subdivision 1, is amended to read:

Subdivision 1. **Amount.** (a) For purposes of this subdivision, the terms defined in this paragraph have the meanings given them.

(1) "Large employer" means an enterprise whose annual gross volume of sales made or business done is not less than \$625,000 (exclusive of excise taxes at the retail level that are separately stated) and covered by the Minnesota Fair Labor Standards Act, sections 177.21 to 177.35.

(2) "Small employer" means an enterprise whose annual gross volume of sales made or business done is less than \$625,000 (exclusive of excise taxes at the retail level that are separately stated) and covered by the Minnesota Fair Labor Standards Act, sections 177.21 to 177.35.

(b) Except as otherwise provided in sections 177.21 to 177.35, every large employer must pay each employee wages at a rate of at least ~~\$5.15 an hour beginning September 1, 1997, and at a rate of at least \$6.15~~ \$7.25 an hour beginning August 1, 2005 2014. Every small employer must pay each employee at a rate of at least \$4.90 an hour beginning January 1, 1998, and at a rate of at least \$5.25 an hour beginning August 1, 2005.

(c) Notwithstanding paragraph (b), during the first 90 consecutive days of employment, an employer may pay an employee under the age of 20 years a wage of \$4.90 an hour. No employer may take any action to displace any employee, including a partial displacement through a reduction in hours, wages, or employment benefits, in order to hire an employee at the wage authorized in this paragraph.

**EFFECTIVE DATE.** This section is effective August 1, 2014."

Page 4, delete section 3

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

### CALL OF THE SENATE

Senator Hayden imposed a call of the Senate for the balance of the proceedings on H.F. No. 2091. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Dahms amendment.

The roll was called, and there were yeas 27 and nays 39, as follows:

Those who voted in the affirmative were:

Anderson	Gazelka	Limmer	Pederson, J.	Thompson
Benson	Hall	Miller	Petersen, B.	Weber
Brown	Hann	Nelson	Pratt	Westrom
Chamberlain	Housley	Nienow	Rosen	
Dahms	Ingebrigtsen	Ortman	Ruud	
Fischbach	Kiffmeyer	Osmek	Senjem	

Those who voted in the negative were:

Bakk	Dziedzic	Jensen	Newman	Sieben
Bonoff	Eaton	Johnson	Pappas	Skoe
Carlson	Eken	Kent	Reinert	Sparks
Champion	Franzen	Koenen	Rest	Tomassoni
Clausen	Goodwin	Latz	Saxhaug	Torres Ray
Cohen	Hawj	Lourey	Scalze	Wiger
Dahle	Hayden	Marty	Schmit	Wiklund
Dibble	Hoffman	Metzen	Sheran	

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

Senator Bakk moved to amend H.F. No. 2091, the unofficial engrossment, as follows:

Page 3, delete lines 7 and 8 and insert:

"(d) Notwithstanding paragraph (b), an employer that is a "hotel or motel", "lodging establishment", or "resort" as defined in Minnesota Statutes 2012, section 157.15, subdivisions 7, 8, and 11, must pay an employee working under a contract with the employer that includes the provision by the employer of a food or lodging benefit, if the employee is working under authority of a summer work travel exchange visitor program (J) nonimmigrant visa, a wage of at least:"

Page 3, line 9, delete "\$6.50" and insert "\$7.25"

Page 3, line 10, delete "\$7.25" and insert "\$7.50"

The motion prevailed. So the amendment was adopted.

H.F. No. 2091 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 35 and nays 31, as follows:

Those who voted in the affirmative were:

Bakk	Dibble	Hayden	Metzen	Sheran
Bonoff	Dziedzic	Hoffman	Pappas	Sieben
Carlson	Eaton	Johnson	Reinert	Skoe
Champion	Eken	Kent	Rest	Tomassoni
Clausen	Franzen	Latz	Saxhaug	Torres Ray
Cohen	Goodwin	Lourey	Scalze	Wiger
Dahle	Hawj	Marty	Schmit	Wiklund

Those who voted in the negative were:

Anderson	Chamberlain	Gazelka	Housley	Kiffmeyer
Benson	Dahms	Hall	Ingebrigtsen	Koenen
Brown	Fischbach	Hann	Jensen	Limmer

Miller  
Nelson  
Newman  
Nienow

Ortman  
Osmek  
Pederson, J.  
Petersen, B.

Pratt  
Rosen  
Ruud  
Senjem

Sparks  
Thompson  
Weber  
Westrom

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

### MOTIONS AND RESOLUTIONS - CONTINUED

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

### REPORTS OF COMMITTEES

Senator Bakk moved that the Committee Report at the Desk be now adopted. The motion prevailed.

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

**H.F. No. 2180:** A bill for an act relating to insurance; amending provisions relating to health coverage for school district employees; amending Minnesota Statutes 2012, sections 43A.316, subdivision 10, by adding a subdivision; 123B.09, subdivision 12; 123B.75, by adding a subdivision; 471.6161, subdivisions 1, 3, by adding a subdivision; 471.895, subdivision 1; Minnesota Statutes 2013 Supplement, section 124D.10, subdivisions 4a, 11, 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. Minnesota Statutes 2012, section 43A.316, subdivision 10, is amended to read:

Subd. 10. **Exemption.** 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.

Sec. 2. Minnesota Statutes 2012, section 43A.316, is amended by adding a subdivision to read:

Subd. 11. **Proposal from school district; response required.** Upon receipt of a request for a proposal from a school district pursuant to section 471.6161, subdivision 8, the public employees insurance program shall respond to such request within 60 days.

Sec. 3. Minnesota Statutes 2012, section 123A.21, subdivision 5, is amended to read:

Subd. 5. **Duties and powers of SC board of directors.** The board of directors shall have authority to maintain and operate a SC. Subject to the availability of necessary resources, the powers and duties of this board shall include the following:

(a) The board of directors shall submit, by June 1 of each year to each participating member, an annual plan which describes the objectives and procedures to be implemented in assisting in resolution of the needs of the SC.

(b) The SC board of directors shall provide adequate office, service center, and administrative facilities by lease, purchase, gift, or otherwise.

(c) The SC board of directors shall employ a central administrative staff and other personnel as necessary to provide and support the agreed-upon programs and services. The board may discharge staff and personnel pursuant to applicable provisions of law. SC staff and personnel may participate in retirement programs and any other programs available to public school staff and personnel.

(d) The SC board of directors may appoint special advisory committees composed of superintendents, central office personnel, building principals, teachers, parents, lay persons, and representatives from cities, counties, and other governmental units. The committees are considered a committee of a public body for purposes of section 13D.01, subdivision 1, paragraph (c), when addressing issues related to health insurance.

(e) The SC board of directors may employ service area personnel pursuant to licensure and certification standards developed by the appropriate state agency such as the commissioner and the State Board of Teaching.

(f) The SC board of directors may enter into contracts with school boards of local districts including school districts outside the SC area.

(g) The SC board of directors may enter into contracts with other public and private agencies and institutions to provide administrative staff and other personnel as necessary to furnish and support the agreed-upon programs and services.

(h) The SC board of directors shall exercise all powers and carry out all duties delegated to it by members under provisions of the SC bylaws. The SC board of directors shall be governed, when not otherwise provided, by applicable laws of the state.

(i) The SC board of directors shall submit an annual evaluation report of the effectiveness of programs and services to the members by September 1 of each year following the previous June 30 in which the programs and services were provided.

(j) The SC board is encouraged to establish cooperative, working relationships and partnerships with postsecondary educational institutions, other public agencies, business, and industry.

Sec. 4. Minnesota Statutes 2012, section 123A.21, subdivision 6, is amended to read:

Subd. 6. **Appointment of advisory council.** There may be advisory councils selected to give advice and counsel to the SC board of directors. The councils may be composed of representatives from public and nonpublic schools, cities, counties, and other governmental units. The advisory councils are considered to be a committee of a public body for purposes of section 13D.01, subdivision 1, paragraph (c), when addressing issues related to health insurance.

Sec. 5. Minnesota Statutes 2012, section 123B.09, subdivision 12, is amended to read:

Subd. 12. **Board to fix compensation.** The clerk, treasurer, and superintendent of any district shall receive such compensation as may be fixed by the board. Unless otherwise provided by law, the other members of the board shall also receive such compensation as may be fixed by the board. All members of the board may receive reimbursement for transportation at the rate provided for in section 471.665. No board member or school district employee shall receive any compensation or benefits based on incentives or other money provided to the school district by or from a source of group insurance coverage referenced in section 471.6161, subdivision 1, except for a refund

provided under section 123B.75 or a wellness plan that is mutually agreed upon by the district and the exclusive representatives of employees.

Sec. 6. Minnesota Statutes 2012, section 123B.75, is amended by adding a subdivision to read:

Subd. 10. **Insurance premium refund.** (a) If money collected by an entity providing group insurance under section 471.6161, subdivision 1, for the payment of insurance premiums are above the cost of that coverage and returned to the school district purchasing that coverage as a refund, that school district must negotiate with the exclusive representative regarding the refund amount attributable to the proportionate number of insured lives covered by that exclusive representative.

(b) If there is no exclusive representative or if the employer and the exclusive representative are unable to come to an agreement within 150 days, the remaining refunds shall be used to pay the full premium to the program for any employees not covered by an agreement negotiated under this section until the proportionate refunds are depleted. These refunds shall be used for a proportional premium payment at the time it is necessary to deplete the balance.

Sec. 7. Minnesota Statutes 2013 Supplement, section 124D.10, subdivision 4a, is amended to read:

Subd. 4a. **Conflict of interest.** (a) An individual is prohibited from serving as a member of the charter school board of directors if the individual, an immediate family member, or the individual's partner is a full or part owner or principal with a for-profit or nonprofit entity or independent contractor with whom the charter school contracts, directly or indirectly, for professional services, goods, or facilities. An individual is prohibited from serving as a board member if an immediate family member is an employee of the school. A violation of this prohibition renders a contract voidable at the option of the commissioner or the charter school board of directors. A member of a charter school board of directors who violates this prohibition is individually liable to the charter school for any damage caused by the violation.

(b) No member of the board of directors, employee, officer, or agent of a charter school shall participate in selecting, awarding, or administering a contract if a conflict of interest exists. A conflict exists when:

- (1) the board member, employee, officer, or agent;
- (2) the immediate family of the board member, employee, officer, or agent;
- (3) the partner of the board member, employee, officer, or agent; or
- (4) an organization that employs, or is about to employ any individual in clauses (1) to (3),

has a financial or other interest in the entity with which the charter school is contracting. A violation of this prohibition renders the contract void.

(c) Any employee, agent, or board member of the authorizer who participates in the initial review, approval, ongoing oversight, evaluation, or the charter renewal or nonrenewal process or decision is ineligible to serve on the board of directors of a school chartered by that authorizer.

(d) An individual may serve as a member of the board of directors if no conflict of interest under paragraph (a) exists.

(e) The conflict of interest provisions under this subdivision do not apply to compensation paid to a teacher employed as a teacher by the charter school or a teacher who provides instructional services to the charter school through a cooperative formed under chapter 308A when the teacher also serves on the charter school board of directors.

(f) A charter school board member, employee, or officer must not accept gifts as defined under section 10A.071, subdivision 1, paragraph (b), and must not request another person to give a gift to a board member, employee, or officer. A board member, employee, or officer must not receive compensation from a group health insurance provider.

Sec. 8. Minnesota Statutes 2013 Supplement, section 124D.10, subdivision 11, is amended to read:

Subd. 11. **Employment and other operating matters.** (a) A charter school must employ or contract with necessary teachers, as defined by section 122A.15, subdivision 1, who hold valid licenses to perform the particular service for which they are employed in the school. The charter school's state aid may be reduced under section 127A.43 if the school employs a teacher who is not appropriately licensed or approved by the board of teaching. The school may employ necessary employees who are not required to hold teaching licenses to perform duties other than teaching and may contract for other services. The school may discharge teachers and nonlicensed employees. The charter school board is subject to section 181.932. When offering employment to a prospective employee, a charter school must give that employee a written description of the terms and conditions of employment and the school's personnel policies.

(b) A person, without holding a valid administrator's license, may perform administrative, supervisory, or instructional leadership duties. The board of directors shall establish qualifications for persons that hold administrative, supervisory, or instructional leadership roles. The qualifications shall include at least the following areas: instruction and assessment; human resource and personnel management; financial management; legal and compliance management; effective communication; and board, authorizer, and community relationships. The board of directors shall use those qualifications as the basis for job descriptions, hiring, and performance evaluations of those who hold administrative, supervisory, or instructional leadership roles. The board of directors and an individual who does not hold a valid administrative license and who serves in an administrative, supervisory, or instructional leadership position shall develop a professional development plan. Documentation of the implementation of the professional development plan of these persons shall be included in the school's annual report.

(c) The board of directors also shall decide and be responsible for policy matters related to the operation of the school, including budgeting, curriculum programming, personnel, and operating procedures. The board shall adopt a policy on nepotism in employment. The board shall adopt personnel evaluation policies and practices that, at a minimum:

- (1) carry out the school's mission and goals;
- (2) evaluate the execution of charter contract goals and commitments;
- (3) evaluate student achievement, postsecondary and workforce readiness, and student engagement and connection goals;

- (4) establish a teacher evaluation process under subdivision 8, paragraph (t); and
- (5) provide professional development related to the individual's job responsibilities.

(d) A charter school board with at least 25 employees or a teacher cooperative of licensed teachers providing instruction under a contract between a school and a cooperative that provides group health insurance coverage shall:

(1) request proposals for group insurance coverage from a minimum of three sources at least every three years; and

(2) notify employees covered by the group insurance coverage before the effective date of the changes in the group coverage policy contract.

A charter school board or a cooperative of teachers that provides group insurance coverage must establish and publish on its Web site the policy for the purchase of group insurance coverage. A charter school board policy must include a sealed proposal process, which requires all proposals to be opened at the same time. Upon the openings of the proposals in accordance with the school or cooperative policy, the proposals become public data under chapter 13.

Nothing in this section supersedes the right of an exclusive representative to negotiate over terms and conditions of employment.

Sec. 9. Minnesota Statutes 2013 Supplement, section 124D.10, subdivision 21, is amended to read:

Subd. 21. **Collective bargaining.** Employees of the board of directors of a charter school may, if otherwise eligible, organize under chapter 179A and comply with its provisions. The board of directors of a charter school is a public employer, for the purposes of chapter 179A, upon formation of one or more bargaining units at the school. Bargaining units at the school must be separate from any other units within an authorizing district, except that bargaining units may remain part of the appropriate unit within an authorizing district, if the employees of the school, the board of directors of the school, the exclusive representative of the appropriate unit in the authorizing district, and the board of the authorizing district agree to include the employees in the appropriate unit of the authorizing district. The board of directors of a charter school with employees organized under this subdivision must comply with sections 471.6161 and 471.895.

Sec. 10. Minnesota Statutes 2012, section 471.6161, subdivision 1, is amended to read:

Subdivision 1. **Group insurance coverage.** For purposes of this section, "group insurance coverage" means benefit coverage provided to a group through a carrier an entity authorized under chapters section 43A.316 or 123A.21, subdivision 7; or chapter 61A, 62A, 62C, and or 62D to do business in the state.

Sec. 11. Minnesota Statutes 2012, section 471.6161, subdivision 2, is amended to read:

Subd. 2. **Request for proposal.** Every political subdivision authorized by law to purchase group insurance for its employees and providing or intending to provide group insurance coverage and benefits for 25 or more of its employees shall request proposals from and enter into contracts with carriers entities referenced in subdivision 1 that in the judgment of the political subdivision are best qualified to provide coverage. The request for proposals shall be in writing and at a minimum shall



include: coverage to be provided, criteria for evaluation of carrier proposals from entities referenced in subdivision 1, and the aggregate claims records for the appropriate period. A political subdivision may exclude from consideration proposals requiring self-insurance. Public notice of the request for proposals must be provided in a newspaper or trade journal at least 21 days before the final date for submitting proposals.

Sec. 12. Minnesota Statutes 2012, section 471.6161, subdivision 3, is amended to read:

Subd. 3. **Selection of carrier.** The political subdivision shall make benefit and cost comparisons and evaluate the proposals using the written criteria. The political subdivision may negotiate with ~~the carrier~~ an entity referenced in subdivision 1 on benefits, premiums, and other contract terms. ~~Carriers applying~~ Any entity providing group insurance coverage to the political subdivision must provide the political subdivision with aggregate claims records for the appropriate period. The political subdivision must prepare a written rationale for its decision before entering into a contract with a carrier an entity referenced in subdivision 1.

Sec. 13. Minnesota Statutes 2012, section 471.6161, is amended by adding a subdivision to read:

Subd. 8. **School districts; group insurance coverage.** (a) Any entity providing group insurance coverage to a school district must provide the school district with school district-specific nonidentifiable aggregate claims records for the most recent 24 months within 30 days of the request.

(b) School districts shall request proposals for group insurance coverage as provided in subdivision 2 from a minimum of three potential sources of coverage. One of these requests must go to an administrator governed by chapter 43A. School districts must make requests for proposals at least 150 days prior to the expiration of the existing contract but not more frequently than every 24 months. The request for proposals must include the most recently available 24 months of nonidentifiable aggregate claims data. The request for proposals must be publicly released at or prior to its release to potential bidders.

(c) Entities referenced in subdivision 1:

(1) must submit renewal premium rates to school districts and exclusive representatives of employees at least 90 days before the effective date of the premium rate change; and

(2) must submit any proposed plan design changes to school districts and employees at least 90 days before the effective date to ensure proper negotiations with bargaining units.

(d) School district contracts for group insurance must not be longer than two years unless the exclusive representative of the largest employment group and the school district agree otherwise.

(e) All proposals and renewals shall be sealed upon receipt until they are all opened no less than 90 days prior to the plan's renewal date. The proposals shall be opened on the first business day after the deadline in the presence of the exclusive representative, where applicable.

(f) Notwithstanding any other law to the contrary, a school board may continue to negotiate with up to two of the bidders in order to reduce costs or improve services. The choice of bidders must be agreed to by the exclusive representative of the largest group of employees.

(g) This subdivision does not apply to an independent school district that is self-insured.

(h) Nothing in this section shall restrict the authority granted to school district boards of education by section 471.59.

Sec. 14. Minnesota Statutes 2012, section 471.895, subdivision 1, is amended to read:

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

(b) "Gift" has the meaning given it in section 10A.071, subdivision 1.

(c) "Interested person" means a person or a representative of a person or association that has a direct financial interest in a decision that a local official is authorized to make.

(d) "Local official" means:

(1) an elected or appointed official of a county or city or of an agency, authority, or instrumentality of a county or city; and

(2) an elected or appointed member of a school board, a school superintendent, a school principal, or a district school officer of any independent school district.

Sec. 15. **EFFECTIVE DATE.**

Sections 3 to 9 and 14 are effective July 1, 2014. Sections 1, 2, 10, 11, and 12 are effective the day following final enactment. Section 13 is effective the day following final enactment, and applies to requests for proposals for group insurance coverage issued on or after that date."

Delete the title and insert:

"A bill for an act relating to insurance; amending provisions relating to health coverage for school district employees; amending Minnesota Statutes 2012, sections 43A.316, subdivision 10, by adding a subdivision; 123A.21, subdivisions 5, 6; 123B.09, subdivision 12; 123B.75, by adding a subdivision; 471.6161, subdivisions 1, 2, 3, by adding a subdivision; 471.895, subdivision 1; Minnesota Statutes 2013 Supplement, section 124D.10, subdivisions 4a, 11, 21."

And when so amended the bill be reported to the Senate without recommendation. Amendments adopted. Report adopted.

## SECOND READING OF HOUSE BILLS

H.F. No. 2180 was read the second time.

## MEMBERS EXCUSED

Senator Stumpf was excused from the Session of today. Senator Jensen was excused from the Session of today from 1:00 to 1:10 p.m. Senator Latz was excused from the Session of today from 1:10 to 1:20 p.m.

86TH DAY]

WEDNESDAY, APRIL 9, 2014

8023

**ADJOURNMENT**

Senator Bakk moved that the Senate do now adjourn until 11:00 a.m., Thursday, April 10, 2014.  
The motion prevailed.

JoAnne M. Zoff, Secretary of the Senate

