

NINETY-SIXTH DAY

St. Paul, Minnesota, Monday, May 14, 2018

The Senate met at 10:00 a.m. and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Pastor Mark Bjorlo.

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:

Abeler	Draheim	Housley	Little	Ruud
Anderson, B.	Dziedzic	Ingebrigtsen	Lourey	Senjem
Anderson, P.	Eaton	Isaacson	Marty	Simonson
Bakk	Eichorn	Jasinski	Mathews	Sparks
Benson	Eken	Jensen	Miller	Tomassoni
Bigham	Fischbach	Johnson	Nelson	Torres Ray
Carlson	Franzen	Kent	Newman	Utke
Chamberlain	Frentz	Kiffmeyer	Newton	Weber
Champion	Gazelka	Klein	Osmek	Westrom
Clausen	Goggin	Koran	Pappas	Wiger
Cohen	Hall	Laine	Pratt	Wicklund
Cwodzinski	Hawj	Lang	Relph	
Dahms	Hayden	Latz	Rest	
Dibble	Hoffman	Limmer	Rosen	

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 communications were received.

April 4, 2018

The Honorable Michelle L. Fischbach
President of the Senate

Dear Senator Fischbach:

The following appointment is hereby respectfully submitted to the Senate for confirmation as required by law:

WORKERS' COMPENSATION COURT OF APPEALS

Sean M. Quinn, 405 Minnesota Judicial Center, 25 Rev. Dr. Martin Luther King Jr. Blvd., Saint Paul, in the county of Ramsey, effective April 23, 2018, for a term expiring on January 7, 2019.

(Referred to the Committee on Jobs and Economic Growth Finance and Policy.)

Sincerely,
Mark Dayton, Governor

CERTIFICATION

May 10, 2018

To the Governor
State of Minnesota

To the Senate
State of Minnesota

To the House of Representatives
State of Minnesota

This is to certify that the House of Representatives and the Senate in Joint Convention on Thursday, May 10, 2018, have elected as a member of the Board of Regents of the University of Minnesota the following member to hold office for the remainder of the term of Patricia Simmons:

Randy Simonson, First Congressional District

Michelle L. Fischbach
President of the Senate

Kurt Daudt
Speaker of the House of Representatives

May 11, 2018

The Honorable Michelle L. Fischbach
President of the Senate

Dear Madam President:

Please be advised that I have received, approved, signed and deposited in the Office of the Secretary of State, Chapter 128, S.F. No. 3066; Chapter 129, S.F. No. 2629; and Chapter 130, S.F. No. 2865.

Sincerely,
Mark Dayton, Governor

May 11, 2018

The Honorable Kurt L. Daudt
Speaker of the House of Representatives

The Honorable Michelle L. Fischbach
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2018 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 2018	Date Filed 2018
	3295	127	1:19 p.m. May 11	May 11
3066		128	1:20 p.m. May 11	May 11
2629		129	1:22 p.m. May 11	May 11
2865		130	1:23 p.m. May 11	May 11

Sincerely,
Steve Simon
Secretary of State

MESSAGES FROM THE HOUSE

Madam President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 2762, 2849, 2554, 614, 3793, and 1694.

Patrick D. Murphy, Chief Clerk, House of Representatives

Returned May 10, 2018

Madam 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. 2578: A bill for an act relating to public safety; modifying the schedules of controlled substances; criminalizing certain acts involving kratom; modifying the DWI law by including other types of intoxicating substances and striking references to hazardous substances; amending Minnesota Statutes 2016, sections 97B.065, subdivision 1; 152.02, subdivision 5; 152.027, by adding a subdivision; 169A.03, by adding a subdivision; 169A.20, subdivisions 1, 1a, 1b, 1c; 169A.45,

subdivision 1; 169A.51, subdivisions 1, 7; 169A.52, subdivision 2; 169A.63, by adding a subdivision; 169A.76; 360.0752, subdivisions 1, 2, 5, 7; 360.0753, subdivision 6; 609.2111; 609.2112, subdivision 1; 609.2113, subdivisions 1, 2, 3; 609.2114, subdivisions 1, 2; 624.7142, subdivision 1; Minnesota Statutes 2017 Supplement, sections 152.02, subdivision 2; 169A.51, subdivision 4; 169A.55, subdivision 2; 171.29, subdivision 1; 360.0753, subdivisions 2, 3; repealing Minnesota Statutes 2016, section 169A.03, subdivision 9.

Senate File No. 2578 is herewith returned to the Senate.

Patrick D. Murphy, Chief Clerk, House of Representatives

Returned May 10, 2018

Senator Anderson, P. moved that the Senate do not concur in the amendments by the House to S.F. No. 2578, and that a Conference Committee of 3 members be appointed by the Subcommittee on Conference Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Madam President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 3265:

H.F. No. 3265: A bill for an act relating to human services; modifying child foster care training requirements; establishing a foster care sibling bill of rights; amending Minnesota Statutes 2016, section 245A.175; proposing coding for new law in Minnesota Statutes, chapter 260C.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Kresha, Bennett and Halverson have been appointed as such committee on the part of the House.

House File No. 3265 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted May 10, 2018

Senator Relph moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 3265, and that a Conference Committee of 3 members be appointed by the Subcommittee on Conference Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

REPORTS OF COMMITTEES

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

Senator Senjem from the Committee on Capital Investment, to which was referred

S.F. No. 4013: A bill for an act relating to capital investment; authorizing spending to acquire and better public land and buildings and other improvements of a capital nature with certain conditions; modifying previous appropriations; establishing new programs and modifying existing programs; authorizing the sale and issuance of state bonds; appropriating money; amending Minnesota Statutes 2016, sections 16B.86; 16B.87, subdivisions 1, 3; 363A.36, subdivisions 1, 4; 363A.44, subdivision 1; 462A.37, subdivision 1, by adding a subdivision; Minnesota Statutes 2017 Supplement, sections 222.49; 462A.37, subdivision 5; Laws 2009, chapter 93, article 1, section 14, subdivision 3, as amended; Laws 2014, chapter 294, article 1, section 5, subdivision 3; Laws 2014, chapter 295, section 9; Laws 2017, First Special Session chapter 8, article 1, sections 6, subdivision 6; 15, subdivisions 3, 11; 19, subdivision 3; 23, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 137; 174.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1**APPROPRIATIONS****Section 1. CAPITAL IMPROVEMENT APPROPRIATIONS.**

The sums shown in the column under "Appropriations" are appropriated from the bond proceeds fund, or another named fund, to the state agencies or officials indicated, to be spent for public purposes. Appropriations of bond proceeds must be spent as authorized by the Minnesota Constitution, article XI, section 5, paragraph (a), to acquire and better public land and buildings and other public improvements of a capital nature, or as authorized by the Minnesota Constitution, article XI, section 5, paragraphs (b) to (j), or article XIV. Unless otherwise specified, money appropriated in this act:

(1) may be used to pay state agency staff costs that are attributed directly to the capital program or project in accordance with accounting policies adopted by the commissioner of management and budget;

(2) is available until the project is completed or abandoned subject to Minnesota Statutes, section 16A.642; and

(3) for activities under Minnesota Statutes, sections 16B.307, 84.946, and 135A.046, should not be used for projects that can be financed within a reasonable time frame under Minnesota Statutes, section 16B.322 or 16C.144.

Except for a grant subject to requirements of a statutory program, a grant under this act to a political subdivision is subject to Minnesota Statutes, sections 16A.502 and 16A.86. If the amount appropriated for a grant is not equal to half the amount needed to complete the project as described in this act, the nonstate contribution required is adjusted so that the grant is available after the commissioner of management and budget determines that an amount sufficient to complete the project as described in this act has been committed to the project.

APPROPRIATIONSSec. 2. UNIVERSITY OF MINNESOTA

Subdivision 1. Total Appropriation \$ 95,400,000

To the Board of Regents of the University of Minnesota for the purposes specified in this section.

Subd. 2. Higher Education Asset Preservation and Replacement (HEAPR) 65,000,000

To be spent in accordance with Minnesota Statutes, section 135A.046.

Subd. 3. Crookston - Dowell Hall and Owen Hall 3,200,000

To predesign, design, renovate, furnish, and equip campus teaching and learning spaces in Dowell Hall and Owen Hall on the Crookston campus.

Subd. 4. Morris - Humanities Building and Blakely Hall 3,200,000

To predesign, design, renovate, furnish, and equip campus teaching and learning spaces in the Humanities Building and Blakely Hall on the Morris campus.

Subd. 5. Twin Cities - Pillsbury Hall Renewal 24,000,000

To predesign, design, renovate, furnish, and equip historic Pillsbury Hall on the Twin Cities campus.

Subd. 6. University Share

Except for the appropriations for HEAPR, the appropriations in this section are intended to cover approximately two-thirds of the cost of each project. The remaining costs must be paid from university sources.

Subd. 7. Unspent Appropriations

Upon substantial completion of a project authorized in this section and after written notice to the commissioner of management and budget, the Board of Regents must use

any money remaining in the appropriation for that project for HEAPR under Minnesota Statutes, section 135A.046. The Board of Regents must report by February 1 of each even-numbered year to the chairs of the house of representatives and senate committees with jurisdiction over capital investment and higher education finance, and to the chairs of the house of representatives Ways and Means Committee and the senate Finance Committee, on how the remaining money has been allocated or spent.

Sec. 3. MINNESOTA STATE COLLEGES AND UNIVERSITIES

Subdivision 1. Total Appropriation **\$ 120,262,000**

To the Board of Trustees of the Minnesota State Colleges and Universities for the purposes specified in this section.

Subd. 2. Higher Education Asset Preservation and Replacement (HEAPR) **65,000,000**

To be spent in accordance with Minnesota Statutes, section 135A.046.

Subd. 3. Anoka-Ramsey Community College, Coon Rapids **569,000**

To design the renovation of the business and nursing building on the Coon Rapids campus.

Subd. 4. Bemidji State University **22,512,000**

To demolish and replace Hagg Sauer Hall with the Academic Learning Center Building; and to design, renovate, and equip A.C. Clark Library, Bangsberg Hall, Bensen Hall, Bridgeman Hall, and Sattgast Hall.

Subd. 5. Fond du Lac Tribal and Community College, Maajiigi (Start to Grow) **1,157,000**

To design, renovate, and equip classrooms and offices for the elementary education program; renovate kitchen area; to perform site work to support outdoor learning; and to

demolish obsolete modular classroom/office building.

Subd. 6. Inver Hills Community College

698,000

To design the renovation of the Technology and Business Center to include the link to Heritage Hall.

Subd. 7. Minnesota State University, Mankato

6,478,000

To update design, renovate, renew, equip, and repurpose the spaces in Wissink Hall, Morris Hall, and Wiecking Center vacated when occupants moved to the new Clinical Science Building; and to install a solar array on the roof of the new Clinical Science Building.

Subd. 8. Rochester Community and Technical College

22,853,000

To demolish Plaza and Memorial Halls; to design, renovate, renew, and equip classrooms and labs; to construct an addition adjacent to Endicott Hall; to construct a central chiller plant; and to demolish the maintenance building and child care building.

Subd. 9. Saint Paul College

995,000

To design the renovation of classroom, lab, and student services space in the main campus building.

Subd. 10. Debt Service

(a) Except as provided in paragraph (b), the Board of Trustees shall pay the debt service on one-third of the principal amount of state bonds sold to finance projects authorized by this section. After each sale of general obligation bonds, the commissioner of management and budget shall notify the board of the amounts assessed for each year for the life of the bonds.

(b) The board need not pay debt service on bonds sold to finance HEAPR. Where a nonstate match is required, the debt service is due on a principal amount equal to

one-third of the total project cost, less the match committed before the bonds are sold.

(c) The commissioner of management and budget shall reduce the board's assessment each year by one-third of the net income from investment of general obligation bond proceeds in proportion to the amount of principal and interest otherwise required to be paid by the board. The board shall pay its resulting net assessment to the commissioner of management and budget by December 1 each year. If the board fails to make a payment when due, the commissioner of management and budget shall reduce allotments for appropriations from the general fund otherwise available to the board and apply the amount of the reduction to cover the missed debt service payment. The commissioner of management and budget shall credit the payments received from the board to the bond debt service account in the state bond fund each December 1 before money is transferred from the general fund under Minnesota Statutes, section 16A.641, subdivision 10.

Subd. 11. Unspent Appropriations

(a) Upon substantial completion of a project authorized in this section and after written notice to the commissioner of management and budget, the board must use any money remaining in the appropriation for that project for HEAPR under Minnesota Statutes, section 135A.046. The Board of Trustees must report by February 1 of each even-numbered year to the chairs of the house of representatives and senate committees with jurisdiction over capital investment and higher education finance, and to the chairs of the house of representatives Ways and Means Committee and the senate Finance Committee, on how the remaining money has been allocated or spent.

(b) The unspent portion of an appropriation for a project in this section that is complete

is available for HEAPR under this subdivision, at the same campus as the project for which the original appropriation was made and the debt service requirement under this section is reduced accordingly. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

Sec. 4. **EDUCATION**

Subdivision 1. **Total Appropriation**

\$ 16,192,000

To the commissioner of education for the purposes specified in this section.

Subd. 2. **Library Construction Grants**

1,000,000

For library construction grants under Minnesota Statutes, section 134.45.

Subd. 3. **Independent School District No. 38, Red Lake**

14,492,000

(a) From the maximum effort school loan fund for a capital loan to Independent School District No. 38, Red Lake, as provided in Minnesota Statutes, sections 126C.60 to 126C.72. This appropriation is for predesign, design, and construction of a connection structure between the Red Lake Early Learning Childhood Center and Red Lake Elementary School; renovations to various classrooms, labs, and support rooms; updating of mechanical systems; and expansion of the cafeteria. Before any capital loan contract is approved under this subdivision, the district must provide documentation acceptable to the commissioner of education on how the capital loan will be used.

(b) The commissioner of administration may provide project management services to assist the commissioner of education with oversight of the project. No money for construction may be distributed by the commissioner of education to the recipient school district until bids have been received on 100 percent of

the construction documents and satisfactory documentation has been submitted to the commissioner of education indicating the project can be fully completed with money available for the project.

(c) Notwithstanding the timelines in Minnesota Statutes, section 126C.69, subdivision 11, Independent School District No. 38, Red Lake, must submit the question authorizing the borrowing of money for the facilities to voters of the district at the first general election following final enactment of this subdivision.

(d) Notwithstanding Minnesota Statutes, section 126C.69, subdivision 6, the application submitted by Independent School District No. 38, Red Lake, on September 1, 2015, shall be considered a sufficient application for this loan. The local portion for this capital loan is \$94,231 under Minnesota Statutes, section 126C.69, subdivision 9. This amount shall be disbursed for the approved project prior to the state loan reimbursement payments to the school district.

Subd. 4. Warroad School District - Northwest Angle School

700,000

For a grant to Independent School District No. 690, Warroad Public Schools, for demolition and site preparation and to predesign, design, construct, furnish, and equip the renovation of an expansion of the Northwest Angle School. No nonstate match is required.

Sec. 5. MINNESOTA STATE ACADEMIES

Subdivision 1. Total Appropriation

\$ 4,500,000

To the commissioner of administration for the purposes specified in this section.

Subd. 2. Asset Preservation1,000,000

For capital asset preservation improvements and betterments on both campuses of the Minnesota State Academies, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. Safety Corridor3,500,000

To design, construct, furnish, and equip a safety corridor on the Minnesota State Academy for the Deaf campus, including but not limited to abatement of asbestos and hazardous materials, construction, and renovations necessary to establish a central point of access, a reception and visitor area, and security monitoring with connections to Smith, Quinn, and Noyes Halls.

Sec. 6. PERPICH CENTER FOR ARTS EDUCATION\$ 250,000

To the commissioner of administration for capital asset preservation improvements and betterments at the Perpich Center for Arts Education, to be spent in accordance with Minnesota Statutes, section 16B.307.

Sec. 7. NATURAL RESOURCES**Subdivision 1. Total Appropriation**\$ 61,728,000

(a) To the commissioner of natural resources for the purposes specified in this section.

(b) The appropriations in this section are subject to the requirements of the natural resources capital improvement program under Minnesota Statutes, section 86A.12, unless this section or the statutes referred to in this section provide more specific standards, criteria, or priorities for projects than Minnesota Statutes, section 86A.12.

Subd. 2. Natural Resources Asset Preservation30,000,000

For the renovation of state-owned facilities and recreational assets operated by the

commissioner of natural resources to be spent in accordance with Minnesota Statutes, section 84.946. Notwithstanding Minnesota Statutes, section 84.946, the commissioner may use this appropriation to replace buildings if, considering the embedded energy in the building, that is the most energy-efficient and carbon-reducing method of renovation.

Subd. 3. Flood Hazard Mitigation

13,500,000

(a) For the state share of flood hazard mitigation grants for publicly owned capital improvements to prevent or alleviate flood damage under Minnesota Statutes, section 103F.161.

(b) This appropriation includes \$1,500,000 for a grant to Thief River Falls for the Thief River Falls westside flood damage reduction project in the Red Lake watershed district; \$2,150,000 for a grant to the Cedar River watershed district; and \$200,000 for a grant to the city of Afton for a levee reconstruction project.

(c) To the extent practical, levee projects shall meet the state standard of three feet above the 100-year flood elevation.

(d) Project priorities shall be determined by the commissioner as appropriate and based on need and may include acquisition of properties prone to flooding.

(e) To the extent that the cost of a project exceeds two percent of the median household income in a municipality or township multiplied by the number of households in the municipality or township, this appropriation is also for the local share of the project.

Subd. 4. State Park and Recreation Area Accessibility

500,000

For the design and construction of improvements to bring the facilities within

state parks and recreation areas to the Americans with Disabilities Act standards.

Subd. 5. Blufflands State Trail

200,000

To acquire land for, construct, and pay expenses related to an extension of the Blufflands state trail system from Harmony to the Iowa border, to include a connection to Niagara Cave in Fillmore County as authorized in Minnesota Statutes, section 85.015, subdivision 7.

Subd. 6. Chester Woods State Trail

2,500,000

To complete construction and paving of phase one of the Chester Woods State Trail from the city of Rochester to Chester Woods Park in Olmsted County.

Subd. 7. Glendalough State Park

750,000

To predesign, design, and construct a Visitor and Trail Center in Glendalough State Park.

Subd. 8. Lake Vermilion-Soudan Underground Mine State Park

4,000,000

For development of Lake Vermilion-Soudan Underground Mine State Park, including designing, constructing, furnishing, and equipping the Lake Lodge Visitor Center at Armstrong Bay, the Murray Spur campground site and nearby infrastructure, and renewable energy facilities in the park, and for repair and reconstruction of the mine shaft at the Soudan Underground Mine.

Subd. 9. Mill Towns State Trail

500,000

For acquisition and design of the Mill Towns State Trail between the cities of Faribault and Waterford.

Subd. 10. Shooting Star State Trail

250,000

To complete the Shooting Star State Trail, established under Minnesota Statutes, section 85.015, subdivision 17, to Austin.

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Subd. 11. Babbitt Recreation Area

1,300,000

For a grant under Minnesota Statutes, section 85.019, subdivision 2, to the city of Babbitt to construct a campground at the Babbitt Recreation Area.

Subd. 12. Grand Marais; Lake Superior Water Access

2,300,000

For capital improvements to a water access facility on Lake Superior in Grand Marais.

Subd. 13. La Crescent; Wagon Wheel Trail

2,500,000

For a grant to the city of La Crescent for phase three of four phases of the Wagon Wheel Trail project, including predesign, design, engineering, and construction of a grade-separated crossing of marked Trunk Highways 14, 16, and 61 near downtown La Crescent that will connect to the existing Wagon Wheel Trail.

Subd. 14. Olmsted County; Lake Zumbro - Sedimentation Removal

640,000

For a grant to Olmsted County for the removal of sedimentation in Lake Zumbro deposited after the removal of the Lake Shady Dam on the middle fork of the Zumbro River. This appropriation may be used for final engineering, dredging, and dredged soil disposal. This appropriation is available when the commissioner of management and budget determines that sufficient resources have been committed to complete the project, as required under Minnesota Statutes, section 16A.502. This appropriation is in addition to appropriations in Laws 2012, chapter 293, and Laws 2014, chapter 294.

Subd. 15. St. Louis and Lake Counties Regional Railroad Authority - Mesabi Trail

1,138,000

For a grant to the St. Louis and Lake Counties Regional Railroad Authority to continue construction of the Mesabi Trail, starting near Whalston Road and going

toward the city of Tower for approximately 4.5 miles.

Subd. 16. Stillwater; St. Croix River Riverbank Restoration

1,650,000

For a grant to the city of Stillwater to predesign, design, engineer, and construct restoration of the St. Croix River riverbank in the city of Stillwater and to design and construct an integrated walkway along the restored riverbank in the city.

Subd. 17. Unspent Appropriations

The unspent portion of an appropriation for a project in this section that is complete, upon written notice to the commissioner of management and budget, is available for asset preservation under Minnesota Statutes, section 84.946. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

Sec. 8. POLLUTION CONTROL AGENCY

Subdivision 1. Total Appropriation

\$ 17,675,000

To the Pollution Control Agency for the purposes specified in this section.

Subd. 2. Anoka County - Waste Disposal Engineering Closed Landfill

6,000,000

To design and construct remedial systems, including cleanup and removal of a leaking hazardous waste pit and protection of groundwater, at the Waste Disposal Engineering site in Anoka County in accordance with the closed landfill program under Minnesota Statutes, sections 115B.39 to 115B.42.

Subd. 3. Becker County; Capital Assistance Grant

750,000

For a grant to Becker County under the solid waste capital assistance grant program under Minnesota Statutes, section 115A.54, to predesign, design, construct, and equip

buildings to store and process large, bulky materials, such as mattresses, that must be deconstructed before shipping to recycling facilities.

Subd. 4. Otter Tail County - Recycling Facility

3,100,000

For a grant to Otter Tail County under the solid waste capital assistance grant program under Minnesota Statutes, section 115A.54, to retrofit the Fergus Falls recycling site into a single-sort facility, notwithstanding any limitations on grant amounts.

Subd. 5. Lake Redwood Reclamation

7,825,000

For a grant to the Redwood-Cottonwood Rivers Control Area, a joint powers entity, to predesign, design, construct, and equip the reservoir reclamation and enhancement of the 66-acre Lake Redwood Reservoir, to remove approximately 650,000 cubic yards of sediment and increase its depth from approximately 2.8 feet to 20 feet in order to secure renewable energy capacity of the hydroelectric dam which is impeded by lack of water capacity, reduce the flow of pollutants to the Minnesota River, and increase fish habitat and enhance recreational opportunities.

Sec. 9. BOARD OF WATER AND SOIL RESOURCES

Subdivision 1. Total Appropriation

\$ 15,700,000

To the Board of Water and Soil Resources for the purposes specified in this section.

Subd. 2. Reinvest in Minnesota (RIM) Reserve Program

10,000,000

(a) To acquire conservation easements from landowners to preserve, restore, create, and enhance wetlands and associated uplands of prairie and grasslands, and restore and enhance rivers and streams, riparian lands, and associated uplands of prairie and grasslands in order to protect soil and water

quality, support fish and wildlife habitat, reduce flood damage, and provide other public benefits. The provisions of Minnesota Statutes, section 103F.515, apply to this program.

(b) The board shall give priority to leveraging federal money by enrolling targeted new lands or enrolling environmentally sensitive lands that have expiring federal conservation agreements.

(c) The board is authorized to enter into new agreements and amend past agreements with landowners as required by Minnesota Statutes, section 103F.515, subdivision 5, to allow for restoration.

(d) Of this appropriation, up to five percent may be used for restoration, rehabilitation, and enhancement.

Subd. 3. Local Government Roads Wetland Replacement Program

5,000,000

To acquire land or permanent easements and to restore, create, enhance, and preserve wetlands to replace those wetlands drained or filled as a result of the repair, reconstruction, replacement, or rehabilitation of existing public roads as required by Minnesota Statutes, section 103G.222, subdivision 1, paragraphs (l) and (m). The board may vary the priority order of Minnesota Statutes, section 103G.222, subdivision 3, paragraph (a), to implement an in-lieu fee agreement approved by the U.S. Army Corps of Engineers under section 404 of the Clean Water Act. The purchase price paid for acquisition of land or perpetual easement must be a fair market value as determined by the board. The board may enter into agreements with the federal government, other state agencies, political subdivisions, nonprofit organizations, fee title owners, or other qualified private entities to acquire wetland replacement credits in

accordance with Minnesota Rules, chapter 8420.

Subd. 4. Minnesota River Basin Area II

For grants to local governments for floodwater management projects in Area II of the Minnesota River Basin.

Sec. 10. <u>AGRICULTURE</u>	\$	\$	<u>4,000,000</u>
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To the commissioner of administration to construct, renovate, and equip the Department of Agriculture/Department of Health Laboratory Building in St. Paul, including but not limited to creating a dedicated biosafety level 3 laboratory space, to meet safety, energy, and operational efficiency needs.

Sec. 11. <u>RURAL FINANCE AUTHORITY.</u>	\$		<u>35,000,000</u>
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For the purposes set forth in the Minnesota Constitution, article XI, section 5, paragraph (h), to the Rural Finance Authority to purchase participation interests in or to make direct agricultural loans to farmers under Minnesota Statutes, chapter 41B. This appropriation is for the beginning farmer program under Minnesota Statutes, section 41B.039; the loan restructuring program under Minnesota Statutes, section 41B.04; the seller-sponsored program under Minnesota Statutes, section 41B.042; the agricultural improvement loan program under Minnesota Statutes, section 41B.043; and the livestock expansion loan program under Minnesota Statutes, section 41B.045. All debt service on bond proceeds used to finance this appropriation must be repaid by the Rural Finance Authority under Minnesota Statutes, section 16A.643. Loan participations must be priced to provide full interest and principal coverage and a reserve for potential losses. Priority for loans must be given first to basic beginning farmer loans, second to seller-sponsored loans, and third to agricultural improvement loans.

If an appropriation for the same purpose as in this section is enacted more than once in the 2018 legislative session, the appropriation must be given effect only once. If the appropriations for the same purpose are for different amounts, the highest of the amounts is the one to be given effect.

Sec. 12. **MINNESOTA ZOOLOGICAL GARDEN** **\$** **3,000,000**

To the Minnesota Zoological Garden Board for capital asset preservation improvements and betterments to infrastructure and exhibits at the Minnesota Zoo, to be spent in accordance with Minnesota Statutes, section 16B.307. Notwithstanding the specified uses of money under Minnesota Statutes, section 16B.307, the board may use this appropriation to replace buildings that are in poor condition, outdated, and no longer support the work of the Minnesota Zoo and to construct and renovate trails and roads on the Minnesota Zoo site.

Sec. 13. **ADMINISTRATION**

Subdivision 1. **Total Appropriation** **\$** **5,000,000**

To the commissioner of administration for the purposes specified in this section.

Subd. 2. **Capital Asset Preservation and Replacement Account** **5,000,000**

To be spent in accordance with Minnesota Statutes, section 16A.632.

Sec. 14. **AMATEUR SPORTS COMMISSION** **\$** **\$** **1,000,000**

To the Minnesota Amateur Sports Commission for asset preservation of a capital nature at the National Sports Center in Blaine, to be spent in accordance with Minnesota Statutes, section 16B.307.

Sec. 15. **MILITARY AFFAIRS**

Subdivision 1. **Total Appropriation** \$ **12,876,000**

To the adjutant general for the purposes specified in this section.

Subd. 2. **Brainerd Readiness Center** 4,143,000

To design and renovate existing space at the Brainerd Readiness Center, including mechanical, electrical, building envelope, energy efficiency, and life safety improvements.

Subd. 3. **Grand Rapids Readiness Center** 2,126,000

To design and renovate existing space at the Grand Rapids Readiness Center, including mechanical, electrical, building envelope, energy efficiency, and life safety improvements.

Subd. 4. **St. Cloud Readiness Center** 4,450,000

To design and renovate existing space at the St. Cloud Readiness Center, including mechanical, electrical, building envelope, energy efficiency, and life safety improvements. The adjutant general may also use this appropriation to construct and equip an expansion of the facility.

Subd. 5. **Wadena Readiness Center** 2,157,000

To design and renovate existing space at the Wadena Readiness Center, including mechanical, electrical, building envelope, energy efficiency, and life safety improvements.

Sec. 16. **TRANSPORTATION**

Subdivision 1. **Total Appropriation** \$ **344,788,000**

To the commissioner of transportation for the purposes specified in this section.

Subd. 2. **Local Road Improvement Fund Grants** 65,800,000

From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for trunk highway

corridor projects under Minnesota Statutes, section 174.52, subdivision 2, for construction and reconstruction of local roads with statewide or regional significance under Minnesota Statutes, section 174.52, subdivision 4, or for grants to counties to assist in paying the costs of rural road safety capital improvement projects on county state-aid highways under Minnesota Statutes, section 174.52, subdivision 4a.

Of this amount, \$5,800,000 is for a grant to the city of Inver Grove Heights to predesign, design, engineer, acquire right-of-way property and temporary and permanent easements, relocate private utilities, inspect, and construct or reconstruct: (1) realignment of Dakota County State-Aid Highway 63, known as Argenta Trail, in Inver Grove Heights, from northerly of its intersection with Amana Trail to the anticipated future alignment of 65th Street, then west to the existing Argenta Trail alignment, and in anticipation of the development of an interchange of Argenta Trail and marked Interstate Highway 494; and (2) expansion from two lanes to four lanes of Dakota County State-Aid Highway 26, known as 70th Street West, in Inver Grove Heights, from the border with Eagan to the intersection with Argenta Trail as realigned.

Subd. 3. Local Bridge Replacement and Rehabilitation

15,000,000

From the bond proceeds account in the state transportation fund to match federal money and to replace or rehabilitate local deficient bridges as provided in Minnesota Statutes, section 174.50.

Subd. 4. Port Development Assistance

5,000,000

For grants under Minnesota Statutes, chapter 457A. Any improvements made with the proceeds of these grants must be publicly owned.

Subd. 5. Safe Routes to School1,000,000

For grants under Minnesota Statutes, section 174.40.

Subd. 6. Brooklyn Park - Trunk Highway 169 and 101st Avenue Interchange Project16,800,000

\$12,800,000 is from the bond proceeds account in the trunk highway fund and \$4,000,000 is from the bond proceeds account in the state transportation fund for preliminary and final design, engineering, environmental analysis, right-of-way acquisition, and construction of an interchange located at Trunk Highway 169 and 101st Avenue in the city of Brooklyn Park.

Subd. 7. Carver County - Highway 101 Reconstruction9,000,000

From the bond proceeds account in the trunk highway fund to the commissioner of transportation for a grant to Carver County, following a jurisdictional transfer to Carver County of the affected segment of Trunk Highway 101, for design, right-of-way acquisition, engineering, and reconstruction of Trunk Highway 101 between Pioneer Trail and Flying Cloud Drive, including grade separation of a multipurpose pedestrian and bicycle trail from Highway 101 for the Minnesota River Bluffs Regional Trail and a regional trail along Highway 101. This appropriation is not available until the commissioner of management and budget determines that at least \$3,400,000 is committed to the project from nonstate sources.

Subd. 8. Chisago County - Marked U.S. Highway 8 Reconstruction7,500,000

\$3,000,000 is from the bond proceeds account in the state transportation fund and \$4,500,000 is from the bond proceeds account in the trunk highway fund for predesign, design, and environmental

analysis for a project that reconstructs marked U.S. Highway 8 in Chisago and Washington Counties, from Trunk Highway 61/Forest Boulevard North up to and including the intersection at Karmel Avenue.

Subd. 9. Dodge County - Marked Trunk Highway 14 Expansion from CSAH 3 To Existing Four-Lane

68,900,000

From the bond proceeds account in the trunk highway fund to acquire property or permanent easements for, and to design, engineer, construct, furnish, and equip an expansion of marked Trunk Highway 14 from County State-Aid Highway 3 to the existing four-lane portion of marked Trunk Highway 14 in Dodge County.

Subd. 10. Foley - Marked Trunk Highway Safety Improvement

1,200,000

From the bond proceeds account in the trunk highway fund to predesign, design, construct, furnish, and equip safety improvements to marked Trunk Highway 23 in the city of Foley described in the Highway 23 Road Safety Audit conducted by the Department of Transportation in 2017, including a roundabout at the intersection of marked Trunk Highway 23 and 8th Avenue and Penn Street, curb and gutters, pedestrian crossings, pedestrian pathway, lighting, and signage. This appropriation is for the local share for which the city of Foley is responsible under the state's Cost Participation and Maintenance with Local Units of Government Manual, or any contract between the state and the city of Foley.

Subd. 11. Hennepin County State-Aid Highway 9 (Rockford Road) and Marked Interstate Highway 494

9,720,000

\$4,860,000 is from the bond proceeds account in the state transportation fund for a grant to Hennepin County, the city of Plymouth, or both, and \$4,860,000 is from the bond proceeds account in the trunk highway fund for the design, right-of-way

acquisition, construction engineering, construction, and to equip the interchange at Hennepin County State-Aid Highway 9 and marked Interstate Highway 494, including replacing the County State-Aid Highway 9 bridge over marked Interstate Highway 494 and the ramps connecting County State-Aid Highway 9 and marked Interstate Highway 494, notwithstanding Minnesota Statutes, section 174.52, or any rule to the contrary.

Subd. 12. Mankato - Marked Trunk Highway 169 Reconstruction to Accommodate Raised Levee

1,660,000

From the bond proceeds account in the trunk highway fund for a grant to the city of Mankato for a project to reconstruct a segment of marked Trunk Highway 169 north of the Highway 14 interchange to accommodate the raising of a levee. This appropriation is for the local shares the cities of Mankato and North Mankato are responsible for under the state's Cost Participation and Maintenance with Local Units of Government Manual, or any contract between the state and the city of Mankato.

Subd. 13. Pope County - Trunk Highway 29 - Railroad Grade Separation

10,500,000

From the bond proceeds account in the trunk highway fund for construction of the interchange at marked Trunk Highway 55 and marked Trunk Highway 29 near the city of Glenwood, including grade separation of the adjacent rail crossing of marked Trunk Highway 29.

Subd. 14. Steele County and Dodge County – Marked Trunk Highway 14 Expansion From County Road 16 To CSAH 3

68,500,000

From the bond proceeds account in the trunk highway fund to acquire property or permanent easements for, and to design, engineer, construct, furnish and equip an expansion of marked Trunk Highway 14 to four lanes from County Road 16 in Steele County to County State-Aid Highway 3 in

Dodge County. This appropriation may be used for overpass bridges at Steele County Road 16 and County State-Aid Highway 1 in Dodge County, an interchange at County State-Aid Highway 3, upgrades to County State-Aid Highway 3 to meet trunk highway standards, construction of a right turn lane from County State-Aid Highway 3 onto Front Street in Claremont, and railroad gate arm installation at the railroad tracks at County State-Aid Highway 3.

Subd. 15. Steele County - Marked Trunk Highway 14 Expansion from County Road 180 to County Road 16

37,200,000

From the bond proceeds account in the trunk highway fund to acquire property or permanent easements for, and to design, engineer, construct, furnish, and equip an expansion of Trunk Highway 14 to four lanes from County Road 180 to County Road 16 in Steele County.

Subd. 16. Wadena - U.S. Highway 10 Environmental Cleanup

5,000,000

From the bond proceeds account in the trunk highway fund as provided in Minnesota Statutes, section 174.50, to the commissioner of transportation for a grant to the city of Wadena for expansion of marked U.S. Highway 10. This appropriation includes money for right-of-way acquisition, engineering, environmental analysis and environmental cleanup, construction of a four-lane divided roadway, and construction of storm water drainage and other improvements related to the expansion, within the U.S. Highway 10 corridor in the city of Wadena.

Subd. 17. Becker; Industrial Park Road Improvements

3,300,000

From the bond proceeds account in the state transportation fund under Minnesota Statutes, section 174.50, to the commissioner of transportation for a grant to the city of Becker

for design, engineering, and construction of road and infrastructure improvements within the city's industrial park to provide better mobility to marked U.S. Highway 10. This appropriation includes money for improvements to an existing portion of Hancock Street South, new construction of an extension of Hancock Street South, and construction of sanitary sewer, water main, storm sewer, and other publicly owned infrastructure.

Subd. 18. Wakefield - 200th Street Reconstruction

600,000

From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, to the commissioner of transportation for a grant under Minnesota Statutes, section 174.52, subdivision 4, to the town of Wakefield, the town of Luxembourg, or grants to both townships, for reconstruction of an approximately 2.7 mile portion of 200th Street, a township line road in Stearns County.

Subd. 19. Rochester - Bus Storage Facility Expansion

2,500,000

For a grant to the city of Rochester to predesign, design, construct, furnish, and equip an expansion to the city's existing bus storage facility.

Subd. 20. Rogers - Pedestrian and Bike Bridge

2,000,000

For a grant to the city of Rogers to acquire property for and to design and construct a pedestrian and bicycle bridge over marked Interstate Highway 94 approximately one mile northwest of the interchange at marked Trunk Highway 101. This appropriation includes money for construction of a bituminous trail to connect to the existing trail system.

Subd. 21. Goodview, Minnesota City - Railroad Crossing Quiet Zone

330,000

For a grant to the city of Goodview for construction of a railroad crossing quiet zone that consists of construction and installation

of concrete median barriers and associated road improvements at five Canadian Pacific railroad crossings in the cities of Goodview and Minnesota City.

Subd. 22. Loretto, Medina, and Wayzata - Railroad Crossing Safety

1,200,000

For construction of railroad crossing safety improvements. Of this appropriation, \$350,000 is for a grant to the city of Loretto for crossings at Townline Road and marked County Road 19 in the city of Loretto; \$450,000 is for a grant to the city of Medina for crossings at marked County Road 116/County Road 115 and Arrowhead Drive in the city of Medina; and \$400,000 is for a grant to the city of Wayzata for crossings at East Lake Street and Barry Avenue in the city of Wayzata.

Subd. 23. New Brighton - Rice Creek Railroad Bridge

1,000,000

For a grant to Minnesota Commercial Railway Company to demolish the existing railroad bridge over Rice Creek in the city of New Brighton and to predesign, design, acquire any needed right-of-way, engineer, construct, and equip a replacement railroad bridge to meet the needs of the railroad operators that use the bridge, as authorized by the Minnesota Constitution, article XI, section 5, paragraph (i). This appropriation is subject to Minnesota Statutes, section 16A.642, and is available when the commissioner of management and budget determines that sufficient resources have been committed to complete the project, as required by Minnesota Statutes, section 16A.502.

Subd. 24. Moorhead - Rail Grade Crossing Separation at 21st Street South

7,000,000

For a grant to the city of Moorhead for environmental analysis, design, engineering, removal of an existing structure, and construction of a rail grade crossing separation in the vicinity of 21st Street South.

This appropriation is in addition to the appropriation for the same purpose in Laws 2017, First Special Session chapter 8, article 1, section 15, subdivision 4.

Subd. 25. Ramsey County Regional Railroad Authority

1,000,000

For a grant to the Ramsey County Regional Railroad Authority for environmental analysis and design of rail grade separation of Union Pacific and Burlington Northern Santa Fe track between Westminster Junction and Division Street/Hoffman Interlocking in St. Paul.

Subd. 26. Rosemount - Railroad Quiet Zone

1,000,000

For a grant to the city of Rosemount to predesign, design, and construct railroad crossing improvements to create a quiet zone at the railroad crossing located on Bonaire Path in Rosemount.

Subd. 27. Trunk Highway Bonds - Debt Service

2,078,000

This appropriation is from the trunk highway fund for transfer to the state bond fund. If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of management and budget shall transfer the deficiency amount under the statutory open appropriation, and notify the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and the chairs and ranking minority members of the senate Finance Committee and the house of representatives Ways and Means Committee of the amount of the deficiency. Any excess appropriation cancels to the trunk highway fund.

Sec. 17. METROPOLITAN COUNCIL

Subdivision 1. Total Appropriation

\$ 25,300,000

To the Metropolitan Council for the purposes specified in this section.

**Subd. 2. Metropolitan Regional Parks and Trails
Capital Improvements**

10,000,000

For the cost of improvements and betterments of a capital nature and acquisition by the council and local government units of regional recreational open-space lands in accordance with the council's policy plan as provided in Minnesota Statutes, section 473.147. This appropriation must not be used to purchase easements.

**Subd. 3. Metropolitan Cities Inflow and Infiltration
Grants**

3,000,000

For grants to cities within the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2, for capital improvements in municipal wastewater collection systems to reduce the amount of inflow and infiltration to the Metropolitan Council's metropolitan sanitary sewer disposal system. Grants from this appropriation are for up to 50 percent of the cost to mitigate inflow and infiltration in the publicly owned municipal wastewater collection systems. To be eligible for a grant, a city must be identified by the council as a contributor of excessive inflow and infiltration in the metropolitan disposal system or have a measured flow rate within 20 percent of its allowable council-determined inflow and infiltration limits. The council must award grants based on applications from cities that identify eligible capital costs and include a timeline for inflow and infiltration mitigation construction, pursuant to guidelines established by the council.

**Subd. 4. Carver County - Lake Waconia
Development**

2,500,000

For a grant to Carver County to design, construct, and equip: sewer and water utilities, trails, roadways, and parking lots; recreational facilities, including restrooms, a lifeguard station, and picnic shelters; site

improvements including docks and a playground; and for other capital improvements to infrastructure and amenities necessary for the development of Lake Waconia Regional Park.

Subd. 5. Loretto - Wastewater Connection 400,000

For a grant to the city of Loretto to connect the city's existing wastewater collection system to the force main in the city of Independence for wastewater treatment by the wastewater treatment system shared by the cities of Independence, Greenfield, and Medina.

Subd. 6. New Hope - Outdoor Swimming Pool 2,000,000

For a grant to the city of New Hope to predesign, design, construct, and equip an outdoor 50-meter swimming pool on the civic center campus.

Subd. 7. St. Paul - Nature Sanctuary Visitor Center 3,000,000

For a grant to the city of St. Paul to predesign, design, furnish, and equip a visitor and interpretive center in the Bruce Vento Nature Sanctuary in St. Paul for programs that the city determines meet regional and city park purpose requirements. The city may enter into a lease or management agreement under Minnesota Statutes, section 16A.695, to operate the programs in the center.

Subd. 8. White Bear Lake Trail and Route 4,400,000

(a) To the Metropolitan Council for grants to complete design and construction of a multiuse paved trail and route for pedestrians, bicycles, and wheelchairs around White Bear Lake in Ramsey and Washington Counties.

(b) \$2,900,000 of this appropriation is for a grant to Ramsey County to design and construct trail improvements, consistent with the completed preliminary engineering, along South Shore Boulevard between White Bear Avenue and marked Trunk Highway 120 and to pave an existing dirt path within the

Ramsey County Beach and Water Park from the entrance to the park at Highway 96 to the northeast edge of the park.

(c) \$1,500,000 of this appropriation is for a grant to the city of Mahtomedi to design and construct and designate elements of the trail and route along or proximate to Birchwood Road, Wildwood Beach Road, and on or in the proximity of Briarwood Road, consistent with the completed preliminary engineering, and final design and specification, subject to approval of the commissioner of transportation with regard to elements of the trail and route that are within or adjacent to the right-of-way of marked Trunk Highway 244.

Sec. 18. **HUMAN SERVICES**

Subdivision 1. **Total Appropriation**

\$ 56,314,000

To the commissioner of administration, or other named entity, for the purposes specified in this section.

Subd. 2. **Regional Behavioral Health Crisis Facility Grants**

30,000,000

To the commissioner of human services for behavioral health crisis program facilities grants under Minnesota Statutes, section 245G.011.

Subd. 3. **Minnesota Sex Offender Program - St. Peter**

8,000,000

To design, renovate, furnish, and equip the second phase of a multiphase project to develop additional residential, program, activity, and ancillary facilities for the Minnesota sex offender program on the lower campus of the St. Peter Regional Treatment Center. This appropriation includes money to design, renovate, construct, furnish, and equip the north wing of Green Acres; the west, south, and north wings of Sunrise; and the Tomlinson Building. This appropriation also includes money to: replace or renovate HVAC, plumbing, electrical, security, and

life safety systems; address fire and life safety, and other building code deficiencies; replace windows and doors; tuck-point exterior building envelopes; reconfigure and remodel space; design and abate asbestos and other hazardous materials; remove or demolish nonfunctioning building components; and complete site work necessary to support the programmed use of these three buildings.

Subd. 4. St. Peter Regional Treatment Center Campus - Dietary Building HVAC and Electrical Replacement

2,200,000

To predesign, design, engineer, and renovate the mechanical and electrical systems in the Dietary Building on the St. Peter Regional Treatment Center campus, including: the upgrade, replacement, and improvement of existing heating and ventilation equipment; installation of air-conditioning equipment; replacement of the building's outdated and undersized electrical system; design and abatement of asbestos and hazardous materials; and structural, site, and utility work necessary to support the project.

Subd. 5. Hennepin County - Regional Medical Examiner's Facility

16,114,000

For a grant to Hennepin County to design, construct, furnish, and equip a 67,000 square foot regional, state-of-the-art medical examiner's facility. The facility shall: (1) provide forensic death investigation and autopsy services for Dakota, Hennepin, and Scott Counties with the flexibility to accommodate future partner counties and agencies; (2) serve as a teaching facility for the state, on the science of forensic pathology; and (3) be located in southern Hennepin County at a site that best supports access needs for the three founding counties and reasonable scene response times for the geographic service area.

Subdivision 1. Total Appropriation\$ 41,000,000To the commissioner of administration for the purposes specified in this section.Subd. 2. Asset Preservation9,000,000For asset preservation improvements and betterments of a capital nature at the veterans homes in Minneapolis, Hastings, Fergus Falls, Silver Bay, and Luverne, and the Little Falls Cemetery, to be spent in accordance with Minnesota Statutes, section 16B.307.Subd. 3. Bemidji, Montevideo, and Preston - New Veterans Homes32,000,000(a) \$12,400,000 of this appropriation is to design, construct, furnish, and equip a veterans home in Bemidji. \$9,400,000 of this appropriation is to design, construct, furnish, and equip a veterans home in Montevideo. \$10,200,000 of this appropriation is to design, construct, furnish, and equip a veterans home in Preston.(b) These veterans homes are subject to the requirements of the People's Veterans Homes Act.Sec. 20. CORRECTIONSSubdivision 1. Total Appropriation\$ 22,200,000To the commissioner of administration for the purposes specified in this section.Subd. 2. Asset Preservation4,000,000For asset preservation improvements and betterments of a capital nature at Minnesota correctional facilities statewide, to be spent in accordance with Minnesota Statutes, section 16B.307.Subd. 3. Minnesota Correctional Facility - St. Cloud16,200,000To design, upgrade, construct, replace, and install new plumbing, ventilation, and exhaust systems as required by code and to

meet other requirements. This appropriation includes money for design and abatement of asbestos and hazardous materials.

Subd. 4. Minnesota Correctional Facility - Willow River

2,000,000

To design, construct, renovate, furnish, and equip new and existing buildings and complete associated site work to increase living unit and programming capacity for the challenge incarceration program by at least 45 beds at the Minnesota Correctional Facility - Willow River. This appropriation includes money for design and abatement of asbestos and hazardous materials.

Subd. 5. Unspent Appropriations

The unspent portion of an appropriation for a Department of Corrections project in this section that is complete, upon written notice to the commissioner of management and budget, is available for asset preservation under Minnesota Statutes, section 16B.307. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

Sec. 21. EMPLOYMENT AND ECONOMIC DEVELOPMENT

Subdivision 1. Total Appropriation

\$ 86,576,000

To the commissioner of employment and economic development for the purposes specified in this section.

Subd. 2. Greater Minnesota Business Development Public Infrastructure Grants

8,000,000

For grants under Minnesota Statutes, section 116J.431.

Subd. 3. Transportation Economic Development

4,000,000

For grants under Minnesota Statutes, section 116J.436.

Subd. 4. Innovative Business Development Public Infrastructure Grants

1,000,000

For grants under Minnesota Statutes, section 116J.435.

Subd. 5. Brooklyn Park - Second Harvest

18,000,000

For a grant to the city of Brooklyn Park to acquire land for, and to predesign, design, construct, furnish, and equip a statewide Second Harvest Heartland charitable food warehouse, distribution, and office facility in the city of Brooklyn Park. The city may enter into lease or management agreements under Minnesota Statutes, section 16A.695, for operation of the facility. Amounts expended for this project by nonstate sources since June 1, 2016, shall count toward the nonstate match.

Subd. 6. Duluth - Seawall and Surface Improvements

5,000,000

For a grant to the city of Duluth to predesign, design, construct, furnish, and equip seawall infrastructure with related surface improvements, including a boardwalk and bike trails, public gathering spaces, and loading areas, along the shore of Lake Superior in the city of Duluth. This appropriation may also be used for demolition and removal of existing seawall structures

Subd. 7. Fergus Falls Regional Treatment Center Redevelopment

3,500,000

For a grant to the city of Fergus Falls for phases 2 and 3 of the deconstruction of the former regional treatment center campus to prepare the site for public use, redevelopment, and historic preservation purposes. This appropriation includes money for demolition of all or portions of buildings and other structures deemed unnecessary or undesirable for redevelopment or renovation, removal of debris, site preparation and remediation, hazardous materials abatement, and improvements for building envelope and structural integrity to stabilize existing buildings and structures for redevelopment or renovation. This demolition is part of a

larger project to redevelop the campus of the regional treatment center. This appropriation may not be used to demolish the central tower or the U-shaped building connected to the central tower.

Subd. 8. Goodhue County Historical Society Museum

616,000

For a grant to the city of Red Wing for replacement of the Goodhue County Historical Society Museum building's HVAC system, roofing, and windows, and for renovation of the building's storefront entrance.

Subd. 9. Hennepin County - Regional Employment Center - Phase 1

1,660,000

For a grant to Hennepin County for phase 1 of the regional career and employment center in Minneapolis, subject to Minnesota Statutes, section 16A.695. Phase 1 includes demolition of a building, site and environmental investigation, site work, and to predesign and design the renovation and expansion of a building.

Subd. 10. Minneapolis - Upper Harbor Terminal Redevelopment

12,000,000

For a grant to the city of Minneapolis, the Minneapolis Park and Recreation Board, or both, for predevelopment, predesign, design, and construction work for site preparation and for park and public infrastructure improvements to support an initial phase of redevelopment of the Upper Harbor Terminal on the Mississippi River; a site that was rendered inoperable for barging by the federal closure of the Upper St. Anthony Falls Lock.

Subd. 11. Perham - Redevelopment

4,400,000

For a grant to the city of Perham to design, construct, redevelop, renovate, furnish, and equip buildings, land, and infrastructure at the site of the area community center and former high school.

Subd. 12. Polk County - North Country Food Bank**3,000,000**

For a grant to Polk County to predesign, design, construct, renovate, furnish, and equip a regional charitable food warehouse, distribution, and office facility in the city of Crookston, subject to Minnesota Statutes, section 16A.695. The value of land purchased or acquired by the county after January 1, 2013, for this facility shall count toward the nonstate match.

Subd. 13. Ramsey County - Landmark Center**350,000**

For a grant to Ramsey County to renovate and construct improvements to restroom facilities in the Landmark Center in the city of St. Paul.

Subd. 14. Rosemount - Family Resource Center**450,000**

For a grant to the city of Rosemount to design, construct, furnish, and equip an addition to the Family Resource Center in the city of Rosemount, to provide after-school tutoring, a food shelf, and other programs, subject to Minnesota Statutes, section 16A.695.

Subd. 15. St. Paul - Minnesota Humanities Center**1,000,000**

For a grant to the city of St. Paul for asset preservation of the Minnesota Humanities Center's main facility, including capital improvements for building envelope, foundation, and structural integrity, and for mechanical systems upgrades, including heating, ventilation, and cooling, subject to Minnesota Statutes, section 16A.695.

Subd. 16. St. Paul - RiverCentre Parking Facility**5,000,000**

For a grant to the city of St. Paul for demolition of the existing RiverCentre ramp and removal of debris.

Subd. 17. St. Paul - Southeast Asian Language Job Training Facilities**5,500,000**

For a grant to the city of St. Paul to predesign, design, renovate, construct,

furnish, and equip a bus driver and mechanics training facility on Acker Street in St. Paul for training drivers and mechanics through programming primarily in the Southeast Asian languages, and to predesign, design, renovate, construct, furnish, and equip a training facility on Plato Avenue in St. Paul to be used during renovation of the Acker Street facility and for use as a training facility for health care, manufacturing, and information technology jobs through programming primarily in the Southeast Asian languages. The city of St. Paul may enter into a lease or management agreement with a nonprofit corporation for either or both of these facilities under Minnesota Statutes, section 16A.695.

Subd. 18. Wabasha - National Eagle Center and Wabasha Rivertown Resurgence

8,100,000

For a grant to the city of Wabasha to acquire land, predesign, design, renovate, construct, furnish, and equip the National Eagle Center in order to expand program and exhibit space, increase aviary space for eagles, and for improvements to the riverfront in Wabasha for infrastructure, large vessel landing areas and docks, and public access and program areas.

Subd. 19. Waite Park - Quarry Redevelopment

5,000,000

For a grant to the city of Waite Park to redevelop a former quarry site located off Parkway Drive and 17th Avenue South as a regional park and to predesign, design, construct, furnish, and equip a public open-air stage and related facilities. The city may enter into one or more lease or management agreements for operation of the open-air stage and related facilities, subject to Minnesota Statutes, section 16A.695.

Sec. 22. PUBLIC FACILITIES AUTHORITY

Subdivision 1. Total Appropriation

\$ 120,000,000

To the Public Facilities Authority for the purposes specified in this section.

Subd. 2. State Match for Federal Grants

20,000,000

To match federal grants for the clean water revolving fund under Minnesota Statutes, section 446A.07, and the drinking water revolving fund under Minnesota Statutes, section 446A.081. This appropriation must be used for qualified capital projects.

Subd. 3. Water Infrastructure Funding Program

37,150,000

(a) For grants to eligible municipalities under the water infrastructure funding program under Minnesota Statutes, section 446A.072.

(b) \$27,150,000 is for wastewater projects listed on the Pollution Control Agency's project priority list in the fundable range under the clean water revolving fund program.

(c) \$10,000,000 is for drinking water projects listed on the commissioner of health's project priority list in the fundable range under the drinking water revolving fund program.

(d) After all eligible projects under paragraph (b) or (c) have been funded, the Public Facilities Authority may transfer any remaining, uncommitted money to eligible projects under a program defined in paragraph (b) or (c) based on that program's project priority list.

Subd. 4. Point Source Implementation Grants Program

35,000,000

For grants to eligible municipalities under the point source implementation grants program under Minnesota Statutes, section 446A.073. This appropriation must be used for qualified capital projects.

Subd. 5. Arden Hills - Water Main

500,000

For a grant to the city of Arden Hills to install a water main extending along Highway 96,

from Highway 10 to Interstate Highway 35W.

Subd. 6. Aurora; Hoyt Lakes; Biwabik; and White Township - Drinking Water System

4,000,000

For a grant to the city of Aurora to acquire land or a permanent interest in land, design, engineer, construct, furnish, and equip a comprehensive municipally owned cooperative joint drinking water system in the cities of Aurora, Hoyt Lakes, and Biwabik, and White Township, including a water intake and treatment plant located in White Township.

Subd. 7. Big Lake Wastewater

1,000,000

For a grant to the city of Big Lake to predesign, design, and construct improvements to or the replacement of the city's wastewater treatment facility.

Subd. 8. Cold Spring Water Infrastructure

4,500,000

For a grant to the city of Cold Spring to acquire land, predesign, design, engineer, construct, furnish, and equip water infrastructure, including drilling new wells, a water treatment plant, and piping for water distribution. Amounts spent by the city on this project as of the effective date of this section, estimated to be \$782,000, are included in the nonstate contribution and no further match is required.

Subd. 9. Currie - Water and Sewer Improvements

3,000,000

For a grant to the city of Currie to engineer, construct, and equip the extension and replacement of sanitary sewer, the replacement of water mains, and for other improvements to publicly owned water and sewer infrastructure. This appropriation is not available until the commissioner of management and budget has determined that at least \$80,000 is committed to the project from nonstate sources.

Subd. 10. Keewatin; Nashwauk; Lone Pine Township; And Greenway Township - Wastewater Treatment Facility

850,000

For a grant to a joint powers authority entered into by the city of Keewatin, the city of Nashwauk, Lone Pine Township, and Greenway Township to predesign, design, and engineer a regional wastewater treatment system located in the city of Nashwauk to serve the communities represented by the joint powers authority and other communities.

Subd. 11. Oronoco Wastewater

3,100,000

For a grant to the city of Oronoco to acquire land or permanent easements, predesign, design, and survey for wastewater infrastructure to serve the city of Oronoco and the region including the Oronoco Estates Mobile Home Community. If this appropriation exceeds the amount needed for acquisition, predesign, design, and surveying, the remainder of the appropriation may be applied to acquisition or construction.

Subd. 12. St. James Storm Sewer and Utilities

3,000,000

For a grant to the city of St. James to design, engineer, and construct an extension of the storm sewer retention pond in the northwest portion of the city, including reconstruction of streets, sidewalks, storm water and sanitary sewer, water mains, lighting, and utilities.

Subd. 13. Waldorf Water and Public Infrastructure

1,900,000

For a grant to the city of Waldorf to design, construct, and equip a stabilization pond system, wastewater collection system, a water treatment and distribution system, storm water drainage systems, street replacement, and other capital improvements to publicly owned infrastructure.

96TH DAY]

MONDAY, MAY 14, 2018

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Subd. 14. Windom Wastewater

3,000,000

For a grant to the city of Windom to design, construct, and equip capital improvements to renovate and upgrade the municipal wastewater treatment facility.

Subd. 15. Winnebago Water

3,000,000

To the city of Winnebago to predesign, design, engineer, and reconstruct the drinking water distribution system and the sanitary and storm sewer collection systems in the northwest utility improvement area.

Sec. 23. MINNESOTA HOUSING FINANCE AGENCY

\$ 5,000,000

For transfer to the housing development fund to finance the costs of rehabilitation to preserve public housing under Minnesota Statutes, section 462A.202, subdivision 3a. For purposes of this section, "public housing" means housing for low-income persons and households financed by the federal government and owned and operated by the public housing authorities and agencies formed by cities and counties. Public housing authorities receiving a public housing assessment composite score of 80 or above or an equivalent designation are eligible to receive funding. Priority must be given to proposals that maximize federal or local resources to finance the capital costs. The priority in Minnesota Statutes, section 462A.202, subdivision 3a, for projects to increase the supply of affordable housing and the restrictions of Minnesota Statutes, section 462A.202, subdivision 7, do not apply to this appropriation.

Sec. 24. MINNESOTA HISTORICAL SOCIETY

Subdivision 1. Total Appropriation

\$ 14,000,000

To the Minnesota Historical Society for the purposes specified in this section.

Subd. 2. Historic Sites Asset Preservation4,000,000

For capital improvements and betterments at state historic sites, buildings, landscaping at historic buildings, exhibits, markers, and monuments, to be spent in accordance with Minnesota Statutes, section 16B.307. The society shall determine project priorities as appropriate based on need.

Subd. 3. Historic Fort Snelling Visitor Center10,000,000

To design, construct, furnish, and equip the renovation of Building 18 at Historic Fort Snelling to be used as a visitor center.

Sec. 25. BOND SALE EXPENSES**Subdivision 1. Total Appropriation****\$ 1,101,000**

To the commissioner of management and budget for the purposes specified in this section.

Subd. 2. Bond Proceeds Fund894,000

From the bond proceeds fund for bond sale expenses under Minnesota Statutes, section 16A.641, subdivision 8.

Subd. 3. Trunk Highway Fund207,000

From the bond proceeds account in the trunk highway fund for bond sale expenses under Minnesota Statutes, sections 16A.641, subdivision 8, and 167.50, subdivision 4.

Sec. 26. BOND SALE AUTHORIZATION.

Subdivision 1. **Bond proceeds fund.** To provide the money appropriated in this act from the bond proceeds fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$771,405,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 2. **Transportation fund.** To provide the money appropriated in this act from the state transportation fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$96,560,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 3. **Maximum effort school loan fund.** To provide the money appropriated in this act from the maximum effort school loan fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$14,492,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the maximum effort school loan fund.

Subd. 4. **Trunk highway fund.** To provide the money appropriated in this article from the bond proceeds account in the trunk highway fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$224,327,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota Constitution, article XIV, section 11, at the times and in the amounts requested by the commissioner of transportation. The proceeds of the bonds, except accrued interest and any premium received from the sale of the bonds, must be deposited in the bond proceeds account in the trunk highway fund.

Sec. 27. **CANCELLATION.**

The uncommitted and unobligated amount of the appropriation from the bond proceeds fund in Laws 2011, First Special Session chapter 12, section 18, subdivision 4, for the transportation improvements within the Lindau Lane corridor in Bloomington, estimated to be \$4,035,839, is canceled, and the bond sale authorization in Laws 2011, First Special Session chapter 12, section 23, subdivision 1, is reduced by the same amount.

Sec. 28. Laws 2017, First Special Session chapter 8, article 1, section 27, is amended to read:

Sec. 27. **BOND SALE SCHEDULE.**

The commissioner of management and budget shall schedule the sale of state general obligation bonds so that, during the biennium ending June 30, 2019, no more than ~~\$1,555,301,000~~ \$1,138,524,000 will need to be transferred from the general fund to the state bond fund to pay principal and interest due and to become due on outstanding state general obligation bonds. During the biennium, before each sale of state general obligation bonds, the commissioner of management and budget shall calculate the amount of debt service payments needed on bonds previously issued and shall estimate the amount of debt service payments that will be needed on the bonds scheduled to be sold. The commissioner shall adjust the amount of bonds scheduled to be sold so as to remain within the limit set by this section. The amount needed to make the debt service payments is appropriated from the general fund as provided in Minnesota Statutes, section 16A.641.

Sec. 29. **EFFECTIVE DATE.**

Except as otherwise provided, this article is effective the day following final enactment.

ARTICLE 2

MISCELLANEOUS

Section 1. Minnesota Statutes 2016, section 15B.32, subdivision 6, is amended to read:

Subd. 6. **Duties.** (a) The commission:

(1) shall exercise ongoing coordination of the restoration, protection, risk management, and preservation of the Capitol building;

(2) shall consult with and advise the commissioner of administration, the board, and the Minnesota Historical Society regarding their applicable statutory responsibilities for and in the Capitol building;

(3) may assist in the selection of an architectural firm to assist in the preparation of the predesign plan for the restoration of the Capitol building;

(4) shall develop a comprehensive, multiyear, predesign plan for the restoration of the Capitol building, review the plan periodically, and, as appropriate, amend and modify the plan. The predesign plan shall identify appropriate and required functions of the Capitol building; identify and address space requirements for legislative, executive, and judicial branch functions; and identify and address the long-term maintenance and preservation requirements of the Capitol building. In developing the predesign plan, the commission shall take into account the comprehensive plan for the Minnesota State Capitol Area, as amended in 2010, the rules governing zoning and design for the Capitol Area, citizen access, information technology needs, energy efficiency, security, educational programs including public and school tours, and any additional space needs for the efficient operation of state government;

(5) shall develop and implement a plan to reopen the Minnesota State Capitol and reintroduce it to the citizens of Minnesota;

(6) shall develop and implement a comprehensive financial plan to fund the preservation and restoration of the Capitol building;

(7) shall provide annual reports about the condition of the Capitol building and its needs, as well as all activities related to the restoration of the Capitol building; ~~and~~

(8) may solicit gifts, grants, or donations of any kind from any private or public source to carry out the purposes of this section. For purposes of this section, the commissioner of administration may expend money appropriated by the legislature for these purposes in the same manner as private persons, firms, corporations, and associations make expenditures for these purposes. All gifts, grants, or donations received by the commission shall be deposited in a State Capitol preservation account established in the special revenue fund. Money in the account is appropriated to the commissioner of administration for the activities of clause (5), the commission, and implementation of the predesign plan under this section. The gift acceptance procedures under sections 16A.013 to 16A.016 do not apply to this clause. Appropriations under this clause do not cancel and are available until expended; and

(9) shall approve all exhibits of works of art to be displayed in the new spaces of the State Capitol building, as defined under section 15B.36, subdivision 1, before these exhibits may be displayed for periods of greater than two weeks.

(b) By January 15 of each year, the commission shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over the commission regarding the activities and efforts of the commission in the preceding calendar year, including recommendations adopted

by the commission, the comprehensive financial plan required under paragraph (a), clause (6), and any proposed draft legislation necessary to implement the recommendations of the commission.

Sec. 2. **[15B.36] CAPITOL ART ADVISORY COMMITTEE.**

Subdivision 1. **Definition.** As used in this section, the term defined in this subdivision has the following meaning. "State Capitol new spaces" means those areas within the State Capitol not included in section 138.67, subdivision 4.

Subd. 2. **Duties.** (a) The Capitol Art Advisory Committee shall advise and make recommendations to the Capitol Preservation Commission regarding art exhibits to be displayed in State Capitol new spaces, including temporary, rotating, or permanent exhibits. To develop these recommendations, the committee shall:

(1) identify Minnesota artists, receive proposals from artists, and evaluate the extent to which proposals meet the criteria in paragraph (b); and

(2) prepare a list of recommended exhibits for consideration by the Capitol Preservation Commission, including information on the availability of the exhibits, a summary of how the recommended exhibits meet the criteria in paragraph (b) and reflect Minnesota history not covered by previous exhibits, and estimated costs and logistical needs for recommended exhibits.

(b) Art exhibits displayed in State Capitol new spaces should engage people to:

(1) reflect on Minnesota history;

(2) understand Minnesota government;

(3) recognize the contributions of Minnesota's diverse peoples;

(4) inspire citizen engagement; and

(5) appreciate varied landscapes.

(c) The commissioner of administration shall provide administrative support and curatorial services to the advisory committee, and shall implement the display of the exhibits approved by the Capitol Preservation Commission under section 15B.32, subdivision 6, paragraph (a), clause (9).

Subd. 3. **Membership.** (a) The advisory committee shall consist of seven members, including:

(1) three members of the public appointed by the governor, including two who serve on the State Arts Board, and one who serves on the Minnesota State Historical Society Board of Directors;

(2) two members of the public, one appointed by the majority leader of the senate and one appointed by the minority leader of the senate; and

(3) two members of the public, one appointed by the speaker of the house and one appointed by the minority leader of the house of representatives.

In making their appointments to the advisory committee, the appointing authorities shall endeavor to select individuals so that the advisory committee reflects the demographic and geographic diversity of the state.

(b) The advisory committee may meet as frequently as needed to complete its work, and shall annually, or when requested by the commissioner, provide the commissioner with a list of recommended exhibits of works of art by Minnesota artists, as provided for under subdivision 2, for possible display in the new spaces of the State Capitol building.

Subd. 4. **Terms; removal; vacancies; compensation.** Terms, removal, vacancies, and compensation shall be as provided in section 15.059.

Subd. 5. **Chair.** The committee shall elect a chair from among its members. The committee may elect other officers as it deems necessary.

Subd. 6. **Meetings.** Committee meetings are subject to chapter 13D.

Subd. 7. **Conflict of interest.** A member of the committee may not participate in or vote on a decision of the committee relating to an organization in which the member has either a direct or indirect financial interest.

Subd. 8. **Gifts, grants, and donations.** The committee may accept gifts and grants, which are accepted on behalf of the state and constitute donations to the state. Funds received under this paragraph are appropriated to the commissioner of administration for purposes of this committee.

Sec. 3. Minnesota Statutes 2016, section 16A.642, subdivision 1, is amended to read:

Subdivision 1. **Reports.** (a) The commissioner of management and budget shall report to the chairs of the senate Committee on Finance and the house of representatives Committees on Ways and Means and Capital Investment by January 1 of each ~~odd-numbered~~ year on the following:

(1) all laws authorizing the issuance of state bonds, bonds supported by a state appropriation, or appropriating general fund money for state or local government capital investment projects enacted more than four years before January 1 of that ~~odd-numbered~~ year; the projects authorized to be acquired and constructed for which less than 100 percent of the authorized total cost has been expended, encumbered, or otherwise obligated; the cost of contracts to be let in accordance with existing plans and specifications shall be considered expended for this report; and the amount of general fund money appropriated but not spent or otherwise obligated, and the amount of bonds not issued and bond proceeds held but not previously expended, encumbered, or otherwise obligated for these projects; and

(2) all laws authorizing the issuance of state bonds, bonds supported by a state appropriation, or appropriating general fund money for state or local government capital programs or projects other than those described in clause (1), enacted more than four years before January 1 of that ~~odd-numbered~~ year; and the amount of general fund money appropriated but not spent or otherwise obligated, and the amount of bonds not issued and bond proceeds held but not previously expended, encumbered, or otherwise obligated for these programs and projects.

(b) The commissioner shall also report on general fund appropriations for capital projects, bond authorizations or bond proceed balances that may be canceled because projects have been canceled, completed, or otherwise concluded, or because the purposes for which the money was appropriated or bonds were authorized or issued have been canceled, completed, or otherwise concluded. The general fund appropriations, bond authorizations or bond proceed balances that are unencumbered or otherwise not obligated that are reported by the commissioner under this subdivision are canceled, effective July 1 of the year of the report, unless specifically reauthorized by act of the legislature.

(c) The reports required by this subdivision shall only contain bond authorizations supported by a state appropriation and their associated general fund appropriations for projects authorized or amended after December 31, 2013.

Sec. 4. Minnesota Statutes 2016, section 115.03, is amended by adding a subdivision to read:

Subd. 5d. Required disclosures to national pollution elimination discharge system permit applicants. The commissioner must provide an applicant for a national pollution elimination discharge system permit with a written summary of all available methods for the applicant to participate in the permit process, including an explanation of all procedures for challenging and appealing a decision of the agency or a permit requirement included in any draft of final permit.

Sec. 5. **[115.455] EFFLUENT LIMITATIONS; COMPLIANCE.**

To the extent allowable under federal law, for a municipality that constructs a publicly owned treatment works to comply with a new or modified effluent limitation, compliance with any new or modified effluent limitation adopted after construction begins that would require additional capital investment is required no sooner than 16 years after the date the facility begins operating.

Sec. 6. **[115.456] COMPLIANCE SCHEDULES.**

The commissioner of the Pollution Control Agency must consider current debt service on existing municipal wastewater treatment infrastructure when developing compliance schedules for new effluent limits in municipal national pollutant discharge elimination system (NPDES) permits. Any compliance schedule for new effluent limits in municipal NPDES permits must be developed in a manner consistent with state and federal law to maximize the repayment of existing debt on wastewater infrastructure before requiring additional capital infrastructure upgrades. To the extent allowable under federal law, the commissioner may issue compliance schedules in municipal NPDES permits for new effluent limit requirements in excess of 20 years.

Sec. 7. Minnesota Statutes 2016, section 116.072, is amended by adding a subdivision to read:

Subd. 14. Treatment works penalty orders. To the extent allowable under federal law, the agency shall not issue an administrative penalty order to the operator of a publicly owned treatment works for violating any effluent limitation unless both of the following conditions have been satisfied:

(1) 45 days have elapsed since the agency has issued the operator of the treatment works with a notice of violation or an alleged violation letter that describes the violation; and

(2) the agency provides the operator with a copy of the written summary developed under section 115.03, subdivision 5d, after or at the same time as the notice of violation or alleged violation letter is issued.

Sec. 8. Minnesota Statutes 2016, section 138.67, subdivision 2, is amended to read:

Subd. 2. **Works of art.** "Works of art" in ~~all spaces~~ public areas of the State Capitol; means paintings, portraits, mural decorations, stained glass, statues and busts, bas-relief, ornaments, furniture, plaques, and any other article or structure of a permanent character intended for decoration or commemoration placed in the Capitol ~~in 1905~~ or placed in the public areas subsequently for historic purposes or decoration.

Sec. 9. Minnesota Statutes 2016, section 138.67, subdivision 4, is amended to read:

Subd. 4. **Public areas of the State Capitol.** "Public areas of the State Capitol" includes the rotunda, the governor's reception room and offices, the senate chamber, the house chamber, the Supreme Court chamber, ~~public legislative hearing and caucus rooms, east and west grand stairs, spiral stairs, and hallways and corridors, and all other~~ generally used by the public to access these areas of the State Capitol designed for public events or ceremonies.

Sec. 10. Minnesota Statutes 2016, section 138.68, is amended to read:

138.68 SUPERVISION OF PRESERVATION.

The works of art in the public ~~and ceremonial~~ areas of the State Capitol are declared to possess historical value for the people of Minnesota. The Minnesota State Historical Society and the Capitol Area Architectural and Planning Board shall approve the design, structural composition, and location of all monuments, memorials or works of art presently located in the public ~~and ceremonial~~ areas of the State Capitol ~~or which shall be placed in such public or ceremonial areas after June 4, 1971,~~ that were located anywhere in the State Capitol prior to July 1, 2013. No monument, memorial or work of art shall be relocated or removed from, or placed in ~~such~~ the public areas of the State Capitol, or altered or repaired in any way without the approval of the Minnesota State Historical Society. The Minnesota State Historical Society shall have final authority over the disposition of any monuments, memorials or works of art removed from the public areas of the State Capitol or the Capitol grounds.

Sec. 11. Minnesota Statutes 2017 Supplement, section 138.69, is amended to read:

138.69 PUBLIC AREAS OF THE STATE CAPITOL; DESIGNATED RESEARCH AGENCY.

The Minnesota State Historical Society is designated the research agency and is responsible for the interpretation of the public areas for visitors to the Capitol. This involves conducting or approving public programs and tours in the Capitol and State Office Building, including exhibits held in the public areas of the State Capitol, ~~providing informational services, acting as adviser on preservation, recommending appropriate custodial policies, and maintaining and repairing all works of art.~~ Notwithstanding section 138.668, the society may not charge a fee for general tours at the Capitol but may charge fees for special programs other than general tours.

Sec. 12. Minnesota Statutes 2016, section 138.70, is amended to read:

138.70 CAPITOL BUILDING POWERS AND DUTIES.

The Minnesota Historical Society shall:

(1) assist and advise in research and preservation of historical features of the Capitol building, appropriate custodial policies, and maintaining and repairing works of art according to section 138.69;

(2) jointly, with the Capitol Area Architectural and Planning Board, review and approve the design, structural composition, and location of all monuments, memorials, or works of art ~~presently located in the public and ceremonial areas of the Capitol building~~ located in the Capitol building prior to July 1, 2013, or proposed for placement in the public or ceremonial areas of the State Capitol, according to section 138.68;

(3) assist with planning and design of restoration and renovations of the Capitol building in order to provide public access and education through public interpretive programs according to the society's statutory responsibilities under section 138.69; and

(4) assist the State Capitol Preservation Commission with performance of its duties as needed.

Sec. 13. [245G.011] BEHAVIORAL HEALTH CRISIS FACILITIES GRANTS.

Subdivision 1. **Commissioner.** "Commissioner" means the commissioner of human services.

Subd. 2. **Eligible applicant.** "Eligible applicant" or "applicant" means a statutory or home rule charter city, county, housing and redevelopment authority, publicly owned hospital, or other public entity otherwise eligible to receive state general obligation bond proceeds that is designated to apply for a behavioral health crisis program facilities grant by the local mental health authority, established under Minnesota Statutes, section 245.466, or on behalf of a regional consortium of organizations that serve individuals with mental illness or a substance use disorder.

Subd. 3. **Eligible project.** "Eligible project" or "project" means the acquisition or betterment of public land, buildings, and other public improvements of a capital nature within the meaning of the Minnesota Constitution, article XI, section 5, clause (a). It includes acquisition of land or interest in land, predesign, design, renovation, construction, furnishing, and equipping facilities in which to provide behavioral health crisis programs and services.

Subd. 4. **Project criteria.** For purposes of this section, "behavioral health crisis facilities" or "facility" means a facility whose purpose is to provide mental health or substance use disorder services. Proceeds may be up to 100 percent of project costs, up to \$5,000,000 per project. Priority must be given to proposals that:

(1) demonstrate a need for the program in the region;

(2) provide a detailed service plan, including the services that will be provided and to whom, and staffing requirements;

(3) provide an estimated cost of operating the program;

(4) verify financial sustainability by detailing sufficient funding sources and the capacity to obtain third-party payments for services provided, including private insurance and federal Medicaid and Medicare financial participation;

(5) demonstrate an ability and willingness to build on existing resources in the community; and

(6) agree to a comprehensive evaluation of services and financial viability by the commissioner.

Subd. 5. **Report.** The commissioner shall report to the legislative committees with jurisdiction over mental health issues and capital investment. The report is due by February 15 of each odd-numbered year and must include information on the projects funded and the programs and services provided in those facilities.

Sec. 14. Minnesota Statutes 2017 Supplement, section 462A.2035, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The agency shall establish a manufactured home park redevelopment program for the purpose of making manufactured home park redevelopment grants or loans ~~to cities, counties, community action programs, nonprofit organizations, and cooperatives created under chapter 308A or 308B~~ for the purposes specified in this section.

Sec. 15. Minnesota Statutes 2017 Supplement, section 462A.2035, subdivision 1b, is amended to read:

Subd. 1b. **Manufactured home park infrastructure grants.** Eligible recipients may use manufactured home park infrastructure grants under this program for:

- (1) acquisition of and improvements in manufactured home parks; and
- (2) infrastructure, including storm shelters and community facilities.

Sec. 16. Minnesota Statutes 2016, section 462A.37, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Abandoned property" has the meaning given in section 117.025, subdivision 5.

(c) "Community land trust" means an entity that meets the requirements of section 462A.31, subdivisions 1 and 2.

(d) "Debt service" means the amount payable in any fiscal year of principal, premium, if any, and interest on housing infrastructure bonds and the fees, charges, and expenses related to the bonds.

(e) "Foreclosed property" means residential property where foreclosure proceedings have been initiated or have been completed and title transferred or where title is transferred in lieu of foreclosure.

(f) "Housing infrastructure bonds" means bonds issued by the agency under this chapter that are qualified 501(c)(3) bonds, within the meaning of Section 145(a) of the Internal Revenue Code, finance qualified residential rental projects within the meaning of Section 142(d) of the Internal

Revenue Code, or are tax-exempt bonds that are not private activity bonds, within the meaning of Section 141(a) of the Internal Revenue Code, for the purpose of financing or refinancing affordable housing authorized under this chapter.

(g) "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended.

(h) "Senior" means a person 55 years of age or older with an annual income not greater than 50 percent of:

(1) the metropolitan area median income for persons in the metropolitan area; or

(2) the statewide median income for persons outside the metropolitan area.

(i) "Senior housing" means housing intended and operated for occupancy by at least one senior per unit with at least 80 percent of the units occupied by at least one senior per unit, and for which there is publication of, and adherence to, policies and procedures that demonstrate an intent by the owner or manager to provide housing for seniors. Senior housing may be developed in conjunction with and as a distinct portion of mixed-income senior housing developments that use a variety of public or private financing sources.

~~(h)~~ (j) "Supportive housing" means housing that is not time-limited and provides or coordinates with linkages to services necessary for residents to maintain housing stability and maximize opportunities for education and employment.

Sec. 17. Minnesota Statutes 2016, section 462A.37, subdivision 2, is amended to read:

Subd. 2. **Authorization.** (a) The agency may issue up to \$30,000,000 in aggregate principal amount of housing infrastructure bonds in one or more series to which the payment made under this section may be pledged. The housing infrastructure bonds authorized in this subdivision may be issued to fund loans or grants for the purposes of clause (4), on terms and conditions the agency deems appropriate, made for one or more of the following purposes:

(1) to finance the costs of the construction, acquisition, and rehabilitation of supportive housing for individuals and families who are without a permanent residence;

(2) to finance the costs of the acquisition and rehabilitation of foreclosed or abandoned housing to be used for affordable rental housing and the costs of new construction of rental housing on abandoned or foreclosed property where the existing structures will be demolished or removed;

(3) to finance that portion of the costs of acquisition of property that is attributable to the land to be leased by community land trusts to low- and moderate-income homebuyers; ~~and~~

(4) to finance that portion of the acquisition, improvement, and infrastructure of manufactured home parks under section 462A.2035, subdivision 1b, that is attributable to land to be leased to low- and moderate-income manufactured home owners;

(5) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction of senior housing; and

(6) to finance the costs of acquisition and rehabilitation of federally assisted rental housing and for the refinancing of costs of the construction, acquisition, and rehabilitation of federally assisted rental housing, including providing funds to refund, in whole or in part, outstanding bonds previously issued by the agency or another government unit to finance or refinance such costs.

(b) Among comparable proposals for permanent supportive housing, preference shall be given to permanent supportive housing for veterans and other individuals or families who:

(1) either have been without a permanent residence for at least 12 months or at least four times in the last three years; or

(2) are at significant risk of lacking a permanent residence for 12 months or at least four times in the last three years.

(c) Among comparable proposals for senior housing, the agency must give priority to requests for projects that:

(1) demonstrate a commitment to maintaining the housing financed as affordable to seniors;

(2) leverage other sources of funding to finance the project, including the use of low-income housing tax credits;

(3) provide access to services to residents and demonstrate the ability to increase physical supports and support services as residents age and experience increasing levels of disability;

(4) provide a service plan containing the elements of clause (3) reviewed by the housing authority, economic development authority, public housing authority, or community development agency that has an area of operation for the jurisdiction in which the project is located; and

(5) include households with incomes that do not exceed 30 percent of the median household income for the metropolitan area.

To the extent practicable, the agency shall balance the loans made between projects in the metropolitan area and projects outside the metropolitan area. Of the loans made to projects outside the metropolitan area, the agency shall, to the extent practicable, balance the loans made between projects in counties or cities with a population of 20,000 or less, as established by the most recent decennial census, and projects in counties or cities with populations in excess of 20,000.

Sec. 18. Minnesota Statutes 2016, section 462A.37, is amended by adding a subdivision to read:

Subd. 2d. **Additional authorization.** In addition to the amount authorized in subdivisions 2, 2a, 2b, and 2c, the agency may issue up to \$25,000,000 in housing infrastructure bonds in one or more series to which the payments under this section may be pledged. Housing funded with proceeds from bonds sold under this authorization must be permanent supportive housing for people with behavioral health needs.

Sec. 19. Minnesota Statutes 2016, section 462A.37, is amended by adding a subdivision to read:

Subd. 2e. **Additional authorization.** In addition to the amount authorized in subdivisions 2, 2a, 2b, 2c, and 2d, the agency may issue up to \$25,000,000 in housing infrastructure bonds in one

or more series to which the payments under this section may be pledged. Housing funded with proceeds from bonds sold under this authorization must be permanent supportive housing for people with behavioral health needs.

Sec. 20. Minnesota Statutes 2016, section 462A.37, is amended by adding a subdivision to read:

Subd. 2f. **Additional authorization.** In addition to the amount authorized in subdivisions 2, 2a, 2b, 2c, 2d, and 2e, the agency may issue up to \$30,000,000 in housing infrastructure bonds in one or more series to which the payments under this section may be pledged.

Sec. 21. Minnesota Statutes 2017 Supplement, section 462A.37, subdivision 5, is amended to read:

Subd. 5. **Additional appropriation.** (a) The agency must certify annually to the commissioner of management and budget the actual amount of annual debt service on each series of bonds issued under subdivisions 2a, 2b, ~~and 2c, 2d, 2e,~~ and 2f.

(b) Each July 15, beginning in 2015 and through 2037, if any housing infrastructure bonds issued under subdivision 2a remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$6,400,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(c) Each July 15, beginning in 2017 and through 2038, if any housing infrastructure bonds issued under subdivision 2b remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$800,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(d) Each July 15, beginning in 2018 and through 2039, if any housing infrastructure bonds issued under subdivision 2c remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$2,800,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(e) Each July 15, beginning in 2019 and through 2040, if any housing infrastructure bonds issued under subdivision 2d remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(~~e~~) (f) Each July 15, beginning in 2020 and through 2041, if any housing infrastructure bonds issued under subdivision 2e remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(g) Each July 15, beginning in 2020 and through 2041, if any housing infrastructure bonds issued under subdivision 2f remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(h) The agency may pledge to the payment of the housing infrastructure bonds the payments to be made by the state under this section.

Sec. 22. Minnesota Statutes 2016, section 462A.37, is amended by adding a subdivision to read:

Subd. 6. **Cancellation.** Any amount appropriated in this section for debt service payments that is not needed in that fiscal year for debt service payments is canceled to the general fund. The cancellation must occur no later than June 30 of the same fiscal year.

Sec. 23. Laws 2009, chapter 93, article 1, section 14, subdivision 3, as amended by Laws 2011, First Special Session chapter 12, section 37, is amended to read:

Subd. 3. Veterans Cemeteries

1,500,000

Of this amount, up to \$500,000 is to acquire land located in southeastern, southwestern, and northeastern Minnesota for publicly owned veterans cemeteries, to be operated by the commissioner of veterans affairs. The commissioner also must seek donations of land for the cemeteries. The balance of the appropriation is to predesign and design the cemeteries. Federal reimbursement of design costs for each cemetery must be deposited in the state treasury ~~and credited to a special account~~ and is appropriated to the commissioner of veterans affairs to design the remaining cemeteries. Following completion of ~~the~~ design of the legislatively authorized Minnesota state veterans cemeteries in Redwood, St. Louis, and Fillmore Counties, final federal reimbursement of predesign and design costs is appropriated to the commissioner for asset preservation of veterans homes statewide, to be spent in accordance with Minnesota Statutes, section 16B.307. Notwithstanding Minnesota Statutes, section 16A.642: (1) federal reimbursement may be sought for each cemetery and must be spent to acquire land for, to predesign and design additional cemeteries, or for asset preservation as

provided in this subdivision; and (2) the bond sale authorization and appropriation of bond proceeds for this project are available until December 31, 2022.

Sec. 24. Laws 2014, chapter 294, article 1, section 5, subdivision 3, is amended to read:

Subd. 3. New Residence Hall

10,654,000

To complete the design of and perform asbestos and hazardous materials abatement and demolition of Frechette Hall and to design, construct, furnish, and equip a new ~~boys'~~ dormitory on the Minnesota State Academy for the Deaf campus. The unspent portion of this appropriation after the project has been substantially completed, upon written notice to the commissioner of management and budget, is available for asset preservation under Minnesota Statutes, section 16B.307. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

Sec. 25. Laws 2014, chapter 294, article 1, section 7, subdivision 15, as amended by Laws 2017, First Special Session chapter 8, article 2, section 27, is amended to read:

Subd. 15. Grant County Trail Grant

100,000

For a grant to Grant County for predesign, ~~acquisition, or improvements~~ and design for a trail from the city of Elbow Lake to Pomme de Terre Lake. The commissioner of natural resources may allocate any amount not needed to complete this project to state trail acquisition and improvements under Minnesota Statutes, section 85.015. This appropriation is available when the commissioner of management and budget determines that sufficient resources have been committed to complete the project, as required by Minnesota Statutes, section 16A.502. Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization and appropriation of bond proceeds for this project are available until June 30, 2021.

Sec. 26. Laws 2014, chapter 294, article 1, section 21, subdivision 12, as amended by Laws 2015, First Special Session chapter 5, article 3, section 19, and Laws 2017, First Special Session chapter 8, article 2, section 30, is amended to read:

Subd. 12. Minneapolis - Brian Coyle Community Center

330,000

(a) For a grant to the Minneapolis Park and Recreation Board to predesign and design the renovation and expansion of the Brian Coyle Community Center, subject to Minnesota Statutes, section 16A.695. This appropriation does not require a local match.

(b) The Minneapolis Park and Recreation Board, the Pillsbury United Communities, Hennepin County, institutions of higher education, and neighborhood organizations shall develop an agreement for the use of the existing Brian Coyle Community Center. The lease between the Minneapolis Park and Recreation Board and Pillsbury United Communities shall be reformed prior to the expenditure of any funds for predesign and design.

(c) The appropriation under this subdivision may also be used toward the renovation and expansion of the Brian Coyle Community Center.

(d) Notwithstanding any limitation in paragraphs (a) to (c), the appropriation under this subdivision may be used by the Minneapolis Park and Recreation Board for capital costs of any recreation project or facility in the Cedar Riverside neighborhood.

(e) Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization and appropriation of bond proceeds for the project in this subdivision are available until June 30, 2020.

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

Sec. 27. Laws 2014, chapter 294, article 1, section 22, subdivision 5, is amended to read:

Subd. 5. City of Rice Lake Township - Water Main Replacement

1,168,000

For a grant to the city of Rice Lake Township in St. Louis County to design and construct a replacement water main and related public infrastructure on East Calvary Road and Kolstad, Austin, Milwaukee, Mather, and Chicago Avenues in the city of Rice Lake Township. This appropriation is not available until the commissioner of management and budget determines that at least an equal amount is committed to the project from nonstate sources. This appropriation is available until June 30, 2020.

Sec. 28. Laws 2014, chapter 295, section 9, is amended to read:

Sec. 9. CORRECTIONS

\$ 18,000,000

To the commissioner of administration to design, construct, furnish, and equip phase one of a new health services unit, a new service corridor and security station leading to the unit, and a mechanical building to serve the new health unit and associated utility infrastructure systems and site work; and to design phase two consisting of new intake, warehouse, and loading dock buildings associated utility infrastructure systems and sitework and all associated repurposing, including asbestos and hazardous materials abatement of interior spaces that were formally used for the occupancies being moved to the new phase one and two buildings at the Minnesota Correctional Facility in St. Cloud. Any unspent portion of this appropriation not needed to complete this work, upon written notice to the commissioner of management and budget, may be used for the purposes described in Laws 2017, First Special Session chapter 8, article 1, section 19, subdivision 3, as amended in section 37, and notwithstanding Minnesota Statutes, section 16A.642, is available until December 31, 2020.

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

Sec. 29. Laws 2015, First Special Session chapter 5, article 1, section 10, subdivision 3, as amended by Laws 2017, First Special Session chapter 8, article 2, section 31, is amended to read:

Subd. 3. Local Road Improvement Fund Grants

8,910,000

(a) From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for construction and reconstruction of local roads with statewide or regional significance under Minnesota Statutes, section 174.52, subdivision 4, or for grants to counties to assist in paying the costs of rural road safety capital improvement projects on county state-aid highways under Minnesota Statutes, section 174.52, subdivision 4a.

(b) This appropriation includes \$850,000 for a grant to the city of Sandstone for predesign, design, engineering, and construction of a road extending south off of marked Trunk Highway 23 across from Lundorff Drive to the airport area, and including a bridge over Skunk Creek in Sandstone, in order to facilitate repurposing of an area of the airport into a business park. This appropriation is not available until the commissioner of management and budget determines that sufficient resources to complete the project are committed to it from other sources, including any funds made available from the commissioner of transportation.

(c) This appropriation includes \$3,770,000 for a grant to Kandiyohi County for predesign, design, right-of-way acquisition, engineering, construction, and reconstruction of local roads in conjunction with the Willmar Wye project as well as to ~~re-establish~~ reestablish the local road network on the southwest side of Willmar.

Sec. 30. Laws 2017, First Special Session chapter 3, article 1, section 2, subdivision 2, is amended to read:

Subd. 2. **Multimodal Systems****(a) Aeronautics**

(1) Airport Development and Assistance	26,001,000	16,598,000
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This appropriation is from the state airports fund and must be spent according to Minnesota Statutes, section 360.305, subdivision 4.

Notwithstanding Minnesota Statutes, section 16A.28, subdivision 6, this appropriation is available for five years after the year of the appropriation. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$6,619,000 in the first year is for a grant to the Duluth Airport Authority for improvements at the Duluth International Airport and the Sky Harbor Airport in accordance with Minnesota Statutes, section 360.017. For the purposes of this appropriation, the commissioner may waive the requirements of Minnesota Statutes, section 360.305, subdivision 4, paragraph (b). This appropriation may be used to reimburse the Authority for costs incurred after March 1, 2015. This is a onetime appropriation.

\$2,334,000 in the first year is for a grant to the city of Rochester for improvements to the passenger terminal building at the Rochester International Airport in accordance with Minnesota Statutes, section 360.017. For the purposes of this appropriation, the commissioner of transportation may waive the requirements of Minnesota Statutes, section 360.305, subdivision 4, paragraph (b). This appropriation may be used to reimburse the city for costs incurred after May 1, 2016. This is a onetime appropriation.

Notwithstanding Minnesota Statutes, section 360.017, \$250,000 in the first year is for a grant to the city of St. Cloud for an air transport optimization planning study for the

St. Cloud Regional Airport. The study must be comprehensive and market-based, using economic development and air service expertise to research, analyze, and develop models and strategies that maximize the return on investments made to enhance the use and impact of the St. Cloud Regional Airport. By January 5, 2018, the city of St. Cloud shall submit a report to the governor and the members and staff of the legislative committees with jurisdiction over capital investment, transportation, and economic development with recommendations based on the findings of the study. This is a onetime appropriation.

If the commissioner of transportation determines that a balance remains in the state airports fund following the appropriations made in this article and that the appropriations made are insufficient for advancing airport development and assistance projects, an amount necessary to advance the projects, not to exceed the balance in the state airports fund, is appropriated in each year to the commissioner and must be spent according to Minnesota Statutes, section 360.305, subdivision 4. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation must notify the commissioner of management and budget and the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance concerning the funds appropriated. Funds appropriated under this contingent appropriation do not adjust the base for fiscal years 2020 and 2021.

The base is \$15,298,000 in each of fiscal years 2020 and 2021.

(2) Aviation Support and Services	6,710,000	6,854,000
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Appropriations by Fund		
	2018	2019
Airports	5,231,000	5,231,000
Trunk Highway	1,479,000	1,623,000

(3) Civil Air Patrol

3,580,000

80,000

This appropriation is from the state airports fund for the Civil Air Patrol.

Notwithstanding Minnesota Statutes, section 360.017, \$3,500,000 in the first second year is for a grant to: (1) perform site selection and analysis; (2) purchase, renovate a portion of and, or construct an addition to the training and maintenance facility facilities. If Civil Air Patrol purchases an existing facility, pre-design requirements shall be waived. The facilities must be located at the South St. Paul airport, Minnesota airports; and to (3) furnish and equip the facility facilities, including communications equipment. Notwithstanding Minnesota Statutes, section 16A.28, subdivision 6, this appropriation is available for five years after the year of the appropriation. Notwithstanding the matching requirements in Minnesota Statutes, section 360.305, subdivision 4, a nonstate contribution shall not be required for this appropriation. The provisions of Minnesota Statutes, section 360.035, shall apply to the Civil Air Patrol. This is a onetime appropriation.

(b) Transit

1,416,000

18,268,000

Appropriations by Fund

	2018	2019
General	570,000	17,395,000
Trunk Highway	846,000	873,000

\$150,000 in each year is from the general fund for grants to transportation management organizations that provide services exclusively or primarily in the city located along the marked Interstate Highway 494 corridor having the highest population as of the effective date of this section. The commissioner must not retain any portion of the funds appropriated under this section. From the appropriation in each fiscal year, the commissioner must make grant payments in full by July 31. Permissible uses of funds

under this grant include administrative expenses and programming and service expansion, including but not limited to staffing, communications, outreach and education program development, and operations management. This is a onetime appropriation.

The base from the general fund is \$17,245,000 in each year for fiscal years 2020 and 2021.

(c) Safe Routes to School 500,000 500,000

This appropriation is from the general fund for the safe routes to school program under Minnesota Statutes, section 174.40.

(d) Passenger Rail 500,000 500,000

This appropriation is from the general fund for passenger rail system planning, alternatives analysis, environmental analysis, design, and preliminary engineering under Minnesota Statutes, sections 174.632 to 174.636.

(e) Freight

Freight and Commercial Vehicle Operations 8,506,000 6,578,000

Appropriations by Fund

	2018	2019
General	3,156,000	1,056,000
Trunk Highway	5,350,000	5,522,000

\$1,100,000 in the first year is from the general fund for port development assistance grants under Minnesota Statutes, chapter 457A, to the city of Red Wing and to the Port Authority of Winona. Any improvements made with the proceeds of the grants must be publicly owned. This is a onetime appropriation and is available in the second year.

\$800,000 in each year is from the general fund for additional rail safety and rail service activities.

\$1,000,000 in the first year is from the general fund for a grant to the city of Grand Rapids to fund rail planning studies, design, and preliminary engineering relating to the construction of a freight rail line located in the counties of Itasca, St. Louis, and Lake to serve local producers and shippers. The city of Grand Rapids shall collaborate with the Itasca Economic Development Corporation and the Itasca County Regional Railroad Authority in the activities funded with the proceeds of this grant. This is a onetime appropriation and is available until June 30, 2019.

Sec. 31. Laws 2017, First Special Session chapter 8, article 1, section 6, subdivision 6, is amended to read:

Subd. 6. State Trail, Recreation Area, and Park Acquisition and Development

~~18,698,000~~
18,048,000

(a) \$2,590,000 is for the Glacial Lakes Trail, to complete an approximately 6-1/4 mile trail connection between New London and Sibley State Park, and repair of the bicycle trail in Sibley State Park.

(b) \$3,300,000 is to design, develop, and complete the Heartland State Trail from Detroit Lakes to Frazee and, to the extent there is sufficient money, for work on the spur from Park Rapids to Itasca State Park.

(c) \$3,600,000 is for acquisition and development in the Cuyuna Country State Recreation Area, including the Cuyuna Mountain Bike System.

(d) \$1,600,000 is to construct, furnish, and equip a multiuse state trail connection between the city of Little Falls and the Soo Line Trails as part of the Camp Ripley/Veterans State Trail in Morrison County. The trail connection may include separated segments to accommodate recreational vehicles separately from nonmotorized vehicles and pedestrians.

(e) \$3,500,000 is for continued development of Lake Vermilion-Soudan Underground Mine State Park recreational facilities.

(f) \$328,000 is for design and acquisition of the Mill Towns State Trail from Faribault to Northfield.

(g) \$3,130,000 is for acquisition and development of the Gitchi-Gami State Trail, from Grand Marais to Cascade State Park, and through the town of Tofte.

(h) The commissioner may allocate money not needed to complete a project listed in this subdivision to another project listed in this subdivision that needs additional money to be completed. For any project listed in this subdivision that the commissioner determines is not ready to proceed, the commissioner may reallocate that project's money to another project described in this subdivision or other state trail, recreation area, or park infrastructure. The chairs of the house of representatives and senate committees with jurisdiction over environment and natural resources and legislators from the affected legislative districts must be notified of any changes.

Sec. 32. Laws 2017, First Special Session chapter 8, article 1, section 15, subdivision 3, is amended to read:

Subd. 3. Local Road Improvement Fund Grants

115,932,000

(a) From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for trunk highway corridor projects under Minnesota Statutes, section 174.52, subdivision 2, for construction and reconstruction of local roads with statewide or regional significance under Minnesota Statutes, section 174.52, subdivision 4, or for grants to counties to assist in paying the costs of rural road safety capital improvement projects on county state-aid highways under Minnesota Statutes, section 174.52, subdivision 4a.

(b) Of this amount, \$9,000,000 is for a grant to Anoka County to ~~realign and make associated improvements to~~ design, acquire land for, engineer, and construct improvements to, including the realignment of, County State-Aid Highway 23 (Lake Drive), County State-Aid Highway 54 (West Freeway Drive), and to Hornsby Street in the city of Columbus to support the overall interchange project.

(c) Of this amount, \$3,246,000 is for a grant to the city of Blaine to predesign, design, and reconstruct 105th Avenue in the vicinity of the National Sports Center in Blaine. The reconstruction will include changing the street from five lanes to four lanes with median, turn lanes, sidewalk, trail, landscaping, lighting, and consolidation of access driveways. This appropriation is not available until the commissioner of management and budget determines that at least \$3,000,000 is committed to the project from sources available to the city, including municipal state aid and county turnback funds.

(d) Of this amount, \$25,000,000 is for a grant to Hennepin County, the city of Minneapolis, or both, for design, right-of-way acquisition, engineering, and construction of public improvements related to the Interstate Highway 35W and Lake Street access project and related improvements within the Interstate Highway 35W corridor, notwithstanding any provision of Minnesota Statutes, section 174.52, or rule to the contrary. This appropriation is not available until the commissioner of management and budget determines that an amount sufficient to complete this portion of the Interstate Highway 35W and Lake Street access project has been committed to this portion of the project.

(e) Of this amount, \$10,500,000 is for a grant to Carver County for environmental analysis and to acquire right-of-way access,

predesign, design, engineer, and construct an interchange at marked Trunk Highway 212 and Carver County Road 44 in the city of Chaska, including a new bridge and ramps, to support the development of approximately 400 acres of property in the city of Chaska's comprehensive plan.

(f) Of this amount, \$700,000 is for a grant to Redwood County for improvements to Nobles Avenue, including paving, as the main access road to a new State Veterans Cemetery to be located in Paxton Township.

(g) Of this amount, \$1,000,000 is for a grant to the town of Appleton in Swift County for upgrades to an existing township road to provide for a paved, ten-ton capacity township road extending between marked Trunk Highways 7 and 119.

(h) Of this amount, \$20,500,000 is for a grant to Ramsey County for preliminary and final design, right-of-way acquisition, engineering, contract administration, and construction of public improvements related to the construction of the interchange of marked Interstate Highway 694 and Rice Street, Ramsey County State-Aid Highway 49, in Ramsey County.

(i) Of this amount, \$11,300,000 is for a grant to Hennepin County for preliminary and final design, engineering, environmental analysis, right-of-way acquisition, construction, and reconstruction of local roads related to the (1) realignment at the intersections of marked U.S. Highway 12 with Hennepin County State-Aid Highway 92; (2) realignment and safety improvements at the intersection of marked U.S. Highway 12 with Hennepin County State-Aid Highway 90; and (3) safety median improvements from the interchange with Wayzata Boulevard in Wayzata to approximately one-half mile east of the interchange of marked U.S. Highway 12 with Hennepin County State-Aid Highway 6.

(j) Of this amount, \$1,000,000 is for a grant to the city of Inver Grove Heights for preliminary design, design, engineering, and reconstruction of Broderick Boulevard between 80th Street and Concord Boulevard abutting Trunk Highway 52 and Inver Hills Community College in Inver Grove Heights. The project includes replacement or renovation of public infrastructure, including water lines, sanitary sewers, storm water sewers, and other public utilities. This appropriation does not require a nonstate contribution.

(k) Of this amount, \$2,350,000 is for a grant to McLeod County to acquire land or interests in land and to design and construct a new urban street extension of County State-Aid Highway (CSAH) 15, including railroad crossing, storm water, and drainage improvements.

(l) Of this amount, \$6,000,000 is for a grant to the city of Baxter for 50 percent of total project cost for the acquisition of land or interests in land, environmental analysis and environmental cleanup, predesign, design, engineering, and construction of improvements to Cypress Drive, including expansion to a four-lane divided urban roadway, between Excelsior Road and College Road.

Sec. 33. Laws 2017, First Special Session chapter 8, article 1, section 15, subdivision 11, is amended to read:

Subd. 11. Grand Rapids - Pedestrian Bridge

750,000

For a grant to the city of Grand Rapids to design ~~the construction of~~ and construct a bridge over the Mississippi River for pedestrian and bicycle use to provide a safe alternative route to the existing marked Trunk Highway 169 vehicle bridge, and to serve as a connection to existing trail systems on each side of the river. This appropriation is not available until the commissioner determines that at least an equal amount has been

committed to the project from nonstate sources.

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

Sec. 34. Laws 2017, First Special Session chapter 8, article 1, section 15, subdivision 13, is amended to read:

Subd. 13. Eden Prairie - Rail Grade Crossings 1,400,000

For a grant to the city of Eden Prairie to (1) design, construct, and equip new passive and active rail grade crossing ~~warning~~ safety devices, including associated road and pathway improvements, at existing and proposed (i) highway-rail grade crossings; and (ii) pathway-rail grade crossings; or (2) replace existing highway-rail grade crossings. Upon request by the city of Eden Prairie, the commissioner of transportation must provide reasonable technical assistance regarding highway-rail grade crossing project development and the establishment of rail quiet zones.

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

Sec. 35. Laws 2017, First Special Session chapter 8, article 1, section 16, subdivision 7, is amended to read:

Subd. 7. White Bear Lake Multiuse Trails 255,000

To develop a multiuse pedestrian and bicycle path around White Bear Lake. Of this amount, ~~\$130,000~~ \$139,500 is for a grant to the city of White Bear Lake to construct, furnish, and equip a multiuse trail for pedestrians and bicycles on Old White Bear Avenue between Lion's Park and South Shore Boulevard/Hazel and for engineering for a multiuse trail for pedestrians and bicycles in proximity to Highway 96 from Minnesota Highway 244 to the western border of White Bear Township; \$12,500 is for a grant to White Bear Lake Township for engineering for a multiuse trail for pedestrians and bicycles in proximity to Highway 96 from Pacific Avenue to the east boundary of the city of White Bear Lake; \$38,000 is for

grants to the cities of Mahtomedi and Dellwood for preliminary engineering of a multiuse trail for pedestrians and bicycles near White Bear Lake in the cities of Mahtomedi and Dellwood to be located within the right-of-way to marked Trunk Highway 244; \$15,000 is for a grant to the city of Mahtomedi for preliminary engineering for a multiuse trail for pedestrians and bicycles near White Bear Lake within the right-of-way to Birchwood Road in the city of Mahtomedi and Hall Avenue in the city of Birchwood; and \$50,000 is for a grant to Ramsey County for preliminary engineering of a multiuse trail for pedestrians and bicycles to South Shore Boulevard between White Bear Avenue and Trunk Highway 120.

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

Sec. 36. Laws 2017, First Special Session chapter 8, article 1, section 17, subdivision 9, is amended to read:

Subd. 9. **Minneapolis - The Family Partnership** 1,600,000

From the general fund to the commissioner of human services for a grant to the Family Partnership in Minneapolis to predesign and design a facility to provide mental health, early childhood education, and other services to support children and families. ~~This appropriation is not available until at least an equal amount of money is committed from nonstate sources.~~ A nonstate contribution is not required.

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

Sec. 37. Laws 2017, First Special Session chapter 8, article 1, section 19, subdivision 3, is amended to read:

Subd. 3. **Minnesota Correctional Facility - St. Cloud** 19,000,000

~~To construct and equip a new intake unit and a loading dock with a secure connection to a new central warehouse at the St. Cloud correctional facility.~~ To design and complete hazardous materials abatement, site

improvements, and utility infrastructure work, to rent and set up temporary laundry facilities, and to renovate, construct, furnish, and equip the second phase of the two-phase project including building additions, infill of an interior courtyard, and renovation of existing areas to provide improved laundry, property, intake, vehicle sally port storage, and loading dock areas and security at the St. Cloud correctional facility. The unspent amount of this appropriation after the projects described in this subdivision are complete may, upon written notice to the commissioner of management and budget, be used for asset preservation under Minnesota Statutes, section 16B.307, at Minnesota Correctional Facility - St. Cloud.

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

Sec. 38. Laws 2017, First Special Session chapter 8, article 1, section 20, subdivision 9, is amended to read:

Subd. 9. **Eagle's Healing Nest** 500,000

From the general fund for a grant to Eagle's Healing Nest in Sauk Centre and Anoka.

Sec. 39. Laws 2017, First Special Session chapter 8, article 1, section 20, subdivision 21, is amended to read:

Subd. 21. **St. Paul - Minnesota Museum of American Art** 6,000,000

For a grant to the St. Paul Port Authority to acquire, design, construct, furnish, and equip new museum galleries and an art study facility for the Minnesota Museum of American Art. This facility provides space to celebrate the legacy of Minnesota art and artists and is part of the restoration of the historic Pioneer Endicott Building, and a part of a multiphase project, of which only the museum galleries and art study facility constructed with this appropriation shall be state bond financed property subject to Minnesota Statutes, section 16A.695. This appropriation is not available until the

commissioner of management and budget has determined that:

(1) at least an amount equal to this appropriation has been committed or previously expended for design, construction, and furnishing of the adjacent Minnesota Museum of American Art Center for Creativity facilities, which are not subject to Minnesota Statutes, section 16A.695, with funds from nonstate sources; and

(2) sufficient other state and nonstate funds are available, if funds beyond this appropriation are required, to complete the museum galleries and art study facility.

Funds invested in the Minnesota Museum of American Art Center for Creativity facilities by an investor receiving an assignment of state historic tax credits as provided in Minnesota Statutes, section 290.0681, are nonstate funds for purposes of this requirement. Only expenditures made after January 1, 2012, shall qualify for the required match. Due to the integrated nature of the overall development, public bidding shall not be required.

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

Sec. 40. Laws 2017, First Special Session chapter 8, article 1, section 21, subdivision 8, is amended to read:

Subd. 8. Dennison - Sewage Treatment System Improvements

726,000

For a grant to the city of Dennison to predesign, design, and construct a new lift station and ~~make~~ sewage pond improvements, and to acquire and install electrical infrastructure improvements to provide electrical power to the sewer ponds. This appropriation does not require a nonstate contribution.

Sec. 41. **CAPITOL ART ADVISORY COMMITTEE; FIRST APPOINTMENTS AND FIRST MEETING.**

(a) Appointing authorities for membership of the Capitol Art Advisory Committee under Minnesota Statutes, section 15B.36, shall make first appointments to the committee by September 15, 2018. The commissioner of administration shall convene the first meeting of the committee by November 1, 2018, and shall serve as chair until the committee elects a chair from among its members at its first meeting.

(b) The following members are appointed to terms coterminous with the governor: one member appointed by the governor from the State Arts Board; the member appointed by the minority leader of the senate; and the member appointed by the minority leader of the house of representatives. The remaining members are appointed to terms that end on the first Monday in January one year after the terms of the members appointed to terms coterminous with the governor.

Sec. 42. **VETERANS HOMES CONSTRUCTION.**

Subdivision 1. **Short title.** This section may be cited as the "People's Veterans Homes Act."

Subd. 2. **Veterans homes established.** (a) The commissioner of veterans affairs may apply for federal funding and establish veterans homes with up to 72 beds per facility available to provide a continuum of care, including skilled nursing care, for eligible veterans and their spouses in the following locations:

(1) Preston;

(2) Montevideo; and

(3) Bemidji.

(b) The state shall provide the necessary operating costs for the veterans homes in excess of any revenue and federal funding for the homes that may be required to continue the operation of the homes and care for Minnesota veterans.

Subd. 3. **Nonstate contribution.** The commissioner of administration may accept contributions of land or money from private individuals, businesses, local governments, veterans service organizations, and other nonstate sources for the purpose of providing matching funding when soliciting federal funding for the development of the homes authorized by this section.

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

Sec. 43. **STONE ARCH BRIDGE INTEGRITY PROTECTION.**

No state agency or political subdivision shall grant permission to or enter into any agreement with any person, corporation, or entity to allow or facilitate construction of any type under, near, or adjacent to the James J. Hill Stone Arch Bridge over the Mississippi River that may disturb the foundations or piers or that may adversely affect the structural integrity of the Stone Arch Bridge.

EFFECTIVE DATE. This section is effective the day after final enactment and expires after completion of repair to the Stone Arch Bridge, as described in the capital budget request submitted by the commissioner of transportation, published by the commissioner of management and budget in January 2018.

Sec. 44. CITY OF LAKEFIELD NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM PERMIT CHANGES.

(a) To the extent allowable under federal law, the Pollution Control Agency shall modify the City of Lakefield's National Pollutant Discharge Elimination System (NPDES) permit to do all of the following:

(1) remove all salty-water-related limits, including limits for chloride, hardness, total dissolved solids, bicarbonates, specific conductance, and total salinity;

(2) if a salty-water-related limit cannot be removed under federal law, impose a limit that is the least restrictive allowable under applicable federal law;

(3) use schedules of compliance and other authorized practices to provide the city with the maximum possible length of time to comply with the limits included in the permit under clause (2); and

(4) ensure that the city is not required to reduce or ameliorate naturally occurring levels of chloride, hardness, total dissolved solids, bicarbonates, specific conductance, or total salinity.

(b) The Pollution Control Agency may not require the City of Lakefield to make any capital investment to comply with salty-water-related permit requirements prior to July 1, 2019."

Delete the title and insert:

"A bill for an act relating to capital investment; authorizing spending to acquire and better public land and buildings and other improvements of a capital nature with certain conditions; modifying previous appropriations; establishing new programs and modifying existing programs; authorizing the sale and issuance of state bonds; appropriating money; amending Minnesota Statutes 2016, sections 15B.32, subdivision 6; 16A.642, subdivision 1; 115.03, by adding a subdivision; 116.072, by adding a subdivision; 138.67, subdivisions 2, 4; 138.68; 138.70; 462A.37, subdivisions 1, 2, by adding subdivisions; Minnesota Statutes 2017 Supplement, sections 138.69; 462A.2035, subdivisions 1, 1b; 462A.37, subdivision 5; Laws 2009, chapter 93, article 1, section 14, subdivision 3, as amended; Laws 2014, chapter 294, article 1, sections 5, subdivision 3; 7, subdivision 15, as amended; 21, subdivision 12, as amended; 22, subdivision 5; Laws 2014, chapter 295, section 9; Laws 2015, First Special Session chapter 5, article 1, section 10, subdivision 3, as amended; Laws 2017, First Special Session chapter 3, article 1, section 2, subdivision 2; Laws 2017, First Special Session chapter 8, article 1, sections 6, subdivision 6; 15, subdivisions 3, 11, 13; 16, subdivision 7; 17, subdivision 9; 19, subdivision 3; 20, subdivisions 9, 21; 21, subdivision 8; 27; proposing coding for new law in Minnesota Statutes, chapters 15B; 115; 245G."

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

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

H.F. No. 3199 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

H.F. No.	S.F. No.
3199	3002

CONSENT CALENDAR

H.F. No.	S.F. No.
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CALENDAR

H.F. No.	S.F. No.
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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 Kiffmeyer from the Committee on State Government Finance and Policy and Elections, to which were referred the following appointments:

CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD

Gary Haugen
Margaret Leppik
Robert Moilanen
Daniel Rosen
Stephen Swanson

Reports the same back with the recommendation that the appointments be reported to the Senate without recommendation.

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

SECOND READING OF HOUSE BILLS

H.F. No. 3199 was read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senators Bigham, Kent, Wiger, Eichorn, and Johnson introduced--

S.F. No. 4077: A bill for an act relating to education; health; requiring school districts to conduct radon testing; amending Minnesota Statutes 2016, section 123B.571.

Referred to the Committee on E-12 Policy.

Senators Jensen, Pratt, Lang, Dahms, and Bakk introduced--

S.F. No. 4078: A bill for an act relating to elections; changing the date of the state primary from August to June; changing the date of primary elections conducted by a political subdivision in certain circumstances; amending Minnesota Statutes 2016, sections 204B.14, subdivisions 2, 4; 204D.03, subdivision 1; 204D.09, subdivision 1; 204D.28, subdivision 5; 205.065, subdivisions 1, 2; 205A.03, subdivisions 1, 2; 205A.06, subdivision 1a; 205A.11, subdivision 2a; 206.61, subdivision 5; 206.82, subdivision 2; Minnesota Statutes 2017 Supplement, section 204B.21, subdivision 1.

Referred to the Committee on State Government Finance and Policy and Elections.

Senator Tomassoni introduced--

S.F. No. 4079: A bill for an act relating to local government; modifying hospital board terms of office; amending Minnesota Statutes 2016, section 447.32, subdivision 1.

Referred to the Committee on Local Government.

Senator Tomassoni introduced--

S.F. No. 4080: A bill for an act relating to telecommunications; prohibiting blocking or altering caller ID in making a commercial telephone solicitation; amending Minnesota Statutes 2016, section 325E.30.

Referred to the Committee on Commerce and Consumer Protection Finance and Policy.

MOTIONS AND RESOLUTIONS

Senator Utke introduced --

Senate Resolution No. 256: A Senate resolution congratulating James Trapper Utke for graduating with honors from Park Rapids Area High School.

Referred to the Committee on Rules and Administration.

Senators Hawj, Newton, and Hoffman introduced --

Senate Resolution No. 257: A Senate resolution recognizing May 14, 2018, as Minnesota SGU Hmong and Lao Memorial Day.

Referred to the Committee on Rules and Administration.

Senator Bigham introduced --

Senate Resolution No. 258: A Senate resolution honoring Park High School for their high performing AVID program.

Referred to the Committee on Rules and Administration.

Senator Laine introduced --

Senate Resolution No. 259: A Senate resolution commending Deundra Rashawn Roberson, Jamario Deundra Roberson, and Deundra Roberson, Jr. on receiving the Citizens Award of Commendation.

Referred to the Committee on Rules and Administration.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 12.5, Senator Rosen moved that the following members be excused for a Conference Committee on S.F. No. 3656 at 10:30 a.m.:

Senators Rosen, Benson, Kiffmeyer, Limmer, and Newman. The motion prevailed.

SPECIAL ORDERS

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

H.F. Nos. 2940, 2802, 2847, 4003, S.F. No. 3504, H.F. No. 390, S.F. No. 3326, H.F. Nos. 2945, 3689, 3015, and 3089.

SPECIAL ORDER

H.F. No. 2940: A bill for an act relating to environment; requiring legislative approval for certain fees; amending Minnesota Statutes 2016, sections 115.03, subdivision 1; 115.77, subdivision 1; 115.84, subdivisions 2, 3; Minnesota Statutes 2017 Supplement, section 116.07, subdivision 4d.

H.F. No. 2940 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 40 and nays 27, as follows:

Those who voted in the affirmative were:

Abeler	Eichorn	Ingebrigtsen	Little	Rosen
Anderson, B.	Eken	Jasinski	Mathews	Ruud
Anderson, P.	Fischbach	Jensen	Miller	Senjem
Bakk	Frentz	Johnson	Nelson	Sparks
Benson	Gazelka	Kiffmeyer	Newman	Tomassoni
Chamberlain	Goggin	Koran	Osmek	Utke
Dahms	Hall	Lang	Pratt	Weber
Draheim	Housley	Limmer	Relph	Westrom

Those who voted in the negative were:

Bigham	Dibble	Hoffman	Lourey	Torres Ray
Carlson	Dziedzic	Isaacson	Marty	Wiger
Champion	Eaton	Kent	Newton	Wiklund
Clausen	Franzen	Klein	Pappas	
Cohen	Hawj	Laine	Rest	
Cwodzinski	Hayden	Latz	Simonson	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 2802: A bill for an act relating to environment; providing regulatory certainty to municipalities that construct publicly owned treatment works to comply with new or modified effluent limitations; proposing coding for new law in Minnesota Statutes, chapter 115.

Senator Weber moved that the amendment made to H.F. No. 2802 by the Committee on Rules and Administration in the report adopted May 10, 2018, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

CALL OF THE SENATE

Senator Limmer imposed a call of the Senate for the balance of today's proceedings. The Sergeant at Arms was instructed to bring in the absent members.

H.F. No. 2802 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

Senator Limmer moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 39 and nays 26, as follows:

Those who voted in the affirmative were:

Anderson, B.	Eken	Jensen	Mathews	Senjem
Anderson, P.	Frentz	Johnson	Miller	Simonson
Bakk	Goggin	Kiffmeyer	Nelson	Sparks
Benson	Hall	Koran	Newman	Tomassoni
Chamberlain	Hoffman	Lang	Osmek	Utke
Dahms	Housley	Limmer	Relph	Weber
Draheim	Ingebrigtsen	Little	Rosen	Westrom
Eichorn	Jasinski	Lourey	Ruud	

Those who voted in the negative were:

Abeler	Cwodzinski	Hayden	Marty	Wiger
Bigham	Dibble	Isaacson	Newton	Wiklund
Carlson	Dziedzic	Kent	Pappas	
Champion	Eaton	Klein	Pratt	
Clausen	Franzen	Laine	Rest	
Cohen	Hawj	Latz	Torres Ray	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 2847: A bill for an act relating to natural resources; modifying Cuyuna Country State Recreation Area Citizens Advisory Council; amending Minnesota Statutes 2017 Supplement, section 85.0146, subdivision 1.

Senator Ruud moved that the amendment made to H.F. No. 2847 by the Committee on Rules and Administration in the report adopted May 10, 2018, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 2847 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 1, as follows:

Those who voted in the affirmative were:

Abeler	Dibble	Housley	Limmer	Rosen
Anderson, B.	Draheim	Ingebrigtsen	Little	Ruud
Anderson, P.	Dziedzic	Isaacson	Lourey	Senjem
Bakk	Eaton	Jasinski	Marty	Simonson
Benson	Eichorn	Jensen	Mathews	Sparks
Bigham	Eken	Johnson	Miller	Tomassoni
Carlson	Franzen	Kent	Nelson	Torres Ray
Chamberlain	Frentz	Kiffmeyer	Newman	Utke
Champion	Goggin	Klein	Newton	Weber
Clausen	Hall	Koran	Osmek	Westrom
Cohen	Hawj	Laine	Pappas	Wiger
Cwodzinski	Hayden	Lang	Pratt	Wicklund
Dahms	Hoffman	Latz	Relph	

Those who voted in the negative were:

Rest

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 4003: A bill for an act relating to waters; temporarily prohibiting enforcement of certain water appropriation permit conditions.

Senator Chamberlain moved that the amendment made to H.F. No. 4003 by the Committee on Rules and Administration in the report adopted May 10, 2018, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

Senator Chamberlain moved to amend H.F. No. 4003 as follows:

Page 2, after line 7, insert:

"Sec. 3. **EFFECTIVE DATE.**

Sections 1 and 2 are effective June 1, 2018."

The motion prevailed. So the amendment was adopted.

H.F. No. 4003 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 42 and nays 25, as follows:

Those who voted in the affirmative were:

Anderson, B.	Eichorn	Ingebrigtsen	Limmer	Rosen
Anderson, P.	Eken	Jasinski	Little	Ruud
Bakk	Fischbach	Jensen	Lourey	Senjem
Benson	Frentz	Johnson	Mathews	Simonson
Bigham	Gazelka	Kent	Miller	Sparks
Chamberlain	Goggin	Kiffmeyer	Nelson	Tomassoni
Dahms	Hall	Koran	Newman	Utke
Draheim	Housley	Lang	Osmek	Weber

Westrom

Wiger

Those who voted in the negative were:

Abeler	Cwodzinski	Hawj	Laine	Pratt
Carlson	Dibble	Hayden	Latz	Relph
Champion	Dziedzic	Hoffman	Marty	Rest
Clausen	Eaton	Isaacson	Newton	Torres Ray
Cohen	Franzen	Klein	Pappas	Wiklund

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

SPECIAL ORDER

S.F. No. 3504: A bill for an act relating to energy; establishing a carbon reduction facility designation for certain large electric generating facilities; proposing coding for new law in Minnesota Statutes, chapter 216B.

Pursuant to Rule 41.2, Senator Goggin moved that he be excused from voting on all questions pertaining to S.F. No. 3504. The motion prevailed.

Senator Mathews moved to amend S.F. No. 3504 as follows:

Delete everything after the enacting clause and insert:

"Section 1. **[216B.1697] CARBON REDUCTION FACILITIES; NUCLEAR ENERGY.**

Subdivision 1. **Qualifying facilities.** An existing large electric generating power plant, as defined in section 216B.2421, subdivision 2, clause (1), that employs nuclear technology to generate electricity qualifies for designation as a carbon reduction facility as provided in this section.

Subd. 2. **Proposal submission.** (a) A public utility may submit a proposal to the commission for designation as a qualifying facility as a carbon reduction facility under this section. The proposal must be filed within a public utility's new resource plan filing no earlier than February 1, 2019. The commission has sole discretion to determine whether to consider this proposal. The proposal shall include:

(1) a showing that the facility meets the requirements of subdivision 1;

(2) a proposed statement of the total expected costs, including, but not limited to, capital investments and operation and maintenance costs associated with the operation of the facility. The total expected costs shall cover a period not to exceed the 15-year planning period of the public utility's new resource plan;

(3) details about all costs of the public utility approved in commission proceedings, in current dollars, including current and expected operating costs;

(4) an evaluation of the public utility's total expected costs prepared by an independent evaluator, whose selection shall be approved by the commission; and

(5) an analysis of how the total expected costs would impact rates.

(b) The proposal may ask the commission to establish a sliding scale rate-of-return mechanism for the capital investments to provide an additional incentive for the public utility to complete the projects at or under the total expected costs.

(c) The public utility submitting the proposal bears the burden of proof to demonstrate that total expected costs are reasonable, prudent, and in the public interest.

Subd. 3. Proposal approval. (a) The commission may consider proposals submitted under subdivision 2 at its sole discretion and may approve, reject, or modify a proposal to the extent the commission determines that the proposal is consistent with the public interest.

(b) If the commission considers a proposal submitted under subdivision 2, the commission shall allow intervention by the Department of Commerce, the Office of the Attorney General, ratepayer advocates, the Prairie Island and Monticello communities, and other interested parties. The public utility shall pay the costs of any nuclear expert retained by the Department of Commerce.

(c) If the commission modifies a proposal submitted under subdivision 2, the public utility may choose whether to accept the modifications. If the public utility does not accept the modifications, the commission shall deem the proposal withdrawn. All costs, including, but not limited to, capital investments and operation and maintenance costs associated with the operation of the facility shall be reviewed in a subsequent rate case.

(d) The commission's approval of a proposal submitted under subdivision 2 shall include approval of total expected costs for a carbon reduction facility under this section. Commission approval of total expected costs constitutes a presumption of prudence for the total expected costs.

(e) In future cost recovery proceedings, the commission shall presume that the public utility's actual expenditures, not in excess of the total expected costs approved by the commission, were prudent, provided that there is no presumption of prudence for any expenditure made:

(1) to extend the operation of the carbon reduction facility beyond the expiration of its operating license;

(2) to uprate the capacity of the carbon reduction facility; or

(3) to terminate operation of the carbon reduction facility before the expiration of its operating license.

(f) The commission shall presume that an expenditure for a carbon reduction facility is prudent under this section only if the public utility continues to operate the carbon reduction facility on which it made the expenditure. If the public utility is issued an order to discontinue operations of the carbon reduction facility, there is no presumption of prudence for any expenditures made on that carbon reduction facility after the date of the order.

(g) The presumption of prudence is rebuttable upon a showing by a preponderance of the evidence that the previously approved costs are not reasonable, prudent, and in the public interest.

(h) Notwithstanding the provisions of paragraph (e), the commission has sole discretion to approve any cost recovery in excess of total expected costs. The public utility bears the burden of

proof to demonstrate that an expenditure exceeding total expected costs approved by the commission under paragraph (e) is reasonable, prudent, and in the public interest.

(i) Upon approval of a proposed designation of a facility and the total expected costs submitted by the public utility, the public utility shall provide biennial updates to the commission regarding its progress with respect to adhering to the approved costs. The commission may issue orders it deems necessary to ensure that the carbon reduction facility remains cost-effective for customers and financially viable for the public utility."

The motion prevailed. So the amendment was adopted.

S.F. No. 3504 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 37 and nays 29, as follows:

Those who voted in the affirmative were:

Abeler	Eichorn	Jensen	Nelson	Simonson
Anderson, B.	Fischbach	Johnson	Newman	Tomassoni
Anderson, P.	Gazelka	Kiffmeyer	Osmek	Utke
Bakk	Hall	Koran	Pratt	Weber
Benson	Hoffman	Lang	Relph	Westrom
Chamberlain	Housley	Limmer	Rosen	
Dahms	Ingebrigtsen	Mathews	Ruud	
Draheim	Jasinski	Miller	Senjem	

Those who voted in the negative were:

Bigham	Dibble	Hawj	Latz	Rest
Carlson	Dziedzic	Hayden	Little	Sparks
Champion	Eaton	Isaacson	Lourey	Torres Ray
Clausen	Eken	Kent	Marty	Wiger
Cohen	Franzen	Klein	Newton	Wiklund
Cwodzinski	Frentz	Laine	Pappas	

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

SPECIAL ORDER

H.F. No. 390: A bill for an act relating to public safety; increasing penalties for obstructing trunk highway, airport, or transit traffic; amending Minnesota Statutes 2016, sections 609.74; 609.855, subdivision 2.

H.F. No. 390 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 40 and nays 27, as follows:

Those who voted in the affirmative were:

Abeler	Bakk	Clausen	Eichorn	Gazelka
Anderson, B.	Benson	Dahms	Eken	Goggin
Anderson, P.	Chamberlain	Draheim	Fischbach	Hall

Housley	Kiffmeyer	Mathews	Pratt	Sparks
Ingebrigtsen	Koran	Miller	Relph	Tomassoni
Jasinski	Lang	Nelson	Rosen	Utke
Jensen	Latz	Newman	Ruud	Weber
Johnson	Limmer	Osmek	Senjem	Westrom

Those who voted in the negative were:

Bigham	Dziedzic	Hoffman	Lourey	Torres Ray
Carlson	Eaton	Isaacson	Marty	Wiger
Champion	Franzen	Kent	Newton	Wicklund
Cohen	Frentz	Klein	Pappas	
Cwodzinski	Hawj	Laine	Rest	
Dibble	Hayden	Little	Simonson	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 3326: A bill for an act relating to legislative enactments; making miscellaneous technical corrections to laws and statutes; correcting erroneous, obsolete, and omitted text and references; removing redundant, conflicting, and superseded provisions; amending Minnesota Statutes 2016, sections 5.36, subdivision 5; 6.80, subdivision 1; 13.46, subdivision 10; 13.4967, subdivision 2b; 13.6905, by adding subdivisions; 13.712, by adding a subdivision; 13.7191, by adding a subdivision; 13.851, by adding a subdivision; 13.871, subdivision 13; 28A.151, subdivision 5; 62N.40; 97A.475, subdivisions 3a, 4; 103E.011, subdivision 2; 116D.04, subdivision 5a; 116P.09, subdivision 4; 120B.232, subdivision 1a; 122A.14, subdivision 10; 122A.60, subdivision 2; 123A.36, subdivision 9; 123A.46, subdivisions 8, 10; 123A.48, subdivisions 2, 5; 124D.095, subdivision 8; 124D.52, subdivision 4; 125A.0942, subdivision 1; 125A.76, subdivision 1; 126C.10, subdivision 17; 128B.03, subdivision 3a; 144.651, subdivision 2; 144D.01, subdivision 4; 148.911; 152.01, subdivision 22; 152.021, subdivision 2a; 239.791, subdivision 12; 241.021, subdivision 4a; 244.05, subdivision 4; 245.462, subdivision 4; 245.735, subdivision 3; 245A.02, subdivisions 20, 21, 22; 245A.095, subdivision 2; 245A.10, subdivision 4; 245A.1443, subdivision 1; 245A.1444; 245F.02, subdivisions 3, 7; 245F.06, subdivision 2; 245F.15, subdivision 4; 252.021; 256B.0622, subdivision 7a; 256B.0625, subdivision 16; 256B.69, subdivision 5a; 256C.23, subdivision 1; 256I.03, subdivision 14; 256P.07, subdivision 7; 256R.04, subdivision 7; 268.069, subdivision 1; 268.085, subdivision 2; 268.101, subdivision 1; 268.186, subdivision 1; 290.068; 290.0921, subdivision 4; 290.92, subdivision 19; 290.923, subdivision 8; 290C.12; 290C.13, subdivision 7; 291.03, subdivision 8; 296A.24, subdivision 2; 297A.91, subdivision 2; 297E.16, subdivision 2; 297F.06, subdivision 1; 297F.21, subdivision 3; 297G.20, subdivision 4; 299A.706; 326B.988; 327.665, subdivision 2; 336.9-513; 398.19; 471.16, subdivision 1; 477A.013, subdivision 13; 508A.17, subdivision 1; 518A.39, subdivision 2; 609.11, subdivision 9; 609A.02, subdivision 3; Minnesota Statutes 2017 Supplement, sections 62I.02, subdivision 5; 84D.03, subdivision 3; 97C.355, subdivision 2; 120B.12, subdivision 2; 120B.234, subdivision 2; 122A.09, subdivisions 7, 9; 122A.14, subdivision 1; 122A.40, subdivision 8; 122A.41, subdivision 5; 124D.68, subdivision 2; 124D.99, subdivision 4; 124E.11; 136A.653, subdivision 1; 181A.04, subdivision 6; 245G.15, subdivision 1; 254A.03, subdivision 1; 254B.05, subdivisions 1a, 5; 256B.051, subdivision 2; 256B.0915, subdivision 1; 256B.0949, subdivision 13; 256B.25, subdivision 3; 256B.76, subdivision 1; 256B.761; 256C.261; 256D.44, subdivision 2; 256E.30, subdivision 2; 256I.04, subdivision 3; 256N.261, subdivision 1; 260B.050; 270.071, subdivision 7a; 270.074, subdivision 1; 272.02, subdivision 10; 273.372, subdivision 2; 290.01, subdivision 31; 290.067, subdivision 1; 290.081; 291.03, subdivision 11; 297A.71, subdivision 44; 341.25; 477A.011,

subdivision 34; 477A.013, subdivision 1; Laws 2017, chapter 94, article 3, section 11; article 6, section 27; Laws 2017, First Special Session chapter 5, article 11, sections 8, subdivision 1; 10, subdivision 2; repealing Minnesota Statutes 2016, sections 124D.8957, subdivision 24; 256.9657, subdivision 1c; 256.9692; 290.067, subdivision 2a; 298.402; Laws 2009, chapter 37, article 3, section 4; Laws 2013, chapter 84, article 1, sections 25; 30; Laws 2014, chapter 199, sections 18; 19; 20; Laws 2014, chapter 222, article 2, sections 3; 8; 9; Laws 2014, chapter 286, article 8, section 19.

S.F. No. 3326 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Abeler	Draheim	Ingebrigtsen	Lourey	Senjem
Anderson, B.	Dziedzic	Isaacson	Marty	Simonson
Anderson, P.	Eaton	Jasinski	Mathews	Sparks
Bakk	Eichorn	Jensen	Miller	Tomassoni
Benson	Eken	Johnson	Nelson	Torres Ray
Bigham	Franzen	Kent	Newman	Utke
Carlson	Frentz	Kiffmeyer	Newton	Weber
Chamberlain	Gazelka	Klein	Osmek	Westrom
Champion	Goggin	Koran	Pappas	Wiger
Clausen	Hall	Laine	Pratt	Wiklund
Cohen	Hawj	Lang	Relph	
Cwodzinski	Hayden	Latz	Rest	
Dahms	Hoffman	Limmer	Rosen	
Dibble	Housley	Little	Ruud	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 2945: A bill for an act relating to human services; modifying requirements for intensive residential treatment and adult crisis response service provider entities; amending Minnesota Statutes 2016, sections 256B.0622, subdivision 4; 256B.0624, subdivision 4.

Senator Utke moved that the amendment made to H.F. No. 2945 by the Committee on Rules and Administration in the report adopted May 9, 2018, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 2945 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Abeler	Chamberlain	Dibble	Fischbach	Hawj
Anderson, B.	Champion	Draheim	Franzen	Hayden
Anderson, P.	Clausen	Dziedzic	Frentz	Hoffman
Bakk	Cohen	Eaton	Gazelka	Housley
Benson	Cwodzinski	Eichorn	Goggin	Ingebrigtsen
Carlson	Dahms	Eken	Hall	Isaacson

Jasinski	Lang	Nelson	Rosen	Weber
Jensen	Latz	Newman	Ruud	Westrom
Johnson	Limmer	Newton	Senjem	Wiger
Kent	Little	Osmek	Simonson	Wiklund
Kiffmeyer	Lourey	Pappas	Sparks	
Klein	Marty	Pratt	Tomassoni	
Koran	Mathews	Relph	Torres Ray	
Laine	Miller	Rest	Utke	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 3689: A bill for an act relating to health; making changes to birth defect information system; amending Minnesota Statutes 2016, sections 144.2215, subdivision 1; 144.2216, subdivision 4.

Senator Abeler moved that the amendment made to H.F. No. 3689 by the Committee on Rules and Administration in the report adopted May 9, 2018, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 3689 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 1, as follows:

Those who voted in the affirmative were:

Abeler	Draheim	Housley	Limmer	Rest
Anderson, B.	Dziedzic	Ingebrigtsen	Little	Rosen
Anderson, P.	Eaton	Isaacson	Lourey	Ruud
Bakk	Eichorn	Jasinski	Marty	Senjem
Benson	Eken	Jensen	Mathews	Simonson
Carlson	Fischbach	Johnson	Miller	Sparks
Chamberlain	Franzen	Kent	Nelson	Tomassoni
Champion	Frentz	Kiffmeyer	Newman	Torres Ray
Clausen	Gazelka	Klein	Newton	Utke
Cohen	Goggin	Koran	Osmek	Weber
Cwodzinski	Hall	Laine	Pappas	Westrom
Dahms	Hawj	Lang	Pratt	Wiger
Dibble	Hayden	Latz	Relph	Wiklund

Those who voted in the negative were:

Hoffman

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 3015: A bill for an act relating to human services; modifying correction order posting requirements for child care licensing; amending Minnesota Statutes 2017 Supplement, section 245A.06, subdivision 8.

Senator Nelson moved that the amendment made to H.F. No. 3015 by the Committee on Rules and Administration in the report adopted May 9, 2018, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 3015 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Abeler	Draheim	Ingebrigtsen	Lourey	Senjem
Anderson, B.	Dziedzic	Isaacson	Marty	Simonson
Anderson, P.	Eaton	Jasinski	Mathews	Sparks
Bakk	Eichorn	Jensen	Miller	Tomassoni
Benson	Eken	Johnson	Nelson	Torres Ray
Bigham	Fischbach	Kent	Newman	Utke
Carlson	Franzen	Kiffmeyer	Newton	Weber
Chamberlain	Frentz	Klein	Osmek	Westrom
Champion	Goggin	Koran	Pappas	Wiger
Clausen	Hall	Laine	Pratt	Wiklund
Cohen	Hawj	Lang	Relph	
Cwodzinski	Hayden	Latz	Rest	
Dahms	Hoffman	Limmer	Rosen	
Dibble	Housley	Little	Ruud	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 3089: A bill for an act relating to mines; modifying inspection requirements; amending Minnesota Statutes 2016, sections 180.03, subdivisions 2, 3, 4; 180.10.

H.F. No. 3089 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Abeler	Draheim	Ingebrigtsen	Lourey	Senjem
Anderson, B.	Dziedzic	Isaacson	Marty	Simonson
Anderson, P.	Eaton	Jasinski	Mathews	Sparks
Bakk	Eichorn	Jensen	Miller	Tomassoni
Benson	Eken	Johnson	Nelson	Torres Ray
Bigham	Fischbach	Kent	Newman	Utke
Carlson	Franzen	Kiffmeyer	Newton	Weber
Chamberlain	Frentz	Klein	Osmek	Westrom
Champion	Goggin	Koran	Pappas	Wiger
Clausen	Hall	Laine	Pratt	Wiklund
Cohen	Hawj	Lang	Relph	
Cwodzinski	Hayden	Latz	Rest	
Dahms	Hoffman	Limmer	Rosen	
Dibble	Housley	Little	Ruud	

So the bill passed and its title was agreed to.

RECESS

Senator Miller 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.

APPOINTMENTS

Senator Gazelka from the Subcommittee on Conference Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 2899: Senators Housley, Dahms, and Tomassoni.

H.F. No. 3265: Senators Relph, Abeler, and Franzen.

Senator Gazelka moved that the foregoing appointments be approved. The motion prevailed.

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

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

H.F. No. 2835: A bill for an act relating to transportation; appropriating money for certain reimbursements to deputy registrars.

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

Page 1, line 8, delete "\$6,265,000" and insert "\$6,000,000"

Page 1, line 9, delete "\$2,735,000" and insert "\$3,000,000"

Page 2, line 19, delete "the day following final enactment" and insert "June 1, 2018"

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

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

S.F. No. 4013: A bill for an act relating to capital investment; authorizing spending to acquire and better public land and buildings and other improvements of a capital nature with certain conditions; modifying previous appropriations; establishing new programs and modifying existing

programs; authorizing the sale and issuance of state bonds; appropriating money; amending Minnesota Statutes 2016, sections 15B.32, subdivision 6; 16A.642, subdivision 1; 115.03, by adding a subdivision; 116.072, by adding a subdivision; 138.67, subdivisions 2, 4; 138.68; 138.70; 462A.37, subdivisions 1, 2, by adding subdivisions; Minnesota Statutes 2017 Supplement, sections 138.69; 462A.2035, subdivisions 1, 1b; 462A.37, subdivision 5; Laws 2009, chapter 93, article 1, section 14, subdivision 3, as amended; Laws 2014, chapter 294, article 1, sections 5, subdivision 3; 7, subdivision 15, as amended; 21, subdivision 12, as amended; 22, subdivision 5; Laws 2014, chapter 295, section 9; Laws 2015, First Special Session chapter 5, article 1, section 10, subdivision 3, as amended; Laws 2017, First Special Session chapter 3, article 1, section 2, subdivision 2; Laws 2017, First Special Session chapter 8, article 1, sections 6, subdivision 6; 15, subdivisions 3, 11, 13; 16, subdivision 7; 17, subdivision 9; 19, subdivision 3; 20, subdivisions 9, 21; 21, subdivision 8; 27; proposing coding for new law in Minnesota Statutes, chapters 15B; 115; 245G.

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

Page 16, line 20, after "enhancement" insert "; and no more than \$1,000,000 may be used to acquire working lands easements"

Page 17, delete subdivision 4 and insert:

"Subd. 4. Minnesota River Basin Area II 700,000

For grants to local governments for floodwater management projects in Area II of the Minnesota River Basin."

Page 42, line 30, delete "35,000,000" and insert "32,000,000"

Page 44, after line 12, insert:

"Subd. 10. Glencoe - Wastewater Treatment Facility 3,000,000

For a grant to the city of Glencoe to design, engineer, construct, and equip renovation of the municipal wastewater treatment facility and for other improvements to publicly owned wastewater infrastructure. This appropriation is available when the commissioner of management and budget determines that sufficient resources have been committed to complete the project, as required by Minnesota Statutes, section 16A.502."

Renumber the subdivisions in sequence

Page 49, delete section 1

Page 50, delete section 2 and insert:

"Section 1. Minnesota Statutes 2016, section 15B.32, as amended by Laws 2017, First Special Session chapter 8, article 2, section 1, is amended to read:

15B.32 STATE CAPITOL PRESERVATION COMMISSION.

Subdivision 1. **Definitions.** (a) As used in this section and section 15B.36, the terms defined in this subdivision have the following meanings.

(b) "Commission" means the State Capitol Preservation Commission created under this section.

(c) "Capitol Area" means the geographic area defined in section 15B.02.

(d) "Board" means the Capitol Area Architectural and Planning Board created under section 15B.03.

(e) "Predesign" has the meaning given in section 16B.335, subdivision 3, paragraph (a).

Subd. 2. **Membership.** The State Capitol Preservation Commission consists of ~~22~~ 24 members, appointed as follows:

(1) the governor;

(2) the lieutenant governor;

(3) the attorney general;

(4) the chief justice of the Supreme Court, or the chief justice's designee, who shall be a member of the Supreme Court;

(5) the majority leader of the senate or the majority leader's designee, who shall be a member of the senate;

(6) the minority leader of the senate or the minority leader's designee, who shall be a member of the senate;

(7) the speaker of the house or the speaker's designee, who shall be a member of the house of representatives;

(8) the minority leader of the house of representatives or the minority leader's designee, who shall be a member of the house of representatives;

~~(7)~~ (9) two members of the senate, including one member from the majority party appointed by the majority leader and one member from the minority party appointed by the minority leader;

~~(8)~~ (10) two members of the house of representatives, including one member appointed by the speaker of the house and one member from the minority party appointed by the minority leader;

~~(9)~~ (11) the chair and ranking minority member of the house of representatives committee with jurisdiction over capital investment and the chair and ranking minority member of the senate committee with jurisdiction over capital investment;

~~(10)~~ (12) the commissioner of administration or the commissioner's designee;

~~(11)~~ (13) the commissioner of public safety or the commissioner's designee;

~~(12)~~ (14) the executive director of the Minnesota Historical Society or the executive director's designee;

~~(13)~~ (15) the executive secretary of the Capitol Area Architectural and Planning Board; and

~~(14)~~ (16) four public members appointed by the governor.

Subd. 3. **Terms and compensation.** (a) A member serving on the commission because the member or the appointing authority for the member holds an elected or appointed office shall serve on the commission as long as the member or the appointing authority holds the office.

(b) Public members of the commission shall serve two-year terms. The public members may not serve for more than three consecutive terms.

(c) The removal of members and filling of vacancies on the commission are as provided in section 15.059. ~~Public members may receive compensation and expenses as provided under section 15.059, subdivision 3.~~

Subd. 4. **Officers and meetings.** (a) The governor is the chair of the commission. The lieutenant governor is the vice-chair of the commission and may act as the chair of the commission in the absence of the governor. The governor may designate a staff member to attend commission meetings and vote on the governor's behalf in the absence of the governor.

(b) The commission shall meet at least annually and at other times at the call of the chair. Meetings of the commission are subject to chapter 13D.

Subd. 5. **Administrative support.** ~~The commission may designate an executive secretary and obtain administrative support through a contract with a state agency or other means.~~ The commissioner of administration shall provide administrative support to the commission.

Subd. 6. **Duties.** (a) The commission:

(1) shall exercise ongoing coordination of the ~~restoration~~, protection, risk management, and preservation of the Capitol building;

(2) shall consult with and advise the commissioner of administration, the board, and the Minnesota Historical Society regarding their applicable statutory responsibilities for and in the Capitol building;

~~(3) may assist in the selection of an architectural firm to assist in the preparation of the predesign plan for the restoration of the Capitol building;~~

~~(4)~~ (3) shall develop a comprehensive, multiyear, pre-design maintenance and preservation plan for the ~~restoration of the~~ Capitol building, review the plan periodically, and, as appropriate, amend and modify the plan. The pre-design plan shall ~~identify appropriate and required functions of the Capitol building; identify and address space requirements for legislative, executive, and judicial branch functions; and identify and address the long-term maintenance and preservation requirements~~

of the Capitol building. ~~In developing the predesign plan, the commission shall take into account the comprehensive plan for the Minnesota State Capitol Area, as amended in 2010, the rules governing zoning and design for the Capitol Area, citizen access, information technology needs, energy efficiency, security, educational programs including public and school tours, and any additional space needs for the efficient operation of state government~~ and shall take into account the recommendations of the long-range strategic plan under section 16B.24;

~~(5)~~ (4) shall develop and implement a plan to ~~reopen the~~ ensure a welcoming and accessible Minnesota State Capitol ~~and reintroduce it to the citizens of Minnesota~~ for all Minnesotans and visitors;

~~(6)~~ (5) shall develop and implement a comprehensive financial plan to fund the ongoing preservation and restoration of the Capitol building;

~~(7)~~ (6) shall provide annual reports about the condition of the Capitol building and its needs, as well as all activities related to the restoration preservation of the Capitol building; ~~and~~

~~(8)~~ (7) may solicit gifts, grants, or donations of any kind from any private or public source to carry out the purposes of this section. For purposes of this section, the commissioner of administration may expend money appropriated by the legislature for these purposes in the same manner as private persons, firms, corporations, and associations make expenditures for these purposes. All gifts, grants, or donations received by the commission shall be deposited in a State Capitol preservation account established in the special revenue fund. Money in the account is appropriated to the commissioner of administration for the activities of clause (5), the commission, and implementation of the predesign plan under this section. ~~The gift acceptance procedures under sections 16A.013 to 16A.016 do not apply to this clause.~~ Appropriations under this clause do not cancel and are available until expended; and

(8) shall approve a program of art exhibits to encourage public visits to the Capitol and to be displayed in a space in the Capitol building that is listed in section 15B.36, subdivision 1, before an exhibit that is part of the program can be displayed for two weeks or longer. When considering recommendations made under section 15B.36, the commission must approve or reject recommended exhibits as a whole and may not approve or reject individual pieces within a recommended exhibit. The approved program must address the proposed schedule, how it addresses adopted themes for art in the Capitol, and the type or types of artwork.

(b) By January 15 of each year, the commission shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over ~~the commission state government operations, capital investment, finance, ways and means, and legacy finance~~ regarding the activities and efforts of the commission in the preceding calendar year maintenance and preservation needs of the Capitol building, including recommendations adopted by the commission, the comprehensive financial plan required under paragraph (a), clause (6), and any proposed draft legislation necessary to implement the recommendations of the commission.

Sec. 2. [15B.36] CAPITOL ART EXHIBIT ADVISORY COMMITTEE.

Subdivision 1. **Application.** This section applies to art exhibits in the following spaces within the State Capitol: third floor east wing, the egress lobbies added as part of the Capitol restoration completed in 2017, the tunnels connecting legislative office buildings to the Capitol, room 104A of

the Capitol, and the entire Capitol basement, excluding the historic Rathskeller, Governor's Dining Room, and Justices' Dining Room. Historic paintings located in Room 317A remain subject to section 138.68. The speaker of the house, president of the senate, and chief justice of the Minnesota Supreme Court may request the advisory committee to provide recommendations on art in their respective hearing rooms and other tenant spaces.

Subd. 2. **Creation, duties.** (a) The Capitol Art Exhibit Advisory Committee is established to advise and make recommendations to the State Capitol Preservation Commission regarding art exhibits to be displayed in State Capitol spaces listed in subdivision 1. To develop these recommendations, the committee shall:

(1) receive proposals from a broad diversity of Minnesota artists, art organizations, and other individuals and evaluate the extent to which proposals meet the criteria in paragraph (b); and

(2) prepare a list of recommended art exhibits for consideration by the commission, including information on the availability of the exhibits, a summary of how the recommended exhibits meet the criteria in paragraph (b) and reflect Minnesota history not covered by previous art exhibits, and the estimated costs and logistical needs for recommended exhibits.

(b) Art exhibits displayed in the State Capitol should tell Minnesota stories and engage people to:

(1) reflect on Minnesota history;

(2) understand Minnesota government;

(3) recognize the contributions of Minnesota's diverse peoples;

(4) inspire citizen engagement; and

(5) appreciate the varied landscapes of Minnesota.

(c) The commissioner of administration shall provide administrative support for the art exhibits approved by the commission under section 15B.32, subdivision 6, paragraph (a), clause (8).

(d) A preference shall be given for recommended art exhibits for artists currently living in Minnesota or living in Minnesota at the time portrayed. The selection process should ensure that a wide range of artists have a chance to be considered and that, over time, the art reflects the contributions of artists of various demographic backgrounds, including age, disability, gender, and racial and ethnic identity.

Subd. 3. **Membership.** (a) The advisory committee consists of members of the public appointed as follows:

(1) five appointed by the governor;

(2) two appointed by the majority leader of the senate and two appointed by the minority leader of the senate; and

(3) two appointed by the speaker of the house and two appointed by the minority leader of the house of representatives.

(b) To the extent practicable, the appointing authorities shall appoint individuals with knowledge or experience in art, Minnesota history, or Native American history, so that the advisory committee reflects the demographic and geographic diversity of the state. The public members appointed by the governor must be appointed using the public appointments process under section 15.0597.

(c) The State Arts Board, the Minnesota Historical Society, the Capitol Area Architectural and Planning Board, and the commissioner of administration shall each appoint one individual to serve ex-officio on the advisory committee as a nonvoting member.

(d) The advisory committee may meet as frequently as needed to complete its work and shall annually, or when requested by the commissioner, provide the commission with a list of recommended exhibits of works of art by Minnesota artists for possible display in the State Capitol.

Subd. 4. **Terms; removal; vacancies; compensation.** Except as otherwise provided in this section, terms, removal, vacancies, and compensation are as provided in section 15.059. Terms of advisory committee members begin the first Tuesday after the first Monday in January and are for four years.

Subd. 5. **Chair.** The committee shall elect a chair from among its members. The committee may elect other officers as it deems necessary.

Subd. 6. **Open meetings.** Committee meetings are subject to chapter 13D.

Subd. 7. **Conflict of interest.** A member of the committee may not participate in the discussion of or vote on a decision of the committee relating to an organization in which the member has either a direct or indirect financial interest.

Subd. 8. **Gifts; grants; donations.** The committee may accept gifts and grants, which are accepted on behalf of the state and constitute donations to the state. Funds received under this paragraph are appropriated to the commissioner of administration for purposes of the committee."

Page 54, delete sections 8 to 10

Page 55, delete sections 11 and 12

Page 83, delete section 41 and insert:

"Sec. 36. **CAPITOL ART EXHIBIT ADVISORY COMMITTEE; FIRST APPOINTMENTS AND FIRST MEETING.**

(a) Appointing authorities for membership of the Capitol Art Exhibit Advisory Committee under Minnesota Statutes, section 15B.36, shall make first appointments to the committee by September 15, 2018. The commissioner of administration shall convene the first meeting of the committee by November 1, 2018, and serves as chair until the committee elects a chair from among its members at its first meeting.

(b) The following members are appointed to an initial term that ends January 5, 2021: two members appointed by the governor; one member each appointed by the majority leader of the senate, the minority leader of the senate, the speaker of the house, and the minority leader of the house of representatives. The remaining members are appointed to terms that end on January 3, 2023."

Renumber the sections in sequence and correct the internal references

Amend the title numbers accordingly

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

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

S.F. No. 3420: A bill for an act relating to workers' compensation; adopting recommendations of the Workers' Compensation Advisory Council; modifying quorum requirements for the Workers' Compensation Court of Appeals; amending Minnesota Statutes 2016, section 175A.05.

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

Page 1, after line 6, insert:

"ARTICLE 1

WORKERS' COMPENSATION GENERAL

Section 1. Minnesota Statutes 2017 Supplement, section 15A.083, subdivision 7, is amended to read:

Subd. 7. **Workers' Compensation Court of Appeals and compensation judges.** Salaries of judges of the Workers' Compensation Court of Appeals are ~~98.52~~ 105 percent of the salary for ~~district court~~ workers' compensation judges of the Office of Administrative Hearings. The salary of the chief judge of the Workers' Compensation Court of Appeals is ~~98.52~~ 107 percent of the salary for ~~a chief district court judge~~ workers' compensation judges of the Office of Administrative Hearings. Salaries of compensation judges are 98.52 percent of the salary of district court judges.

EFFECTIVE DATE. This section is effective June 1, 2018."

Page 2, after line 7, insert:

"Sec. 3. Minnesota Statutes 2016, section 176.231, subdivision 9, is amended to read:

Subd. 9. **Uses ~~which~~ that may be made of reports.** (a) Reports filed with the commissioner under this section may be used in hearings held under this chapter, and for the purpose of state investigations and for statistics. These reports are available to the Department of Revenue for use in enforcing Minnesota income tax and property tax refund laws, and the information shall be protected as provided in chapter 270B.

(b) The division or Office of Administrative Hearings or Workers' Compensation Court of Appeals may permit the examination of its file by the employer, insurer, employee, or dependent

of a deceased employee or any person who furnishes ~~written~~ signed authorization to do so from the employer, insurer, employee, or dependent of a deceased employee. Reports filed under this section and other information the commissioner has regarding injuries or deaths shall be made available to the Workers' Compensation Reinsurance Association for use by the association in carrying out its responsibilities under chapter 79.

(c) The division may provide the worker identification number assigned under section 176.275, subdivision 1, without a signed authorization required under paragraph (b) to an:

- (1) attorney who represents one of the persons described in paragraph (b);
- (2) attorney who represents an intervenor or potential intervenor under section 176.361;
- (3) intervenor; or
- (4) employee's assigned qualified rehabilitation consultant under section 176.102.

EFFECTIVE DATE. This section is effective June 1, 2018.

Sec. 4. **[176.2611] COORDINATION OF THE OFFICE OF ADMINISTRATIVE HEARINGS' CASE MANAGEMENT SYSTEM AND THE WORKERS' COMPENSATION IMAGING SYSTEM.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the definitions in this subdivision apply unless otherwise specified.

(b) "Commissioner" means the commissioner of labor and industry.

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

(d) "Document" includes all data, whether in electronic or paper format, that is filed with or issued by the office or department related to a claim-specific dispute resolution proceeding under this section.

(e) "Office" means the Office of Administrative Hearings.

Subd. 2. **Applicability.** This section governs filing requirements pending completion of the workers' compensation modernization program and access to documents and data in the office's case management system, the workers' compensation Informix imaging system, and the system that will be developed as a result of the workers' compensation modernization program. This section prevails over any conflicting provision in this chapter, Laws 1998, chapter 366, or corresponding rules.

Subd. 3. **Documents that must be filed with the office.** Except as provided in subdivision 4 and section 176.421, all documents that require action by the office under this chapter must be filed, electronically or in paper format, with the office as required by the chief administrative law judge. Filing a document that initiates or is filed in preparation for a proceeding at the office satisfies any requirement under this chapter that the document must be filed with the commissioner.

Subd. 4. Documents that must be filed with the commissioner. (a) The following documents must be filed directly with the commissioner in the format and manner prescribed by the commissioner:

(1) all requests for an administrative conference under section 176.106, regardless of the amount in dispute;

(2) a motion to intervene in an administrative conference that is pending at the department;

(3) any other document related to an administrative conference that is pending at the department;

(4) an objection to a penalty assessed by the commissioner or the department;

(5) requests for medical and rehabilitation dispute certification under section 176.081, subdivision 1, paragraph (c), including related documents; and

(6) except as provided in this subdivision or subdivision 3, any other document required to be filed with the commissioner.

(b) The filing requirement in paragraph (a), clause (1), makes no changes to the jurisdictional provisions in section 176.106. A claim petition that contains only medical or rehabilitation issues, unless primary liability is disputed, is considered to be a request for an administrative conference and must be filed with the commissioner.

(c) The commissioner must refer a timely, unresolved objection to a penalty under paragraph (a), clause (4), to the office within 60 calendar days.

Subd. 5. Form revision and access to documents and data. (a) The commissioner must revise dispute resolution forms, in consultation with the chief administrative law judge, to reflect the filing requirements in this section.

(b) For purposes of this subdivision, "complete, read-only electronic access" means the ability to view all data and document contents, including scheduling information, related to workers' compensation disputes, except for the following:

(1) a confidential mediation statement, including any documents submitted with the statement for the mediator's review;

(2) work product of a compensation judge, mediator, or commissioner that is not issued. Examples of work product include personal notes of hearings or conferences and draft decisions;

(3) the department's Vocational Rehabilitation Unit's case management system data;

(4) the special compensation fund's case management system data; and

(5) audit trail information.

(c) The office must be provided with continued, complete, read-only electronic access to the workers' compensation Informix imaging system.

(d) The department must be provided with read-only electronic access to the office's case management system, including the ability to view all data, including scheduling information, but excluding access into filed documents.

(e) The office must send the department all documents that are accepted for filing or issued by the office. The office must send the documents to the department, electronically or by courier, within two business days of when the documents are accepted for filing or issued by the office.

(f) The department must place documents that the office sends to the department in the appropriate imaged file for the employee.

(g) The department must send the office copies of the following documents, electronically or by courier, within two business days of when the documents are filed with or issued by the department:

- (1) notices of discontinuance;
- (2) decisions issued by the department; and
- (3) mediated agreements.

(h) Upon integration of the office's case management system and the department's system resulting from the workers' compensation modernization program, each agency will be provided with complete, read-only electronic access to the other agency's system.

(i) Each agency's responsible authority pursuant to section 13.02, subdivision 16, is responsible for its own employees' use and dissemination of the data and documents in the workers' compensation Informix imaging system, the office's case management system, and the system developed as a result of the workers' compensation modernization program.

Subd. 6. **Data privacy.** (a) All documents filed with or issued by the department or the office under this chapter are private data on individuals and nonpublic data pursuant to chapter 13, except that the documents are available to the following:

- (1) the office;
- (2) the department;
- (3) the employer;
- (4) the insurer;
- (5) the employee;
- (6) the dependent of a deceased employee;
- (7) an intervenor in the dispute;
- (8) the attorney to a party in the dispute;

(9) a person who furnishes written authorization from the employer, insurer, employee, or dependent of a deceased employee; and

(10) a person, agency, or other entity allowed access to the documents under this chapter or other law.

(b) The office and department may post notice of scheduled proceedings on the agencies' Web sites and at their principal places of business in any manner that protects the employee's identifying information.

Subd. 7. **Workers' Compensation Court of Appeals.** The Workers' Compensation Court of Appeals has authority to amend its rules of procedure to reflect electronic filing with the office under this section for purposes of section 176.421, subdivision 5, and to allow electronic filing with the court under section 176.285. The court may amend its rules using the procedure in section 14.389.

EFFECTIVE DATE. This section is effective June 1, 2018.

Sec. 5. Laws 2017, chapter 94, article 1, section 6, is amended to read:

Sec. 6. WORKERS' COMPENSATION COURT OF APPEALS	\$	1,913,000	\$	<u>1,913,000</u>
		1,913,000		<u>1,946,000</u>

This appropriation is from the workers' compensation fund."

Page 2, after line 7, insert:

"ARTICLE 2

HOSPITAL OUTPATIENT FEE SCHEDULE

Section 1. [176.1364] WORKERS' COMPENSATION HOSPITAL OUTPATIENT FEE SCHEDULE.

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

(b) "Addendum A" means the addendum entitled "OPPS APCs for CY 2018," or its successor, developed by the Centers for Medicare and Medicaid Services (Medicare) for use in the Medicare Hospital Outpatient Prospective Payment System (OPPS) system under Code of Federal Regulations, title 42, part 419, as may be amended from time to time.

(c) "Addendum B" means the addendum entitled "OPPS Payment by HCPCS Codes for CY 2018," or its successor, developed by the Centers for Medicare and Medicaid Services (Medicare) for use in the Medicare Hospital Outpatient Prospective Payment System (OPPS) system under Code of Federal Regulations, title 42, part 419, as may be amended from time to time.

(d) "HCPCS code" means a numeric or alphanumeric code included in the Centers for Medicare and Medicaid Services' Healthcare Common Procedure Coding System. A HCPCS code is used to identify a specific medical service.

(e) "Hospital" means a facility that is licensed by the Department of Health under section 144.50.

(f) "HOFS" means the workers' compensation hospital outpatient fee schedule established under subdivision 3.

(g) "Insurer" includes workers' compensation insurers and self-insured employers.

(h) "Services" includes articles, supplies, procedures, and implantable devices provided by the hospital with the service. Services are identified by a code described in subdivision 3.

Subd. 2. **Applicability.** (a) This section only applies to payment of charges for hospital outpatient services if the charges include a service listed in the workers' compensation hospital outpatient fee schedule established by the commissioner under subdivision 3. If the charges do not include a service listed in the HOFS, payment shall be:

(1) the liability for each service that is included in the workers' compensation relative value fee schedule as provided in section 176.136, subdivision 1a, and corresponding rules adopted by the commissioner to implement the relative value fee schedule; or

(2) the liability as provided in section 176.136, subdivision 1b, paragraphs (b) and (c), for each service that is not included in the workers' compensation relative value fee schedule.

(b) This section does not apply to outpatient services provided at a hospital that is certified by Medicare as a critical access hospital. Outpatient services provided by these hospitals shall be paid as provided in section 176.136, subdivision 1b, paragraph (a).

Subd. 3. **Hospital outpatient fee schedule (HOFS).** (a) Effective for hospital outpatient services on or after October 1, 2018, the commissioner shall establish a workers' compensation hospital outpatient fee schedule (HOFS) to establish the payment for hospital bills with charges for services with a J1 or J2 status indicator as listed in the status indicator (SI) column of Addendum B and the comprehensive observation services Ambulatory Payment Classification (APC) 8011 with a J2 status indicator in Addendum A. The commissioner shall publish a link to the HOFS in the State Register before October 1, 2018, and shall maintain the current HOFS on the department's Web site.

(b) The amount listed for each of the procedures in the HOFS as described in paragraph (a) shall be the relative weight for the procedure multiplied by a HOFS conversion factor that results in the same overall payment for hospital outpatient services under this section as the actual payments made in the most recent 12-month period available before the effective date of this section. The commissioner must establish separate conversion factors to achieve the same overall payment for noncritical access hospitals of 100 or fewer licensed beds and hospitals with more than 100 licensed beds. The commissioner shall establish the two conversion factors according to the requirements in clauses (1) to (4) in consultation with insurer and hospital representatives.

(1) The commissioner shall obtain a suitable sample of de-identified data for Minnesota workers' compensation outpatient cases at Minnesota hospitals for the most recently available 12-month period. The commissioner may obtain de-identified data from any reliable source, including Minnesota hospitals and insurers, or their representatives. Any data provided to the commissioner by a hospital, insurer, or their representative under this subdivision is nonpublic data under section 13.02, subdivision 9.

(2) The sample must be divided into a data set for hospitals over 100 licensed beds, and 100 or fewer licensed beds, excluding critical access hospitals.

(3) For each data set the commissioner shall:

(i) calculate the total amount of the actual payments made in the most recent 12-month period available before the effective date of this section, adjusted for inflation to July 2018; and

(ii) apply all of the payment provisions in this section to each claim including, as applicable, payment under the relative value fee schedule or 85 percent of the hospital's usual and customary charge under section 176.136, subdivisions 1a and 1b, to determine the total payment amount using the Medicare conversion factor in effect for the OPPS in effect on July 1, 2018.

(4) The commissioner shall calculate the Minnesota conversion factor to equal the Medicare conversion factor multiplied by the ratio of total payments under clause (3), item (i), divided by the total payments under clause (3), item (ii).

(c) For purposes of this section:

(1) the relative weight is the amount in the "relative weight" column in Addendum B and Addendum A for comprehensive observation services.

(2) references to J1, J2, and H status indicators; Addenda A and B; APC 8011; and HCPCS code G0378 includes any successor status indicators, addenda, APC, or HCPCS code established by the Centers for Medicare and Medicaid Services.

(d) On October 1 of each year, the commissioner shall adjust the HOFS conversion factors based on the market basket index for inpatient hospital services calculated by Medicare and published on its Web site. The adjustment on each October 1 shall be a percentage equal to the value of that index averaged over the four quarters of the most recent calendar year divided by the value of that index over the four quarters of the prior calendar year.

(e) No later than October 1, 2021, and at least once every three years thereafter, the commissioner shall update the HOFS established under this subdivision by incorporating services with a J1 or J2 status indicator, and the corresponding relative weights, listed in the Addenda A and B most recently available on Medicare's Web site as of the preceding July 1. If Addenda A and B are not available on Medicare's Web site on the preceding July 1, the HOFS most recently published on the department's Web site remains in effect.

(1) Each time the HOFS is updated under this paragraph, the commissioner shall adjust the conversion factors so that there is no difference between the overall payment under the new HOFS and the overall payment under the HOFS most recently in effect, for services in both HOFSS.

(2) The conversion factor adjustments under this paragraph shall be made separately for each hospital category in paragraph (b).

(3) The conversion factor adjustments under this paragraph must be made before making any additional adjustment under paragraph (d).

(f) The commissioner shall give notice in the State Register of the adjusted conversion factor in paragraph (d) no later than October 1 annually. The commissioner shall give notice in the State Register of an updated HOFS under paragraph (e) no later than October 1 of the year in which the HOFS becomes effective. The notice must include a link to the HOFS published on the department's Web site. The notices, the updated fee schedules, and the adjusted conversion factors are not rules subject to chapter 14, but have the force and effect of law as of the effective date published in the State Register.

Subd. 4. **Payment under the hospital outpatient fee schedule.** (a) Services in the HOFS, and other hospital outpatient services provided with or as part of service in the HOFS, are paid according to paragraphs (b) and (c).

(b) If a hospital bill includes a charge for one or more services with a J1 status indicator, payment shall be as provided in this paragraph.

(1) If the bill includes a charge for only one service with only a J1 status indicator, payment shall be the amount listed in the HOFS for that service, regardless of the amount charged by the hospital.

(2) If the bill includes charges for more than one service with a J1 status indicator, the service with the highest listed fee in the HOFS shall be paid at 100 percent of the listed fee. Each additional service listed in the hospital outpatient fee shall be paid at 50 percent of the listed fee. Payment under this clause shall be based on the applicable percentage of the listed fee, regardless of the amount charged by the hospital.

(3) If the bill includes an additional charge for a service that does not have a J1 status indicator listed in the HOFS, no separate payment is made for the additional service. Payment for the additional service, including any service with a J2 status indicator, is packaged into and is not paid separately from the payment amount listed in the HOFS for the service with the J1 status indicator. Implantable devices are paid separately only as provided in subdivision 5.

(4) The insurer must not deny payment for any additional service packaged into payment for a service listed in the HOFS on the basis that the additional service was not reasonably required or causally related to an admitted work injury.

(c) If a hospital bill includes one or more charges for services with a J2 status indicator, and does not include any charges for services with a J1 status indicator, payment shall be as provided in this paragraph.

(1) Except for services packaged into an observation service as provided in clause (4), payment for each service with a J2 status indicator shall be the amount listed in the HOFS, regardless of the amount charged by the hospital.

(2) If a service without a HCPCS code is billed with a service with a J2 status indicator, payment is packaged into the payment for the J2 service.

(3) Payment for drugs with a HCPCS code is separate from payment for the service with the J2 code as provided in this clause.

(i) If the drug is delivered by injection or infusion, payment for the drug is packaged into payment for the injection or infusion service.

(ii) If the drug is not delivered by injection or infusion, payment for the drug is paid at the Medicare Average Sales Price (ASP) of the drug on the day the drug is dispensed. No later than October 1, 2018, and October 1 of each subsequent year, the commissioner must publish on the department's Web site a link to the ASP most recently available as of the preceding July 1. If no ASP is available, the most recently posted ASP linked on the department's Web site remains in effect.

(4) If a bill includes eight or more units of service with the HCPCS code G0378 (observation services, per hour), and there is a physician's or dentist's order for observation, payment shall be the amount listed in the HOFS for the comprehensive observation services Ambulatory Payment Classification 8011, regardless of the amount charged by the hospital. All other services billed by the hospital, including other services with a J2 status indicator, are packaged into the payment amount and are not paid separately from the payment amount listed in the fee schedule for HCPCS code G0378.

(5) For any other service on the same bill as the service with a J2 status indicator, payment shall be as provided in subdivision 2, paragraph (a).

Subd. 5. **Implantable devices.** The maximum fee for any service in the HOFS includes payment for all implantable devices, even if the Medicare OPSS would otherwise allow separate payment for the implantable device. However, separate payment in the amount of 85 percent of the hospital's usual and customary charge for an implantable device is allowed if the implantable device:

- (1) has an H status indicator in Addendum B;
- (2) is properly charged on a bill with a service with a J1 status indicator in the HOFS; and
- (3) is properly billed with another HCPCS code, if required by Medicare's OPSS system.

The commissioner shall update the HOFS each October 1 to include any HCPCS codes that are payable under this section according to the Addendum B most recently available on the preceding July 1.

Subd. 6. **Study.** (a) The commissioner shall conduct a study analyzing the percentage of claims with a service in the HOFS that were paid timely and the percentage of claims paid accurately. The commissioner must report the results of the study and recommendations to the Workers' Compensation Advisory Council and chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over workers' compensation by January 15, 2021.

(b) Based on the results of the study, the WCAC shall consider whether there is a minimum 80 percent compliance in timeliness and accuracy of payments, and additional statutory amendments, including but not limited to:

- (1) a maximum ten percent reduction in payments under the HOFS; and
- (2) an increase in indemnity benefits to injured workers.

Subd. 7. **Rulemaking.** The commissioner may adopt or amend rules, using the authority in section 14.386, paragraph (a), to implement this section. The rules are not subject to expiration under section 14.386, paragraph (b).

EFFECTIVE DATE. This section is effective for hospital outpatient services provided on or after October 1, 2018.

ARTICLE 3

OUTPATIENT BILLING, PAYMENT, AND DISPUTE RESOLUTION

Section 1. Minnesota Statutes 2016, section 176.136, subdivision 1b, is amended to read:

Subd. 1b. **Limitation of liability.** (a) The liability of the employer for treatment, articles, and supplies provided to an employee while an inpatient or outpatient at a Critical Access Hospital certified by the Centers for Medicare and Medicaid Services, ~~or while an outpatient at a hospital with 100 or fewer licensed beds,~~ shall be the hospital's usual and customary charge, unless the charge is determined by the commissioner or a compensation judge to be unreasonably excessive.

(b) The liability of the employer for the treatment, articles, and supplies that are not limited by paragraph (a), subdivision 1a, ~~or 1c,~~ ~~or~~ section 176.1362, 176.1363, or 176.1364, shall be limited to 85 percent of the provider's usual and customary charge, or 85 percent of the prevailing charges for similar treatment, articles, and supplies furnished to an injured person when paid for by the injured person, whichever is lower, except as provided in paragraph (e). On this basis, the commissioner or compensation judge may determine the reasonable value of all treatment, services, and supplies, and the liability of the employer is limited to that amount. The commissioner may by rule establish the reasonable value of a service, article, or supply in lieu of the 85 percent limitation in this paragraph. A prevailing charge established under Minnesota Rules, part 5221.0500, subpart 2, must be based on no more than two years of billing data immediately preceding the date of the service.

(c) The limitation of liability for charges provided by paragraph (b) does not apply to a nursing home that participates in the medical assistance program and whose rates are established by the commissioner of human services.

(d) An employer's liability for treatment, articles, and supplies provided under this chapter by a health care provider located outside of Minnesota is limited to the payment that the health care provider would receive if the treatment, article, or supply were paid under the workers' compensation law of the jurisdiction in which the treatment was provided.

(e) The limitation of the employer's liability based on 85 percent of prevailing charge does not apply to charges by an ambulatory surgical center as defined in section 176.1363, subdivision 1, paragraph (b), or a hospital as defined in section 176.1364, subdivision 1, paragraph (e).

(f) For purposes of this chapter, "inpatient" means a patient that has been admitted to a hospital by an order from a physician or dentist. If there is no inpatient admission order, the patient is deemed an outpatient. The hospital must provide documentation of an inpatient order upon the request of the employer.

EFFECTIVE DATE. This section is effective for treatment, articles, and supplies provided on or after October 1, 2018.

Sec. 2. [176.1365] OUTPATIENT BILLING, PAYMENT, AND DISPUTE RESOLUTION.

Subdivision 1. **Scope.** This section applies to billing, payment, and dispute resolution for services provided by an ambulatory surgical center (ASC) under section 176.1363 and hospital outpatient services under section 176.1364. For purposes of this section, "insurer" includes self-insured employer and "services" is as defined in section 176.1364.

Subd. 2. **Outpatient billing, coding, and prior notification.** (a) Ambulatory surgical centers and hospitals must bill workers' compensation insurers for services governed by sections 176.1363 and 176.1364 using the same codes, formats, and details that are required for billing the Medicare program, including coding consistent with the American Medical Association Current Procedural Terminology coding system and Medicare's Ambulatory Surgical Center Payment System, Outpatient Prospective Payment System, Outpatient Code Editor, Healthcare Current Procedural Terminology Coding System, and the National Correct Coding Initiative Policy Manual for Medicare Services and associated Web page and tables.

(b) All charges for ASC or hospital outpatient fee schedule services governed by sections 176.1363 and 176.1364 must be submitted to the insurer on the appropriate electronic transaction required by section 176.135, subdivisions 7 and 7a. ASCs must submit charges on the electronic 837P form. ASCs must not separately bill for the services and items included in the ASC facility fee under Code of Federal Regulations, title 42, section 416.164(a). Minnesota Rules, part 5221.4033, subpart 1a, does not apply to ASCs under this section, but does apply to hospital outpatient facility fees to the extent they are not covered by the hospital outpatient fee schedule under section 176.1364.

(c) Hospitals, ASCs, and insurers must comply with the prior notification and approval or authorization requirements specified in Minnesota Rules, part 5221.6050, subpart 9. Prior notification may be provided by either the hospital, ASC, or the surgeon. For purposes of prior notification under Minnesota Rules, part 5221.6050, subpart 9, "inpatient" has the meaning as provided under section 176.136, subdivision 1b, paragraph (d).

(d) ASC or hospital bills must be submitted to insurers as required by section 176.135, subdivisions 7 and 7a, and within the time period required by section 62Q.75, subdivision 3. Insurers must respond to the initial bill as provided in section 176.135, subdivisions 6 and 7a. Copies of any records or reports relating to the items for which payment is sought are separately payable as provided in section 176.135, subdivision 7, paragraph (a).

Subd. 3. **ASC or hospital request for reconsideration; insurer response; time frames.** (a) Following receipt of the insurer's explanation of review (EOR) or explanation of benefits (EOB), the ASC or hospital may request reconsideration of a payment denial or reduction. The ASC or hospital must submit its request for reconsideration in writing to the insurer within one year of the date of the EOR or EOB.

(b) The insurer must issue a written response to the ASC or hospital's request for reconsideration within 30 days, as provided in section 176.135, subdivision 6. The written response must address the issues raised by the request for reconsideration and not simply reiterate the information on the EOR or EOB.

Subd. 4. **Insurer request for reimbursement of overpayment; time frame.** If the payer determines it has overpaid an ASC or hospital's charges based on workers' compensation statutes and rules, the payer must submit its request for reimbursement in writing to the ASC or hospital within one year of the date of the payment.

Subd. 5. **Medical requests for administrative conference; time frame to file.** (a) An ASC, hospital, or insurer must notify the provider or payer, as applicable, of its intent to file a medical request for an administrative conference under section 176.106 at least 20 days before filing one with the department. The insurer, or the ASC or hospital if permitted by section 176.136, subdivision 2, must file the medical request for an administrative conference no later than the latest of:

(1) one year after the date of the initial EOR or EOB if the ASC or hospital does not request a reconsideration of a payment denial or reduction under subdivision 3;

(2) one year after the date of the insurer's response to the ASC or hospital's request for reconsideration under subdivision 3; or

(3) one year after the insurer's request for reimbursement of an overpayment from an ASC or hospital under subdivision 4.

(b) Paragraph (a) does not prohibit an employee from filing a medical request for assistance or claim petition for the payment denied or reduced by the insurer. However, the ASC or hospital may not bill the employee for the denied or reduced payment when prohibited by this chapter.

Subd. 6. **Interest.** (a) An insurer must pay the ASC or hospital interest at an annual rate of four percent if it is determined that the insurer is liable for additional ASC or hospital charges following a denial of payment. Interest is payable by the insurer on the additional amount owed from the date payment was due.

(b) An ASC or hospital must pay the insurer interest at an annual rate of four percent if it is determined that the hospital owes the insurer reimbursement following the insurer's request for reimbursement of an overpayment. Interest is payable by the ASC or hospital on the amount of the overpayment from the date the overpayment was made.

EFFECTIVE DATE. This section is effective for services provided on or after October 1, 2018.

ARTICLE 4

AMBULATORY SURGICAL CENTERS

Section 1. [176.1363] AMBULATORY SURGICAL CENTER PAYMENT.

Subdivision 1. **Definitions.** (a) For the purpose of this section, the terms defined in this subdivision have the meanings given them.

(b) "Ambulatory surgical center" or "ASC" means a facility that is: (1) certified as an ASC by the Centers for Medicare and Medicaid Services; or (2) licensed by the Department of Health as a freestanding outpatient surgical center and not owned by a hospital.

(c) "Conversion factor" means the Medicare ambulatory surgical center payment system (ASCPS) conversion factor used for ASCs that meet the Medicare quality reporting requirements, whether or not the ASC submitting the bill has met the quality reporting requirements.

(d) "Covered surgical procedures and ancillary services" means the procedures listed in ASCPS, addendum AA, and the ancillary services integral to covered surgical procedures listed in ASCPS, addendum BB.

(e) "Insurer" includes workers' compensation insurers and self-insured employers.

(f) "Ambulatory surgical center payment system" or "ASCPS" means the system developed by the Centers for Medicare and Medicaid Services for payment of surgical services provided by federally certified ASCs as specified in:

(1) Code of Federal Regulations, title 42, part 416, including without limitation the geographic adjustment for the ASC and the multiple surgical procedure reduction rule;

(2) annual revisions to Code of Federal Regulations, title 42, part 416, as published in the Federal Register;

(3) the corresponding addendum AA (final ASC covered surgical procedures), addendum BB (final covered ancillary services integral to covered surgical procedures), addendum DD1 (final ASC payment indicators), and any successor or replacement addenda; and

(4) the Medicare claims processing manual.

(g) "Medicare ASCPS payment" means the Medicare ASCPS payment used for ASCs that meet the Medicare quality reporting requirements, whether or not the ASC submitting the bill has met the Medicare quality reporting requirements.

Subd. 2. Payment for covered surgical procedures and ancillary services based on Medicare ASCPS. (a) Except as provided in subdivisions 3 and 4, the payment to the ASC for covered surgical procedures and ancillary services shall be the lesser of:

(1) the ASC's usual and customary charge for all services, supplies, and implantable devices provided; or

(2) the Medicare ASCPS payment, times a multiplier of 320 percent.

(i) The amount payable under this clause includes payment for all implantable devices, even if the Medicare ASCPS would otherwise allow separate payment for the implantable device.

(ii) The 320 percent described in this clause must be adjusted if, on July 1, 2019, or any subsequent July 1, the conversion factor is less than 98 percent of the conversion factor in effect on the previous July 1. When this occurs, the multiplier must be 320 percent times 98 percent divided by the percentage that the current Medicare conversion factor bears to the Medicare conversion factor in effect on the prior July 1. In subsequent years, the multiplier is 320 percent, unless the Medicare ASCPS conversion factor declines by more than two percent.

(b) Payment under this section is effective for covered surgical procedures and ancillary services provided by an ASC on or after October 1, 2018, through September 30, 2019, and shall be based on the addenda AA, BB, and DD1 most recently available on the Centers for Medicare and Medicaid Services Web site as of July 1, 2018, and the corresponding rules and Medicare claims processing manual described in subdivision 1, paragraph (f).

(1) Payment for covered surgical procedures and ancillary services provided by an ASC on or after each subsequent October 1 shall be based on the addenda AA, BB, and DD1 most recently available on the Centers for Medicare and Medicaid Services Web site as of the preceding July 1 and the corresponding rules and Medicare claims processing manual.

(2) If the Centers for Medicare and Medicaid Services has not updated addendum AA, BB, or DD1 on its Web site since the commissioner's previous notice under paragraph (c), the addenda identified in the notice published by the commissioner in paragraph (c) and the corresponding rules and Medicare claims processing manual shall remain in effect.

(3) Addenda AA, BB, and DD1 under this subdivision includes successor or replacement addenda.

(c) The commissioner shall annually give notice in the State Register of any adjustment to the multiplier under paragraph (a), clause (2), and of the applicable addenda in paragraph (b) no later than October 1. The notice must identify and include a link to the applicable addenda. The notices and any adjustment to the multiplier are not rules subject to chapter 14, but have the force and effect of law as of the effective date published in the State Register.

Subd. 3. **Payment for compensable surgical services not covered under ASCPS.** (a) If a surgical procedure provided by an ASC is compensable under this chapter but is not listed in addendum AA or BB of the Medicare ASCPS, payment must be 75 percent of the ASC's usual and customary charge for the procedure with the highest charge. Payment for each subsequent surgical procedure not listed in addendum AA or BB must be paid at 50 percent of the ASC's usual and customary charge.

(b) Payment must be 75 percent of the ASC's usual and customary charge for a surgical procedure or ancillary service if the procedure or service is listed in Medicare ASCPS addendum AA or BB and: (1) the payment indicator provides it is paid at a reasonable cost; (2) the payment indicator provides it is contractor priced; or (3) a payment rate is not otherwise provided.

Subd. 4. **Study.** The commissioner shall conduct a study analyzing the impact of the reforms, including timeliness and accuracy of payment under this section, and recommend further changes if needed. The commissioner must report the results of the study to the Workers' Compensation Advisory Council and the chairs and ranking minority members of the legislative committees with jurisdiction over workers' compensation by January 15, 2021.

Subd. 5. **Rulemaking.** The commissioner may adopt or amend rules using the authority in section 14.386, paragraph (a), to implement this section and the Medicare ASCPS for workers' compensation. The rules are not subject to expiration under section 14.386, paragraph (b).

EFFECTIVE DATE. This section is effective for procedures and services provided by an ASC on or after October 1, 2018, except subdivision 5 is effective the day following final enactment.

ARTICLE 5**WORKERS' COMPENSATION BENEFITS**

Section 1. Minnesota Statutes 2016, section 176.011, subdivision 15, is amended to read:

Subd. 15. **Occupational disease.** (a) "Occupational disease" means a mental impairment as defined in paragraph (d) or physical disease arising out of and in the course of employment peculiar to the occupation in which the employee is engaged and due to causes in excess of the hazards ordinary of employment and shall include undulant fever. Physical stimulus resulting in mental injury and mental stimulus resulting in physical injury shall remain compensable. Mental impairment is not considered a disease if it results from a disciplinary action, work evaluation, job transfer, layoff, demotion, promotion, termination, retirement, or similar action taken in good faith by the employer. Ordinary diseases of life to which the general public is equally exposed outside of employment are not compensable, except where the diseases follow as an incident of an occupational disease, or where the exposure peculiar to the occupation makes the disease an occupational disease hazard. A disease arises out of the employment only if there be a direct causal connection between the conditions under which the work is performed and if the occupational disease follows as a natural incident of the work as a result of the exposure occasioned by the nature of the employment. An employer is not liable for compensation for any occupational disease which cannot be traced to the employment as a direct and proximate cause and is not recognized as a hazard characteristic of and peculiar to the trade, occupation, process, or employment or which results from a hazard to which the worker would have been equally exposed outside of the employment.

(b) If immediately preceding the date of disablement or death, an employee was employed on active duty with an organized fire or police department of any municipality, as a member of the Minnesota State Patrol, conservation officer service, state crime bureau, as a forest officer by the Department of Natural Resources, state correctional officer, or sheriff or full-time deputy sheriff of any county, and the disease is that of myocarditis, coronary sclerosis, pneumonia or its sequel, and at the time of employment such employee was given a thorough physical examination by a licensed doctor of medicine, and a written report thereof has been made and filed with such organized fire or police department, with the Minnesota State Patrol, conservation officer service, state crime bureau, Department of Natural Resources, Department of Corrections, or sheriff's department of any county, which examination and report negated any evidence of myocarditis, coronary sclerosis, pneumonia or its sequel, the disease is presumptively an occupational disease and shall be presumed to have been due to the nature of employment. If immediately preceding the date of disablement or death, any individual who by nature of their position provides emergency medical care, or an employee who was employed as a licensed police officer under section 626.84, subdivision 1; firefighter; paramedic; state correctional officer; emergency medical technician; or licensed nurse providing emergency medical care; and who contracts an infectious or communicable disease to which the employee was exposed in the course of employment outside of a hospital, then the disease is presumptively an occupational disease and shall be presumed to have been due to the nature of employment and the presumption may be rebutted by substantial factors brought by the employer or insurer. Any substantial factors which shall be used to rebut this presumption and which are known to the employer or insurer at the time of the denial of liability shall be communicated to the employee on the denial of liability.

(c) A firefighter on active duty with an organized fire department who is unable to perform duties in the department by reason of a disabling cancer of a type caused by exposure to heat, radiation, or a known or suspected carcinogen, as defined by the International Agency for Research on Cancer, and the carcinogen is reasonably linked to the disabling cancer, is presumed to have an occupational disease under paragraph (a). If a firefighter who enters the service after August 1, 1988, is examined by a physician prior to being hired and the examination discloses the existence of a cancer of a type described in this paragraph, the firefighter is not entitled to the presumption unless a subsequent medical determination is made that the firefighter no longer has the cancer.

(d) For the purposes of this chapter, "mental impairment" means a diagnosis of post-traumatic stress disorder by a licensed psychiatrist or psychologist. For the purposes of this chapter, "post-traumatic stress disorder" means the condition as described in the most recently published edition of the Diagnostic and Statistical Manual of Mental Disorders by the American Psychiatric Association. For purposes of section 79.34, subdivision 2, one or more compensable mental impairment claims arising out of a single event or occurrence shall constitute a single loss occurrence.

(e) If, preceding the date of disablement or death, an employee who was employed on active duty as: a licensed police officer; a firefighter; a paramedic; an emergency medical technician; a licensed nurse employed to provide emergency medical services outside of a medical facility; a public safety dispatcher; an officer employed by the state or a political subdivision at a corrections, detention, or secure treatment facility; a sheriff or full-time deputy sheriff of any county; or a member of the Minnesota State Patrol is diagnosed with a mental impairment as defined in paragraph (d), and had not been diagnosed with the mental impairment previously, then the mental impairment is presumptively an occupational disease and shall be presumed to have been due to the nature of employment. This presumption may be rebutted by substantial factors brought by the employer or insurer. Any substantial factors that are used to rebut this presumption and that are known to the employer or insurer at the time of the denial of liability shall be communicated to the employee on the denial of liability. The mental impairment is not considered an occupational disease if it results from a disciplinary action, work evaluation, job transfer, layoff, demotion, promotion, termination, retirement, or similar action taken in good faith by the employer.

EFFECTIVE DATE. This section is effective for employees with dates of injury on or after January 1, 2019.

Sec. 2. Minnesota Statutes 2016, section 176.101, subdivision 2, is amended to read:

Subd. 2. **Temporary partial disability.** (a) In all cases of temporary partial disability the compensation shall be $66\frac{2}{3}$ percent of the difference between the weekly wage of the employee at the time of injury and the wage the employee is able to earn in the employee's partially disabled condition. This compensation shall be paid during the period of disability except as provided in this section, payment to be made at the intervals when the wage was payable, as nearly as may be, and subject to the maximum rate for temporary total compensation.

(b) Temporary partial compensation may be paid only while the employee is employed, earning less than the employee's weekly wage at the time of the injury, and the reduced wage the employee is able to earn in the employee's partially disabled condition is due to the injury. Except as provided in section 176.102, subdivision 11, paragraphs (b) and (c), temporary partial compensation may not

be paid for more than ~~225~~ 275 weeks, or after 450 weeks after the date of injury, whichever occurs first.

(c) Temporary partial compensation must be reduced to the extent that the wage the employee is able to earn in the employee's partially disabled condition plus the temporary partial disability payment otherwise payable under this subdivision exceeds 500 percent of the statewide average weekly wage.

Sec. 3. Minnesota Statutes 2016, section 176.101, subdivision 2a, is amended to read:

Subd. 2a. **Permanent partial disability.** (a) Compensation for permanent partial disability is as provided in this subdivision. Permanent partial disability must be rated as a percentage of the whole body in accordance with rules adopted by the commissioner under section 176.105. The percentage determined pursuant to the rules must be multiplied by the corresponding amount in the following table:

Impairment Rating (percent)	Amount
	75,000
less than 5.5	\$ <u>78,800</u>
	80,000
5.5 to less than 10.5	<u>84,000</u>
	85,000
10.5 to less than 15.5	<u>89,300</u>
	90,000
15.5 to less than 20.5	<u>94,500</u>
	95,000
20.5 to less than 25.5	<u>99,800</u>
	100,000
25.5 to less than 30.5	<u>105,000</u>
	110,000
30.5 to less than 35.5	<u>115,500</u>
	120,000
35.5 to less than 40.5	<u>126,000</u>
	130,000
40.5 to less than 45.5	<u>136,500</u>
	140,000
45.5 to less than 50.5	<u>147,000</u>
	165,000
50.5 to less than 55.5	<u>173,300</u>
	190,000
55.5 to less than 60.5	<u>199,500</u>
	215,000
60.5 to less than 65.5	<u>225,800</u>
	240,000
65.5 to less than 70.5	<u>252,000</u>

	265,000
70.5 to less than 75.5	<u>278,300</u>
	315,000
75.5 to less than 80.5	<u>330,800</u>
	365,000
80.5 to less than 85.5	<u>383,300</u>
	415,000
85.5 to less than 90.5	<u>435,800</u>
	465,000
90.5 to less than 95.5	<u>488,300</u>
	515,000
95.5 up to and including 100	<u>540,800</u>

An employee may not receive compensation for more than a 100 percent disability of the whole body, even if the employee sustains disability to two or more body parts.

(b) Permanent partial disability is payable upon cessation of temporary total disability under subdivision 1. If the employee requests payment in a lump sum, then the compensation must be paid within 30 days. This lump-sum payment may be discounted to the present value calculated up to a maximum five percent basis. If the employee does not choose to receive the compensation in a lump sum, then the compensation is payable in installments at the same intervals and in the same amount as the employee's temporary total disability rate on the date of injury. Permanent partial disability is not payable while temporary total compensation is being paid.

Sec. 4. Minnesota Statutes 2016, section 176.101, subdivision 4, is amended to read:

Subd. 4. **Permanent total disability.** For permanent total disability, as defined in subdivision 5, the compensation shall be 66-2/3 percent of the daily wage at the time of the injury, subject to a maximum weekly compensation equal to the maximum weekly compensation for a temporary total disability and a minimum weekly compensation equal to 65 percent of the statewide average weekly wage. This compensation shall be paid during the permanent total disability of the injured employee but after a total of \$25,000 of weekly compensation has been paid, the amount of the weekly compensation benefits being paid by the employer shall be reduced by the amount of any disability benefits being paid by any government disability benefit program if the disability benefits are occasioned by the same injury or injuries which give rise to payments under this subdivision. This reduction shall also apply to any old age and survivor insurance benefits. Payments shall be made at the intervals when the wage was payable, as nearly as may be. In case an employee who is permanently and totally disabled becomes an inmate of a public institution, no compensation shall be payable during the period of confinement in the institution, unless there is wholly dependent on the employee for support some person named in section 176.111, subdivision 1, 2 or 3, in which case the compensation provided for in section 176.111, during the period of confinement, shall be paid for the benefit of the dependent person during dependency. The dependency of this person shall be determined as though the employee were deceased. Permanent total disability shall cease at age ~~67 because the employee is presumed retired from the labor market~~ 72, except that if an employee is injured after age 67, permanent total disability benefits shall cease after five years of those benefits have been paid. ~~This presumption is rebuttable by the employee. The subjective~~

~~statement the employee is not retired is not sufficient in itself to rebut the presumptive evidence of retirement but may be considered along with other evidence.~~

Sec. 5. Minnesota Statutes 2016, section 176.102, subdivision 11, is amended to read:

Subd. 11. **Retraining; compensation.** (a) Retraining is limited to 156 weeks. An employee who has been approved for retraining may petition the commissioner or compensation judge for additional compensation not to exceed 25 percent of the compensation otherwise payable. If the commissioner or compensation judge determines that this additional compensation is warranted due to unusual or unique circumstances of the employee's retraining plan, the commissioner may award additional compensation in an amount not to exceed the employee's request. This additional compensation shall cease at any time the commissioner or compensation judge determines the special circumstances are no longer present.

(b) If the employee is not employed during a retraining plan that has been specifically approved under this section, temporary total compensation is payable for up to 90 days after the end of the retraining plan; except that, payment during the 90-day period is subject to cessation in accordance with section 176.101. If the employee is employed during the retraining plan but earning less than at the time of injury, temporary partial compensation is payable at the rate of 66-2/3 percent of the difference between the employee's weekly wage at the time of injury and the weekly wage the employee is able to earn in the employee's partially disabled condition, subject to the maximum rate for temporary total compensation. Temporary partial compensation is not subject to the ~~225-week~~ 275-week or 450-week limitations provided by section 176.101, subdivision 2, during the retraining plan, but is subject to those limitations before and after the plan.

(c) Any request for retraining shall be filed with the commissioner before 208 weeks of any combination of temporary total or temporary partial compensation have been paid. Retraining shall not be available after 208 weeks of any combination of temporary total or temporary partial compensation benefits have been paid unless the request for the retraining has been filed with the commissioner prior to the time the 208 weeks of compensation have been paid.

(d) The employer or insurer must notify the employee in writing of the 208-week limitation for filing a request for retraining with the commissioner. This notice must be given before 80 weeks of temporary total disability or temporary partial disability compensation have been paid, regardless of the number of weeks that have elapsed since the date of injury. If the notice is not given before the 80 weeks, the period of time within which to file a request for retraining is extended by the number of days the notice is late, but in no event may a request be filed later than 225 weeks after any combination of temporary total disability or temporary partial disability compensation have been paid. The commissioner may assess a penalty of \$25 per day that the notice is late, up to a maximum penalty of \$2,000, against an employer or insurer for failure to provide the notice. The penalty is payable to the commissioner for deposit in the assigned risk safety account.

Sec. 6. Minnesota Statutes 2016, section 176.83, subdivision 5, is amended to read:

Subd. 5. **Treatment standards for medical services.** (a) In consultation with the Medical Services Review Board or the rehabilitation review panel, the commissioner shall adopt rules establishing standards and procedures for health care provider treatment. The rules shall apply uniformly to all providers including those providing managed care under section 176.1351. The

rules shall be used to determine whether a provider of health care services and rehabilitation services, including a provider of medical, chiropractic, podiatric, surgical, hospital, or other services, is performing procedures or providing services at a level or with a frequency that is excessive, unnecessary, or inappropriate under section 176.135, subdivision 1, based upon accepted medical standards for quality health care and accepted rehabilitation standards.

(b) The rules shall include, but are not limited to, the following:

(1) criteria for diagnosis and treatment of the most common work-related injuries including, but not limited to, low back injuries and upper extremity repetitive trauma injuries;

(2) criteria for surgical procedures including, but not limited to, diagnosis, prior conservative treatment, supporting diagnostic imaging and testing, and anticipated outcome criteria;

(3) criteria for use of appliances, adaptive equipment, and use of health clubs or other exercise facilities;

(4) criteria for diagnostic imaging procedures;

(5) criteria for inpatient hospitalization;

(6) criteria for treatment of chronic pain; ~~and~~

(7) criteria for the long-term use of opioids or other scheduled medications to alleviate intractable pain and improve function, including the use of written contracts between the injured worker and the health care provider who prescribes the medication; and

(8) criteria for treatment of post-traumatic stress disorder. In developing such treatment criteria, the commissioner and the Medical Services Review Board shall consider the guidance set forth in the American Psychological Association's most recently adopted Clinical Practice Guideline for the Treatment of Posttraumatic Stress Disorder (PTSD) in Adults. The commissioner shall adopt such rules using the expedited rulemaking process in section 14.389, including subdivision 5, to commence promptly upon final enactment of the legislation enacting this clause. Such rules shall apply to employees with all dates of injury who receive treatment after the commissioner adopts the rules. In consultation with the Medical Services Review Board, the commissioner shall review and update the rules governing criteria for treatment of post-traumatic stress disorder each time the American Psychological Association adopts a significant change to their Clinical Practice Guideline for the Treatment of PTSD in Adults, using the expedited rulemaking process in section 14.389, including subdivision 5.

(c) If it is determined by the payer that the level, frequency, or cost of a procedure or service of a provider is excessive, unnecessary, or inappropriate according to the standards established by the rules, the provider shall not be paid for the procedure, service, or cost by an insurer, self-insurer, or group self-insurer, and the provider shall not be reimbursed or attempt to collect reimbursement for the procedure, service, or cost from any other source, including the employee, another insurer, the special compensation fund, or any government program unless the commissioner or compensation judge determines at a hearing or administrative conference that the level, frequency, or cost was not excessive under the rules in which case the insurer, self-insurer, or group self-insurer shall make the payment deemed reasonable.

(d) A rehabilitation provider who is determined by the rehabilitation review panel board, after hearing, to be consistently performing procedures or providing services at an excessive level or cost may be prohibited from receiving any further reimbursement for procedures or services provided under this chapter. A prohibition imposed on a provider under this subdivision may be grounds for revocation or suspension of the provider's license or certificate of registration to provide health care or rehabilitation service in Minnesota by the appropriate licensing or certifying body. The commissioner and Medical Services Review Board shall review excessive, inappropriate, or unnecessary health care provider treatment under section 176.103.

EFFECTIVE DATE. This section is effective June 1, 2018.

Sec. 7. **EFFECTIVE DATE.**

Unless otherwise specified, this article is effective for employees with dates of injury on or after October 1, 2018."

Renumber the sections in sequence

Amend the title as follows:

Page 1, delete lines 2 to 3 and insert "relating to workers' compensation; adopting recommendations of the Workers' Compensation Advisory Council; modifying workers' compensation provisions; modifying hospital outpatient fee schedules; modifying billing, payment, and dispute resolution; defining ambulatory surgical center payments; modifying covered benefits"

Page 1, line 4, delete everything before the semicolon

Amend the title numbers accordingly

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

SECOND READING OF SENATE BILLS

S.F. Nos. 4013 and 3420 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 2835 was read the second time.

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 Messages From the House and First Reading of House Bills.

MESSAGES FROM THE HOUSE

Madam President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 3763:

H.F. No. 3763: A bill for an act relating to economic development; limiting use of funds in the Douglas J. Johnson economic protection trust fund; amending Minnesota Statutes 2017 Supplement, section 298.292, subdivision 2.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Layman, Metsa and Neu have been appointed as such committee on the part of the House.

House File No. 3763 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted May 14, 2018

Senator Gazelka, for Senator Eichorn, moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 3763, and that a Conference Committee of 3 members be appointed by the Subcommittee on Conference Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Madam President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 3221, 3380, 3422, 3423, 3666, 4133, 4404, 3421, 3799, 3759, 4425, and 3660.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted May 14, 2018

FIRST READING OF HOUSE BILLS

The following bills were read the first time.

H.F. No. 3221: A bill for an act relating to elections; making technical and policy changes to various election and election administration provisions; amending Minnesota Statutes 2016, sections 201.225, subdivision 2; 203B.081, subdivisions 1, 2; 203B.121, subdivision 4; 204B.35, by adding a subdivision; 204B.45, subdivision 1; 204B.46; 204C.21, subdivision 1; 204C.24, subdivision 1; 204C.36, subdivision 1; 204D.19, by adding a subdivision; 204D.21, subdivision 3; 204D.27, subdivision 5; 206.80; 206.86, by adding a subdivision; 206.90, subdivision 6; 207A.14, subdivision 2; 367.25, subdivision 1; Minnesota Statutes 2017 Supplement, sections 201.121, subdivision 3; 204B.09, subdivision 3; 204B.16, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 3021, now on General Orders.

H.F. No. 3380: A bill for an act relating to civil law; amending the definitions of owner and rental agreement; clarifying property sale requirements for self-service storage facilities; amending Minnesota Statutes 2016, sections 514.971, subdivisions 3, 5; 514.973, subdivision 4.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2937, now on General Orders.

H.F. No. 3422: A bill for an act relating to game and fish; modifying bait and equipment requirements for infested waters; amending Minnesota Statutes 2016, section 97C.345, subdivision 3a; Minnesota Statutes 2017 Supplement, section 84D.03, subdivisions 3, 4.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 3170, now on General Orders.

H.F. No. 3423: A bill for an act relating to natural resources; modifying provisions for legal representation of department; providing for training and licensing of wildland firefighters; modifying provisions for approved firewood; amending Minnesota Statutes 2016, sections 88.10, by adding a subdivision; 88.75, subdivision 1; 89.551; Minnesota Statutes 2017 Supplement, section 84.01, subdivision 6.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 3167, now on General Orders.

H.F. No. 3666: A bill for an act relating to environment; modifying terms of certain loan program; requiring rulemaking for disposal facility certificates; amending Minnesota Statutes 2016, section 116.993, subdivisions 2, 6.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2857, now on General Orders.

H.F. No. 4133: A bill for an act relating to agriculture; making policy and technical changes to various agricultural provisions; modifying various agriculture programs and requirements; modifying the cottage foods exemption; modifying certain rulemaking authority; making changes to certain production incentive programs; amending Minnesota Statutes 2016, sections 17.117, subdivisions 1, 4, 11; 17.494; 17.4982, by adding subdivisions; 18.83, subdivision 7; 18B.34, subdivision 5; 25.33, subdivision 8; 28A.04, subdivision 1; 28A.08, subdivision 3; 28A.152, as amended; 29.26; 34A.11, subdivision 7; 41A.15, subdivision 10, by adding a subdivision; 41A.16, subdivisions 1, 4; 41A.17, subdivisions 1, 2, 3; 41A.18, subdivisions 1, 3; 41B.02, subdivision 10a; 41B.047, subdivisions 1, 3; 41B.049, subdivision 5; 41B.055, subdivision 3; 41B.057, subdivision 3; 103H.275, subdivision 1; Minnesota Statutes 2017 Supplement, sections 28A.05; 32D.13, by adding a subdivision; 32D.20, subdivision 2; 32D.22; proposing coding for new law in Minnesota Statutes, chapter 17; repealing Minnesota Statutes 2016, section 41A.15, subdivisions 2a, 2b.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 3536, now on General Orders.

H.F. No. 4404: A bill for an act relating to capital investment; authorizing spending to acquire and better public land and buildings and other improvements of a capital nature with certain conditions; modifying previous appropriations; establishing new programs and modifying existing programs; authorizing the sale and issuance of state bonds; appropriating money; amending Minnesota Statutes 2016, sections 16A.86, subdivision 4; 16B.335, subdivision 1; 16B.35, by adding a subdivision; 462A.37, subdivisions 1, 2, by adding a subdivision; Minnesota Statutes 2017 Supplement, sections 219.016, subdivision 4; 222.49; 326B.124; 446A.073, subdivision 1; 462A.37, subdivision 5; Laws 2009, chapter 93, article 1, section 14, subdivision 3, as amended; Laws 2014, chapter 294, article 1, sections 5, subdivision 3; 21, subdivision 12, as amended; 22, subdivision 5; Laws 2014, chapter 295, section 9; Laws 2015, First Special Session chapter 5, article 1, section 10, subdivision 3, as amended; Laws 2017, First Special Session chapter 3, article 1, section 2, subdivision 3; Laws 2017, First Special Session chapter 8, article 1, sections 6, subdivision 6; 15, subdivisions 3, 6, 11, 13; 16, subdivision 7; 17, subdivision 9; 19, subdivision 3; 20, subdivision 21; 21, subdivision 8; 23, subdivision 3; 27; proposing coding for new law in Minnesota Statutes, chapters 174; 446A.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 4013, now on General Orders.

H.F. No. 3421: A bill for an act relating to state government; appropriating money from outdoor heritage, clean water, and arts and cultural heritage funds; modifying requirements for expending money from legacy funds; modifying certain game and fish provisions; modifying provision relating to state capitol preservation commission; establishing capitol art exhibit advisory committee; amending Minnesota Statutes 2016, sections 15B.32, as amended; 97A.051, subdivision 2; 97A.056, subdivisions 3, 13; 97A.137, by adding a subdivision; 97A.433, subdivisions 4, 5; 129D.17, subdivision 2, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 15B.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 3169, now on General Orders.

H.F. No. 3799: A bill for an act relating to commerce; regulating fraternal benefit societies; amending Minnesota Statutes 2016, sections 60B.03, subdivision 15; 64B.19, subdivision 4a, by adding a subdivision; 64B.43.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 3491, now on General Orders.

H.F. No. 3759: A bill for an act relating to energy; authorizing the construction and routing of certain pipelines.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 3510, now on General Orders.

H.F. No. 4425: A bill for an act relating to capital investment; appropriating money for the Rural Finance Authority; authorizing the sale and issuance of state bonds.

Senator Gazelka moved that H.F. No. 4425 be laid on the table. The motion prevailed.

H.F. No. 3660: A bill for an act relating to environment; implementing terms of recent settlement between state and 3M Company; requiring a report of well testing; appropriating money; amending Minnesota Statutes 2016, section 116.155, subdivision 1, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 115B.

Senator Gazelka moved that H.F. No. 3660 be laid on the table. The motion prevailed.

MEMBERS EXCUSED

Senator Fischbach was excused from the Session of today from 10:50 to 11:10 a.m. and from 1:25 to 1:30 p.m. Senator Gazelka was excused from the Session of today from 10:50 to 11:10 a.m. and from 1:40 to 1:50 p.m. Senator Bigham was excused from the Session of today from 1:30 to 1:40 p.m. Senator Nelson was excused from the Session of today at 7:45 p.m.

ADJOURNMENT

Senator Gazelka moved that the Senate do now adjourn until 10:00 a.m., Tuesday, May 15, 2018. The motion prevailed.

Cal R. Ludeman, Secretary of the Senate

