1.1 A bill for an act

1.2 relating to legislative enactments; correcting erroneous, ambiguous, and omitted

1.3 text and obsolete references; removing redundant, conflicting, and superseded

1.4 provisions; making miscellaneous corrections to laws, statutes, and rules;

1.5 amending Minnesota Statutes 2014, sections 3.739, subdivision 2a; 3.7394,

1.6 subdivision 3; 3.855, subdivision 4; 3.8851, subdivision 1; 3A.02, subdivision

1.7 1; 10A.09, subdivision 5; 12.38; 13.08, subdivision 4; 13.321, subdivision 7;

1.8 13.3806, by adding a subdivision; 13.46, subdivision 1; 13.461, subdivision 16,

1.9 by adding a subdivision; 13.6435, by adding a subdivision; 14.03, subdivision

1.10 1; 15.06, subdivision 8; 16A.124, subdivisions 4a, 4b; 16A.131, subdivision

1.11 2; 16B.58, subdivision 5; 40A.04, subdivision 1; 41A.12, subdivision 2;

1.12 43A.01, subdivision 2; 45.011, subdivision 1; 62A.046, subdivision 4; 62A.095,

1.13 subdivision 1; 62D.04, subdivisions 3, 5; 62D.09, subdivision 8; 62E.02,

1.14 subdivision 13; 62E.11, subdivision 5; 62E.14, subdivision 4c; 62J.497,

1.15 subdivision 2; 62J.60, subdivisions 2a, 3; 62J.70, subdivision 2; 62J.701; 62J.81,

1.16 subdivision 2; 62L.03, subdivision 3; 62M.07; 62N.40; 62Q.03, subdivision 5a;

1.17 62Q.18, subdivision 1; 62Q.19, subdivision 2a; 62Q.22, subdivision 8; 62Q.37,

1.18 subdivision 1; 62Q.47; 62Q.73, subdivision 2; 62Q.80, subdivision 5; 62U.01,

1.19 subdivision 12; 62U.10, subdivision 5; 85A.05, subdivisions 4, 5, 6; 115A.551,

1.20 subdivisions 3, 4, 5; 116.07, subdivision 5; 116.42; 116.43; 116.77; 116A.24,

1.21 subdivision 2; 119A.04, subdivision 2; 122A.09, subdivision 10; 122A.21,

1.22 subdivision 2; 123B.57, subdivision 3; 124D.50, subdivision 4; 124D.895,

1.23 subdivision 2; 125A.51; 127A.45, subdivision 11; 134.32, subdivision 8;

1.24 136A.128, subdivision 2; 144.1222, subdivision 2a; 144.225, subdivisions 2, 2a;

1.25 144.414, subdivision 2; 144.4812; 144.608, subdivision 1; 144.651, subdivision

1.26 2; 144A.04, subdivision 7; 144A.10, subdivision 4; 144A.105, subdivision 1;

1.27 144A.43, subdivision 22; 144A.442; 144A.4792, subdivision 13; 144D.01,

1.28 subdivision 4; 144E.285, subdivision 2; 144G.03, subdivision 2; 145.4133;

1.29 145.61, subdivision 5; 146A.11, subdivision 1; 147A.08; 147B.03, subdivision 1;

1.30 148.519, subdivision 1; 148.741; 150A.06, subdivision 2d; 151.55, subdivision

1.31 6; 153A.15, subdivision 1; 155A.23, subdivision 5a; 155A.355, subdivisions

1.32 1, 2; 168B.07, subdivision 3; 174.06, subdivision 2; 176.105, subdivision 4;

1.33 201.225, subdivision 2; 201.025; 239.7911, subdivision 2; 241.021, subdivision

1.34 4a; 244.05, subdivision 8; 244.054, subdivision 2; 245.466, subdivision 7;

1.35 245.467, subdivision 2; 245.4682, subdivision 3; 245.4712, subdivision 3;

1.36 245.4871, subdivision 32; 245.4876, subdivision 2; 245.826; 245.94, subdivision

1.37 1; 245A.03, subdivisions 2a, 2b, 4, 5, 6; 245A.14, subdivision 10; 245D.06,

1.38 subdivisions 6, 8; 252.28, subdivision 3; 252.451, subdivision 1; 253B.03,

1.39 subdivision 10; 253B.064, subdivision 1; 253B.18, subdivision 5a; 253C.01,
proposing coding for new law in Minnesota Statutes, chapter 290; repealing
Minnesota Statutes 2014, sections 13.319, subdivision 6; 13.3806, subdivision
18; 13.598, subdivision 4; 13.6905, subdivision 23; 40A.03; 93.223, subdivision
2; 127A.48, subdivision 9; 147.031; 148.232; 245.482, subdivision 5; 256.966,
subdivision 1; 256B.0645; 259.24, subdivision 8; 290.01, subdivisions 19a, 19b,
19c, 19d; 290.0692; 290.191, subdivisions 9, 10, 11, 12; 297A.71, subdivisions
42, 46, 47; 298.2961, subdivisions 5, 6, 7; 383B.926; 386.23; 507.30; 507.37;
557.07; Laws 2014, chapter 286, article 6, section 2; Laws 2015, chapter 45,
section 17; Laws 2015, chapter 68, article 14, section 8.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

ARTICLE 1

MISCELLANEOUS

Section 1. Minnesota Statutes 2014, section 3.855, subdivision 4, is amended to read:

Subd. 4. Other duties. The commission shall:

(1) continually monitor the state's civil service system provided for in chapter 43A,
rules of the commissioner of management and budget, and the collective bargaining
process provided for in chapter 179A, as applied to state employees;

(2) research and analyze the need for improvements in those statutory sections;

(3) adopt rules consistent with this section relating to the scheduling and conduct of
commission business and other organizational and procedural matters; and

(4) perform other related functions delegated to it by the legislature.

(5) adopt changes, as necessary, to the uniform collective bargaining agreement
settlement document developed under section 179A.07, subdivision 7. Any modifications
to the form approved by the commission must be submitted to the legislature in the same
manner as compensation plans under subdivision 3.

Sec. 2. Minnesota Statutes 2014, section 3.8851, subdivision 1, is amended to read:

Subdivision 1. Establishment. (a) There is established a Legislative Energy
Commission to study and to make recommendations for legislation concerning issues
related to its duties under subdivision 3.

(b) The commission consists of:

(1) ten members of the house of representatives appointed by the speaker of the house,
four of whom must be from the minority caucus, and including the chair of the committee
with primary jurisdiction over energy policy; the chair or another member of each of the
committees with primary jurisdiction over environmental policy, agricultural policy, and
transportation policy; and a legislator who is a member of the NextGen Energy Board; and

(2) ten members of the senate to be appointed by the Subcommittee on Committees,
four of whom must be from the minority caucus, and including the chair of the committee
with primary jurisdiction over energy policy; and the chair or another member of each of
the committees with primary jurisdiction over environmental policy, agricultural policy,
and transportation policy; and a legislator who is a member of the NextGen Energy Board.

(c) The commission may employ full-time and part-time staff, contract for consulting
services, and may reimburse the expenses of persons requested to assist it in its duties.
The director of the Legislative Coordinating Commission shall assist the commission
in administrative matters. The commission shall elect cochairs, one member of the
house of representatives and one member of the senate from among the committee and
subcommittee chairs named to the commission. The commission members from the house
of representatives shall elect the house of representatives cochair, and the commission
members from the senate shall elect the senate cochair.

Sec. 3. Minnesota Statutes 2014, section 3A.02, subdivision 1, is amended to read:

Subdivision 1. Qualifications. (a) A former legislator is entitled, upon written
application to the director, to receive a retirement allowance monthly, if the person:

(1) has either served at least six years, without regard to the application of
section 3A.10, subdivision 2, or has served during all or part of four regular sessions as a
member of the legislature, which service need not be continuous;

(2) has attained the normal retirement age;

(3) has retired as a member of the legislature; and

(4) has made all contributions provided for in section 3A.03, has made payments
for past service under subdivision 2, or has made payments in lieu of contributions under

(b) Unless the former legislator has legislative service before January 1, 1979,
the retirement allowance is an amount equal to 2-1/2 percent per year of service of that
member's average monthly salary and adjusted for that person on an actuarial equivalent
basis to reflect the change in the postretirement interest rate actuarial assumption under
section 356.215, subdivision 8, from five percent to six percent. The adjustment must be
calculated by or, alternatively, the adjustment procedure must be specified by, the actuary
retained under section 356.214. The purpose of this adjustment is to ensure that the total
amount of benefits that the actuary predicts an individual member will receive over the
member's lifetime under this paragraph will be the same as the total amount of benefits the
actuary predicts the individual member would receive over the member's lifetime under
the law in effect before enactment of this paragraph. If the former legislator has legislative
service before January 1, 1979, the person's benefit must include the additional benefit
amount in effect on January 1, 1979, and adjusted as otherwise provided in this paragraph.
(c) The retirement allowance accrues following the receipt by the director of a retirement application on a form prescribed by the director, but not before the normal retirement age, except as specified in subdivision 1b. The annuity is payable for the remainder of the former legislator's life, if the former legislator is not serving as a member of the legislature or as a constitutional officer as defined in section 3A.01, subdivision 1c. The annuity does not begin to accrue before the person's retirement as a legislator. No annuity payment may be made retroactive for more than 180 days before the date that the annuity application is filed with the director.

(d) Any member who has served during all or part of four regular sessions is considered to have served eight years as a member of the legislature.

(e) The retirement allowance ceases with the last payment that accrued to the retired legislator during the retired legislator's lifetime, except that the surviving spouse, if any, is entitled to receive the retirement allowance of the retired legislator for the calendar month in which the retired legislator died.

Sec. 4. Minnesota Statutes 2014, section 10A.09, subdivision 5, is amended to read:

Subd. 5. Form. (a) A statement of economic interest required by this section must be on a form prescribed by the board. The individual filing must provide the following information:

(1) name, address, occupation, and principal place of business;

(2) the name of each associated business and the nature of that association;

(3) a listing of all real property within the state, excluding homestead property, in which the individual holds: (i) a fee simple interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, if the interest is valued in excess of $2,500; or (ii) an option to buy, if the property has a fair market value of more than $50,000;

(4) a listing of all real property within the state in which a partnership of which the individual is a member holds: (i) a fee simple interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, if the individual's share of the partnership interest is valued in excess of $2,500; or (ii) an option to buy, if the property has a fair market value of more than $50,000. A listing under this clause or clause (3) or (4) must indicate the street address and the municipality or the section, township, range and approximate acreage, whichever applies, and the county in which the property is located;

(5) a listing of any investments, ownership, or interests in property connected with pari-mutuel horse racing in the United States and Canada, including a racehorse, in which the individual directly or indirectly holds a partial or full interest or an immediate family member holds a partial or full interest;
(6) a listing of the principal business or professional activity category of each business from which the individual receives more than $50 in any month as an employee, if the individual has an ownership interest of 25 percent or more in the business; and

(7) a listing of each principal business or professional activity category from which the individual received compensation of more than $2,500 in the past 12 months as an independent contractor.

(b) The business or professional categories for purposes of paragraph (a), clauses (6) and (7), must be the general topic headings used by the federal Internal Revenue Service for purposes of reporting self-employment income on Schedule C. This paragraph does not require an individual to report any specific code number from that schedule. Any additional principal business or professional activity category may only be adopted if the category is enacted by law.

Sec. 5. Minnesota Statutes 2014, section 12.38, is amended to read:

12.38 STATE AGENCIES; TEMPORARY WAIVER OF FEES.

Notwithstanding any law to the contrary, a state agency as defined in section 16B.01, subdivision 2, with the approval of the governor, may waive fees that would otherwise be charged for agency services. The waiver of fees must be confined to geographic areas within a presidentially declared disaster area, and to the minimum periods of time necessary to deal with the emergency situation. The requirements of section 14.05, subdivision 4, sections 14.055 and 14.056 do not apply to a waiver made under this section. The agency must promptly report the reasons for and the impact of any suspended fees to the chairs of the legislative committees that oversee the policy and budgetary affairs of the agency.

Sec. 6. Minnesota Statutes 2014, section 13.08, subdivision 4, is amended to read:

Subd. 4. Action to compel compliance. (a) Actions to compel compliance may be brought either under this subdivision or section 13.085. For actions under this subdivision, in addition to the remedies provided in subdivisions 1 to 3 or any other law, any aggrieved person seeking to enforce the person's rights under this chapter or obtain access to data may bring an action in district court to compel compliance with this chapter and may recover costs and disbursements, including reasonable attorney's fees, as determined by the court. If the court determines that an action brought under this subdivision is frivolous and without merit and a basis in fact, it may award reasonable costs and attorney fees to the responsible authority. If the court issues an order to compel compliance under this subdivision, the court may impose a civil penalty of up to $1,000 against the government entity. This penalty is payable to the state general fund and is in addition to damages
under subdivision 1. The matter shall be heard as soon as possible. In an action involving
a request for government data under section 13.03 or 13.04, the court may inspect in
camera the government data in dispute, but shall conduct its hearing in public and in a
manner that protects the security of data classified as not public. If the court issues an
order to compel compliance under this subdivision, the court shall forward a copy of the
order to the commissioner of administration.

(b) In determining whether to assess a civil penalty under this subdivision, the court
or other tribunal shall consider whether the government entity has substantially complied
with general data practices under this chapter, including but not limited to, whether the
government entity has:

1. designated a responsible authority under section 13.02, subdivision 16;
2. designated a data practices compliance official under section 13.05, subdivision
3.
3. prepared the data inventory that names the responsible authority and describes
the records and data on individuals that are maintained by the government entity under
section 13.025, subdivision 1;
4. developed public access procedures under section 13.03, subdivision 2;
5. procedures to guarantee the rights of data subjects under section 13.05, subdivision 8; and
procedures to ensure that data on individuals are accurate and complete and to safeguard
the data's security under section 13.05, subdivision 5;
6. acted in conformity with an opinion issued under section 13.072 that was sought
by a government entity or another person; or
7. provided ongoing training to government entity personnel who respond to
requests under this chapter.

(c) The court shall award reasonable attorney fees to a prevailing plaintiff who has
brought an action under this subdivision if the government entity that is the defendant in
the action was also the subject of a written opinion issued under section 13.072 and the
court finds that the opinion is directly related to the cause of action being litigated and that
the government entity did not act in conformity with the opinion.

Sec. 7. Minnesota Statutes 2014, section 13.321, subdivision 7, is amended to read:

Subd. 7. **Education programs; performance tracking system.** (a) **School
readiness program.** Data on a child participating in a school readiness program are
classified under section 124D.15, subdivision 9.

(b) [Repealed by 16-5296, subd. 34]
(e) **Performance-tracking system.** Data sharing related to the performance tracking system is governed by section 124D.52.

Sec. 8. Minnesota Statutes 2014, section 14.03, subdivision 1, is amended to read:

Subdivision 1. **Generally.** The Administrative Procedure Act in sections 14.001 to 14.69 does not apply to (a) agencies directly in the legislative or judicial branches, (b) emergency powers in sections 12.31 to 12.37, (c) the Department of Military Affairs, (d) the Comprehensive Health Association provided in section 62E.10, (e) the Tax Court provided by section 271.06, or (f) the regents of the University of Minnesota.

Sec. 9. Minnesota Statutes 2014, section 15.06, subdivision 8, is amended to read:

Subd. 8. **Number of deputy commissioners.** Unless specifically authorized by statute, other than section 43A.08, subdivision 2, no department or agency specified in subdivision 1 shall have more than one deputy commissioner.

Sec. 10. Minnesota Statutes 2014, section 16A.131, subdivision 2, is amended to read:

Subd. 2. **Transit cards.** An employee may direct the commissioner, in writing, to deduct a stated amount from the employee's pay to buy mass transit ridership cards.

The commissioner shall deposit the amount in the special account authorized by section 16B.58, subdivision 7.

Sec. 11. Minnesota Statutes 2014, section 16B.58, subdivision 5, is amended to read:

Subd. 5. **Money collected.** Money collected by the commissioner as rents, charges, or fees in connection with and for the use of a parking lot or facility is appropriated to the commissioner for the purpose of operating, maintaining, improving, and replacing parking lots or facilities owned or operated by the state, including providing necessary and suitable uniforms for employees, and to carry out the purposes of this section, except as provided in subdivision 7.

Sec. 12. Minnesota Statutes 2014, section 40A.04, subdivision 1, is amended to read:

Subdivision 1. **Counties.** After January 1, 1987, A county located outside of the metropolitan area may submit to the commissioner and to the regional development commission in which it is located, if one exists, a proposed agricultural land preservation plan and proposed official controls implementing the plan. To the extent practicable, submission of the proposal must coincide with the completion of the county soil survey.

The commissioner, in consultation with the regional development commission, shall
review the plan and controls for consistency with the elements in this chapter and shall
submit written comments to the county within 60 days of receipt of the proposal. The
comments must include a determination of whether the plan and controls are consistent
with the elements in this chapter. The commissioner shall notify the county of its
determination. If the commissioner determines that the plan and controls are consistent,
the county shall adopt the controls within 90 days of completion of the commissioner's
review. If the commissioner determines that the plan and controls are not consistent, the
comments must include the additional elements that must be addressed by the county. The
county shall amend its plan and controls to include the additional elements and adopt the
amended controls within 120 days of completion of the commissioner's review.

Sec. 13. Minnesota Statutes 2014, section 41A.12, subdivision 2, is amended to read:

Subd. 2. Activities authorized. For the purposes of this program, the commissioner
may issue grants, loans, or other forms of financial assistance. Eligible activities include,
but are not limited to, grants to livestock producers under the livestock investment grant
program under section 17.118, bioenergy awards made by the NextGen Energy Board
under section 41A.105, cost-share grants for the installation of biofuel blender pumps, and
financial assistance to support other rural economic infrastructure activities.

Sec. 14. Minnesota Statutes 2015 Supplement, section 41A.15, subdivision 10, is
amended to read:

Subd. 10. Renewable chemical. "Renewable chemical" means a chemical with
biobased content as defined in Minnesota Statutes 2014, section 41A.105, subdivision 1a.

Sec. 15. Minnesota Statutes 2015 Supplement, section 41A.17, subdivision 1, is
amended to read:

Subdivision 1. Eligibility. (a) A facility eligible for payment under this program
must source at least 80 percent biobased content, as defined in Minnesota Statutes 2014,
section 41A.105, subdivision 1a, clause (1), from Minnesota. If a facility is sited 50 miles
or less from the state border, biobased content must be sourced from within a 100-mile
radius. Biobased content must be from agricultural or forestry sources or from solid waste.
The facility must be located in Minnesota, must begin production at a specific location by
June 30, 2025, and must not begin production of 3,000,000 pounds of chemicals annually
before January 1, 2015. Eligible facilities include existing companies and facilities that are
adding production capacity, or retrofitting existing capacity, as well as new companies and
facilities. Eligible renewable chemical facilities must produce at least 3,000,000 pounds
per year. Renewable chemicals produced through processes that are fully commercial
before January 1, 2000, are not eligible.

(b) No payments shall be made for renewable chemical production that occurs after
June 30, 2035, for those eligible renewable chemical producers under paragraph (a).

(c) An eligible producer of renewable chemicals shall not transfer the producer's
eligibility for payments under this section to a renewable chemical facility at a different
location.

(d) A producer that ceases production for any reason is ineligible to receive
payments under this section until the producer resumes production.

(e) Advanced biofuel production for which payment has been received under section
41A.16, and biomass thermal production for which payment has been received under
section 41A.18, are not eligible for payment under this section.

Sec. 16. Minnesota Statutes 2014, section 43A.01, subdivision 2, is amended to read:

Subd. 2. Precedence of merit principles and nondiscrimination. It is the policy
of this state to provide for equal employment opportunity consistent with chapter 363A
by ensuring that all personnel actions be based on the ability to perform the duties and
responsibilities assigned to the position without regard to age, race, creed or religion,
color, disability, sex, national origin, marital status, status with regard to public assistance,
or political affiliation. It is the policy of this state to take affirmative action to eliminate
the underutilization of qualified members of protected groups in the civil service, where
such action is not in conflict with other provisions of this chapter or chapter 179, in order
to correct imbalances and eliminate the present effects of past discrimination.

No contract executed pursuant to chapter 179A shall modify, waive or abridge this
section and sections 43A.07 to 43A.13 43A.121, 43A.15, and 43A.17 to 43A.21, except to
the extent expressly permitted in those sections.

Sec. 17. Minnesota Statutes 2014, section 45.011, subdivision 1, is amended to read:

Subdivision 1. Scope. As used in chapters 45 to 80C, 80E to 83, 155A, 332, 332A,
332B, 345, and 359, and sections 123A.21, subdivision 7, paragraph (a), clause (23);
123A.25; 325D.30 to 325D.42; 326B.802 to 326B.885; 386.61 386.62 to 386.78; 471.617;
and 471.982, unless the context indicates otherwise, the terms defined in this section
have the meanings given them.

Sec. 18. Minnesota Statutes 2014, section 62D.04, subdivision 3, is amended to read:
Subd. 3. Use of terms. Except as provided in section 62D.02, subdivision 2, no person who has not been issued a certificate of authority shall use the words "health maintenance organization" or the initials "HMO" in its name, contracts or literature. Provided, however, that persons who are operating under a contract with, operating in association with, enrolling enrollees for, or otherwise authorized by a health maintenance organization licensed under sections 62D.01 to 62D.30 to act on its behalf may use the terms "health maintenance organization" or "HMO" for the limited purpose of denoting or explaining their association or relationship with the authorized health maintenance organization. No health maintenance organization which has a minority of enrollees and members elected according to section 62D.06, subdivision 1, as members of its board of directors shall use the words "consumer controlled" in its name or in any way represent to the public that it is controlled by consumers.

Sec. 19. Minnesota Statutes 2014, section 62J.497, subdivision 2, is amended to read:

Subd. 2. Requirements for electronic prescribing. (a) Effective January 1, 2011, all providers, group purchasers, prescribers, and dispensers must establish, maintain, and use an electronic prescription drug program. This program must comply with the applicable standards in this section for transmitting, directly or through an intermediary, prescriptions and prescription-related information using electronic media.

(b) If transactions described in this section are conducted, they must be done electronically using the standards described in this section. Nothing in this section requires providers, group purchasers, prescribers, or dispensers to electronically conduct transactions that are expressly prohibited by other sections or federal law.

(c) Providers, group purchasers, prescribers, and dispensers must use either HL7 messages or the NCPDP SCRIPT Standard to transmit prescriptions or prescription-related information internally when the sender and the recipient are part of the same legal entity. If an entity sends prescriptions outside the entity, it must use the NCPDP SCRIPT Standard or other applicable standards required by this section. Any pharmacy within an entity must be able to receive electronic prescription transmittals from outside the entity using the adopted NCPDP SCRIPT Standard. This exemption does not supersede any Health Insurance Portability and Accountability Act (HIPAA) requirement that may require the use of a HIPAA transaction standard within an organization.

(d) Notwithstanding paragraph (a), any clinic with two or fewer practicing physicians is exempt from this subdivision if the clinic is making a good faith effort to meet the electronic health records system requirement under section 62J.495 that includes an electronic prescribing component. This paragraph expires January 1, 2015.
Sec. 20. Minnesota Statutes 2014, section 62N.40, is amended to read:

**62N.40 CHEMICAL DEPENDENCY SERVICES.**

Each community integrated service network regulated under this chapter must ensure that chemically dependent individuals have access to cost-effective treatment options that address the specific needs of individuals. These include, but are not limited to, the need for: treatment that takes into account severity of illness and comorbidities; provision of a continuum of care, including treatment and rehabilitation programs licensed under Minnesota Rules, parts 9530.4100 to 9530.4410 and 9530.5000 to 9530.6500, 9530.6405 to 9530.6505; the safety of the individual's domestic and community environment; gender appropriate and culturally appropriate programs; and access to appropriate social services.

Sec. 21. Minnesota Statutes 2014, section 62Q.18, subdivision 1, is amended to read:

Subdivision 1. **Definition.** For purposes of this section,

(1) "continuous coverage" has the meaning given in section 62L.02, subdivision 9;

(2) "guaranteed issue" means:

(i) for individual health plans, that a health plan company shall not decline an application by an individual for any individual health plan offered by that health plan company, including coverage for a dependent of the individual to whom the health plan has been or would be issued; and

(ii) for group health plans, that a health plan company shall not decline an application by a group for any group health plan offered by that health plan company and shall not decline to cover under the group health plan any person eligible for coverage under the group's eligibility requirements, including persons who become eligible after initial issuance of the group health plan; and

(3) "large employer" means an entity that would be a small employer, as defined in section 62L.02, subdivision 26, except that the entity has more than 50 current employees, based upon the method provided in that subdivision for determining the number of current employees;

(4) "preexisting condition" has the meaning given in section 62L.02, subdivision 23; and

(5) "qualifying coverage" has the meaning given in section 62L.02, subdivision 24.

Sec. 22. Minnesota Statutes 2014, section 62Q.47, is amended to read:

**62Q.47 ALCOHOLISM, MENTAL HEALTH, AND CHEMICAL DEPENDENCY SERVICES.**
(a) All health plans, as defined in section 62Q.01, that provide coverage for
alcoholism, mental health, or chemical dependency services, must comply with the
requirements of this section.

(b) Cost-sharing requirements and benefit or service limitations for outpatient
mental health and outpatient chemical dependency and alcoholism services, except for
persons placed in chemical dependency services under Minnesota Rules, parts 9530.6600
to 9530.6660 9530.6655, must not place a greater financial burden on the insured or
enrollee, or be more restrictive than those requirements and limitations for outpatient
medical services.

(c) Cost-sharing requirements and benefit or service limitations for inpatient hospital
mental health and inpatient hospital and residential chemical dependency and alcoholism
services, except for persons placed in chemical dependency services under Minnesota
Rules, parts 9530.6600 to 9530.6660 9530.6655, must not place a greater financial burden
on the insured or enrollee, or be more restrictive than those requirements and limitations
for inpatient hospital medical services.

(d) All health plans must meet the requirements of the federal Mental Health Parity
Act of 1996, Public Law 104-204; Paul Wellstone and Pete Domenici Mental Health
Parity and Addiction Equity Act of 2008; the Affordable Care Act; and any amendments
to, and federal guidance or regulations issued under, those acts.

Sec. 23. Minnesota Statutes 2014, section 85A.05, subdivision 4, is amended to read:

Subd. 4. Minnesota State Zoological Garden bond account in the state bond
fund. The commissioner of management and budget shall maintain in the state bond
fund a separate bookkeeping account which shall be designated as the State Zoological
Garden bond account, to record receipts and disbursements of money transferred to the
fund to pay Minnesota Zoological Garden bonds and income from the investment of such
money, which income shall be credited to the account in each fiscal year. The amounts
directed by section 85A.04, subdivision 2 to be transferred annually to this bond account
are appropriated thereto, and The legislature may also appropriate to the bond account
any other money in the state treasury not otherwise appropriated. On November 1 of each
year there shall be transferred to the bond account all of the money then available under
any such appropriation or such lesser sum as will be sufficient, with all money previously
transferred to the account and all income from the investment of such money, to pay all
principal and interest then and theretofore due and all principal and interest to become due
to and including July 1 in the second ensuing year on Minnesota Zoological Garden bonds.
All money so transferred and all income from the investment thereof shall be available for

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the payment of such bonds and interest thereon, and so much thereof as may be necessary
is appropriated for such payments. The state auditor and commissioner of management and
budget are directed to make the appropriate entries in the accounts of the respective funds.

Sec. 24. Minnesota Statutes 2014, section 85A.05, subdivision 5, is amended to read:
Subd. 5. Tax levy. On or before December 1 in each year the state auditor shall
levy on all taxable property within the state whatever tax may be necessary to produce
an amount sufficient, with all money then and theretofore credited to the Minnesota
Zoological Garden bond account, to pay the entire amount of principal and interest then
and theretofore due and principal and interest to become due on or before July 1 in the
second year thereafter on Minnesota Zoological Garden bonds. This tax shall be subject to
no limitation of rate or amount until all such bonds and interest thereon are fully paid.
The proceeds of this tax are appropriated and shall be credited to the state bond fund, and
the principal of and interest on the bonds are payable from such proceeds, and the whole
thereof, or so much as may be necessary, is appropriated for such payments. If at any
time there is insufficient money from the proceeds of such taxes to pay the principal and
interest when due on Minnesota Zoological Garden bonds, such principal and interest shall
be paid out of the general fund in the state treasury, and the amount necessary therefor is
hereby appropriated, with such sums from tax levies and the general fund subject to future
reimbursement to the bond fund by the Minnesota Zoological Garden bond account as
indicated in section 85A.04, subdivision 2.

Sec. 25. Minnesota Statutes 2014, section 85A.05, subdivision 6, is amended to read:
Subd. 6. Bond authorization and appropriations. For the purpose of providing
money for the acquisition and betterment of public land, buildings, and improvements
of a capital nature needed for the Minnesota Zoological Garden in accordance with the
comprehensive plan of the Minnesota Zoological Board adopted in accordance with
section 85A.02, subdivision 2, the commissioner of management and budget is directed to
sell and issue Minnesota Zoological Garden bonds in the amount of $23,025,000 in the
manner and upon the conditions provided in subdivisions 1 to 5. The commissioner of
management and budget may sell or issue an additional $2,350,000 of bonds, but no part
thereof shall be expended unless equally matched by other than state appropriations. Any
gifts, grants, or contributions accepted pursuant to section 85A.02, subdivision 5, other
than contribution of lands by governmental entities, for the establishment or operation
of the Minnesota Zoological Garden, whether in cash or in kind, shall be considered as
matching funds. Noncash items shall be tangible real or personal property and shall be
attributed as matching funds according to their fair market value at the time of receipt. 

The bonds may include a sum representing interest to accrue on the bonds from and after its date of issue through the anticipated period of construction and development of the Zoological Garden, which sum is needed for the payment and security of the interest payments during that period, but in no event shall the bonds exceed the maximum amount stated above. The bonds shall be sold, issued, and secured as provided in subdivisions 1 to 5 and in article XI, section 7, of the Constitution, except that none of the bonds of any series issued pursuant to this authorization shall mature earlier than one year after the date of completion of the Minnesota Zoological Garden and related facilities as estimated by the Minnesota Zoological Board at the time of the issuance of such series. The proceeds of the bonds, except premium and accrued interest, are appropriated to the Minnesota Zoological Garden building account for expenditure by the Minnesota Zoological Board for the purpose for which the bonds are authorized in accordance with the provisions of Minnesota Statutes 1988, section 85A.04, subdivision 2. In order to reduce the amount of taxes otherwise required by the Constitution to be levied for the payment of interest and principal on the bonds, there is also appropriated annually to the Minnesota state zoological bond account in the state bond fund from the general fund a sum of money sufficient in amount, when added to the balance on hand on November 1 in each year in the bond account, to pay all principal and interest due and to become due on the bonds to and including July 1 in the second ensuing year. The money received and on hand pursuant to this annual appropriation is available in the state bond fund prior to the levy of the tax in any year required by the Constitution and by subdivision 5 and shall be used to reduce the amount of the tax otherwise required to be levied.

Sec. 26. Minnesota Statutes 2014, section 115A.551, subdivision 3, is amended to read:

Subd. 3. Interim goals; nonmetropolitan counties. The commissioner shall establish interim recycling goals for the nonmetropolitan counties to assist them in meeting the goals established in subdivision 2a.

Sec. 27. Minnesota Statutes 2014, section 115A.551, subdivision 4, is amended to read:

Subd. 4. Interim monitoring. The commissioner shall monitor the progress of each county toward meeting the recycling goals in subdivisions 2 and subdivision 2a. The commissioner shall report to the senate and house of representatives committees having jurisdiction over environment and natural resources as part of the report required under section 115A.411. If the commissioner finds that a county is not progressing toward the goals in subdivisions 2 and subdivision 2a, the commissioner shall negotiate with
the county to develop and implement solid waste management techniques designed to
assist the county in meeting the goals, such as organized collection, curbside collection
of source-separated materials, and volume-based pricing.

Sec. 28. Minnesota Statutes 2014, section 115A.551, subdivision 5, is amended to read:

Subd. 5. Failure to meet goal. (a) A county failing to meet the interim goals in
subdivision 3 shall, as a minimum:

(1) notify county residents of the failure to achieve the goal and why the goal was
not achieved; and

(2) provide county residents with information on recycling programs offered by
the county.

(b) If, based on the recycling monitoring described in subdivision 4, the
commissioner finds that a county will be unable to meet the recycling goals established
in subdivisions 2 and subdivision 2a, the commissioner shall, after consideration of
the reasons for the county's inability to meet the goals, recommend legislation for
consideration by the senate and house of representatives committees having jurisdiction
over environment and natural resources and environment and natural resources finance to
establish mandatory recycling standards and to authorize the commissioner to mandate
appropriate solid waste management techniques designed to meet the standards in those
counties that are unable to meet the goals.

Sec. 29. Minnesota Statutes 2014, section 116.07, subdivision 5, is amended to read:

Subd. 5. Variances. The Pollution Control Agency may grant variances from its
rules as provided in section 14.05, subdivision 4, rules adopted under this section and
sections 14.055 and 14.056 in order to avoid undue hardship and to promote the effective
and reasonable application and enforcement of laws, rules, and standards for prevention,
abatement and control of water, air, noise, and land pollution. The variance rules shall
provide for notice and opportunity for hearing before a variance is granted.

A local government unit authorized by contract with the Pollution Control Agency
pursuant to section 116.05 to exercise administrative powers under this chapter may
grant variances after notice and public hearing from any ordinance, rule, or standard for
prevention, abatement, or control of water, air, noise and land pollution, adopted pursuant
to said administrative powers and under the provisions of this chapter.

Sec. 30. Minnesota Statutes 2014, section 116.42, is amended to read:

116.42 ACID DEPOSITION; LEGISLATIVE INTENT.
The legislature recognizes that acid deposition substantially resulting from the conduct of commercial and industrial operations, both within and without the state, poses a present and severe danger to the delicate balance of ecological systems within the state, and that the failure to act promptly and decisively to mitigate or eliminate this danger will soon result in untold and irreparable damage to the agricultural, water, forest, fish, and wildlife resources of the state. It is therefore the intent of the legislature in enacting sections 116.42 to 116.45 to mitigate or eliminate the acid deposition problem by curbing sources of acid deposition within the state and to support and encourage other states, the federal government, and the province of Ontario in recognizing the dangers of acid deposition and taking steps to mitigate or eliminate it within their own jurisdictions.

Sec. 31. Minnesota Statutes 2014, section 116.43, is amended to read:

116.43 ACID DEPOSITION DEFINED.

As used in sections 116.42 to 116.45, "acid deposition" means the wet or dry deposition from the atmosphere of chemical compounds, usually in the form of rain or snow, having the potential to form an aqueous compound with a pH level lower than the level considered normal under natural conditions, or lower than 5.6.

Sec. 32. Minnesota Statutes 2014, section 116.77, is amended to read:

116.77 COVERAGE.

Sections 116.75 to 116.83 and 609.671, subdivision 4, cover any person, including a veterinarian, who generates, treats, stores, transports, or disposes of infectious or pathological waste but not including infectious or pathological waste generated by households, farm operations, or agricultural businesses. Except as specifically provided, sections 116.75 to 116.83 do not limit or alter treatment or disposal methods for infectious or pathological waste.

Sec. 33. Minnesota Statutes 2014, section 116A.24, subdivision 2, is amended to read:

Subd. 2. Powers. Subject to the approval of the board or boards except to the extent that approval is waived by the board or boards in an order filed with and confirmed by order of the district court, the water or sewer or water and sewer commission or when a multicounty system is involved a county board may do all things necessary to establish, construct, operate and maintain a system including but not limited to the following:

(a) Employ on such terms as it deems advisable, persons or firms performing engineering, legal or other services of a professional nature; require any employee to obtain and file with it an individual bond or fidelity insurance policy; and procure
insurance in such amounts as it deems necessary against liability of the board or its
officers and employees or both, for personal injury or death and property damage or
destruction, with the force and effect stated in chapter 466, and against risks of damage to
or destruction of any of its facilities, equipment, or other property as it deems necessary.

(b) Construct or maintain its systems or facilities in, along, on, under, over, or
through public streets, bridges, viaducts, and other public rights-of-way without first
obtaining a franchise from any local government unit having jurisdiction over them; but
such facilities shall be constructed and maintained in accordance with the ordinances
and resolutions of any such government unit relating to construction, installation, and
maintenance of similar facilities in such public properties and shall not obstruct the public
use of such rights-of-way.

(c) Enter into any contract necessary or proper for the exercise of its powers or the
accomplishment of its purposes.

(d) Have the power to adopt rules and regulations relating to the establishment of
water or sewer rentals or user fees as may be deemed advisable and the operation of any
system operated by it, and may provide penalties for the violation thereof not exceeding
the maximum which may be specified for a misdemeanor. Any rule or regulation
prescribing a penalty for violation shall be published at least once in a newspaper having
general circulation in the area.

(e) Act under the provisions of section 471.59, or any other appropriate law
providing for joint or cooperative action between government units.

(f) Acquire by purchase, lease, condemnation, gift, or grant, any real or personal
property including positive and negative easements and water and air rights, and it may
construct, enlarge, improve, replace, repair, maintain, and operate any system determined
to be necessary or convenient for the collection and disposal of sewage or collection,
treatment, and distribution of water in its jurisdiction. Any local government unit and the
commissioners of transportation and natural resources are authorized to convey to or
permit the use of any such facilities owned or controlled by it by the board or commission,
subject to the rights of the holders of any bonds issued with respect thereto, with or
without compensation, without an election or approval by any other government agency.
The board or commission may hold such property for its purposes, and may lease any
such property so far as not needed for its purposes, upon such terms and in such manner
as it shall deem advisable. Unless otherwise provided, the right to acquire lands and
property rights by condemnation shall be exercised in accordance with sections 117.01
117.012 to 117.232, and shall apply to any property or interest therein owned by any local
government unit; provided, that no such property devoted to an actual public use at the
time, or held to be devoted to such use within a reasonable time, shall be so acquired
unless a court of competent jurisdiction shall determine that the use proposed by the
commission is paramount to such use. Except in case of property in actual public use,
the board or commission may take possession of any property for which condemnation
proceedings have been commenced at any time after the issuance of a court order
appointing commissioners for its condemnation.

(g) Contract with the United States or any agency thereof, any state or agency
thereof, or any local government unit or governmental agency or subdivision, for the joint
use of any facility owned by the board or such entity, for the operation by such entity of
any system or facility of the board, or for the performance on the board's behalf of any
service, on such terms as may be agreed upon by the contracting parties.

(h) Exercise any other powers granted to the board or boards or court under section
116A.01, subdivision 2, relating to the establishment of a water or sewer or water and
sewer system, except that the issuance of bonds by a commission is subject to subdivision
3, paragraph (b).

(i) Retain the services of a certified public accountant for the purposes of providing
an annual audited operating statement and balance sheet and other financial reports. The
reports must be prepared in accordance with general accounting principles and must be
filed within six months after the close of the fiscal year in the office of each county auditor
within the district and with the office of the state auditor. The reports may be prepared by
the state auditor instead of by a certified public accountant if the commission so requests.

Sec. 34. Minnesota Statutes 2015 Supplement, section 116D.04, subdivision 2a,
is amended to read:

Subd. 2a. **When prepared.** Where there is potential for significant environmental
effects resulting from any major governmental action, the action shall be preceded by a
detailed environmental impact statement prepared by the responsible governmental unit.
The environmental impact statement shall be an analytical rather than an encyclopedic
document which describes the proposed action in detail, analyzes its significant
environmental impacts, discusses appropriate alternatives to the proposed action and
their impacts, and explores methods by which adverse environmental impacts of an
action could be mitigated. The environmental impact statement shall also analyze those
economic, employment, and sociological effects that cannot be avoided should the action
be implemented. To ensure its use in the decision-making process, the environmental
impact statement shall be prepared as early as practical in the formulation of an action.
(a) The board shall by rule establish categories of actions for which environmental impact statements and for which environmental assessment worksheets shall be prepared as well as categories of actions for which no environmental review is required under this section. A mandatory environmental assessment worksheet shall not be required for the expansion of an ethanol plant, as defined in section 41A.09, subdivision 2a, paragraph (b), or the conversion of an ethanol plant to a biobutanol facility or the expansion of a biobutanol facility as defined in Minnesota Statutes 2014, section 41A.105, subdivision 1a, based on the capacity of the expanded or converted facility to produce alcohol fuel, but must be required if the ethanol plant or biobutanol facility meets or exceeds thresholds of other categories of actions for which environmental assessment worksheets must be prepared. The responsible governmental unit for an ethanol plant or biobutanol facility project for which an environmental assessment worksheet is prepared shall be the state agency with the greatest responsibility for supervising or approving the project as a whole.

A mandatory environmental impact statement shall not be required for a facility or plant located outside the seven-county metropolitan area that produces less than 125,000,000 gallons of ethanol, biobutanol, or cellulosic biofuel annually, or produces less than 400,000 tons of chemicals annually, if the facility or plant is: an ethanol plant, as defined in section 41A.09, subdivision 2a, paragraph (b); a biobutanol facility, as defined in Minnesota Statutes 2014, section 41A.105, subdivision 1a, clause (1); or a cellulosic biofuel facility. A facility or plant that only uses a cellulosic feedstock to produce chemical products for use by another facility as a feedstock shall not be considered a fuel conversion facility as used in rules adopted under this chapter.

(b) The responsible governmental unit shall promptly publish notice of the completion of an environmental assessment worksheet by publishing the notice in at least one newspaper of general circulation in the geographic area where the project is proposed, by posting the notice on a Web site that has been designated as the official publication site for publication of proceedings, public notices, and summaries of a political subdivision in which the project is proposed, or in any other manner determined by the board and shall provide copies of the environmental assessment worksheet to the board and its member agencies. Comments on the need for an environmental impact statement may be submitted to the responsible governmental unit during a 30-day period following publication of the notice that an environmental assessment worksheet has been completed. The responsible governmental unit's decision on the need for an environmental impact statement shall be based on the environmental assessment worksheet and the comments received during the comment period, and shall be made within 15 days after the close of the comment period.
The board's chair may extend the 15-day period by not more than 15 additional days upon the request of the responsible governmental unit.

(c) An environmental assessment worksheet shall also be prepared for a proposed action whenever material evidence accompanying a petition by not less than 100 individuals who reside or own property in the state, submitted before the proposed project has received final approval by the appropriate governmental units, demonstrates that, because of the nature or location of a proposed action, there may be potential for significant environmental effects. Petitions requesting the preparation of an environmental assessment worksheet shall be submitted to the board. The chair of the board shall determine the appropriate responsible governmental unit and forward the petition to it.

A decision on the need for an environmental assessment worksheet shall be made by the responsible governmental unit within 15 days after the petition is received by the responsible governmental unit. The board's chair may extend the 15-day period by not more than 15 additional days upon request of the responsible governmental unit.

(d) Except in an environmentally sensitive location where Minnesota Rules, part 4410.4300, subpart 29, item B, applies, the proposed action is exempt from environmental review under this chapter and rules of the board, if:

(1) the proposed action is:

(i) an animal feedlot facility with a capacity of less than 1,000 animal units; or

(ii) an expansion of an existing animal feedlot facility with a total cumulative capacity of less than 1,000 animal units;

(2) the application for the animal feedlot facility includes a written commitment by the proposer to design, construct, and operate the facility in full compliance with Pollution Control Agency feedlot rules; and

(3) the county board holds a public meeting for citizen input at least ten business days prior to the Pollution Control Agency or county issuing a feedlot permit for the animal feedlot facility unless another public meeting for citizen input has been held with regard to the feedlot facility to be permitted. The exemption in this paragraph is in addition to other exemptions provided under other law and rules of the board.

(e) The board may, prior to final approval of a proposed project, require preparation of an environmental assessment worksheet by a responsible governmental unit selected by the board for any action where environmental review under this section has not been specifically provided for by rule or otherwise initiated.

(f) An early and open process shall be utilized to limit the scope of the environmental impact statement to a discussion of those impacts, which, because of the nature or location of the project, have the potential for significant environmental effects. The same process...
shall be utilized to determine the form, content and level of detail of the statement as well
as the alternatives which are appropriate for consideration in the statement. In addition,
the permits which will be required for the proposed action shall be identified during the
scoping process. Further, the process shall identify those permits for which information
will be developed concurrently with the environmental impact statement. The board
shall provide in its rules for the expeditious completion of the scoping process. The
determinations reached in the process shall be incorporated into the order requiring the
preparation of an environmental impact statement.

(g) The responsible governmental unit shall, to the extent practicable, avoid
duplication and ensure coordination between state and federal environmental review
and between environmental review and environmental permitting. Whenever practical,
information needed by a governmental unit for making final decisions on permits
or other actions required for a proposed project shall be developed in conjunction
with the preparation of an environmental impact statement. When an environmental
impact statement is prepared for a project requiring multiple permits for which two or
more agencies' decision processes include either mandatory or discretionary hearings
before a hearing officer prior to the agencies' decision on the permit, the agencies
may, notwithstanding any law or rule to the contrary, conduct the hearings in a single
consolidated hearing process if requested by the proposer. All agencies having jurisdiction
over a permit that is included in the consolidated hearing shall participate. The responsible
governmental unit shall establish appropriate procedures for the consolidated hearing
process, including procedures to ensure that the consolidated hearing process is consistent
with the applicable requirements for each permit regarding the rights and duties of parties to
the hearing, and shall utilize the earliest applicable hearing procedure to initiate the hearing.

(h) An environmental impact statement shall be prepared and its adequacy
determined within 280 days after notice of its preparation unless the time is extended by
consent of the parties or by the governor for good cause. The responsible governmental
unit shall determine the adequacy of an environmental impact statement, unless within 60
days after notice is published that an environmental impact statement will be prepared,
the board chooses to determine the adequacy of an environmental impact statement. If an
environmental impact statement is found to be inadequate, the responsible governmental
unit shall have 60 days to prepare an adequate environmental impact statement.

(i) The proposer of a specific action may include in the information submitted to the
responsible governmental unit a preliminary draft environmental impact statement under
this section on that action for review, modification, and determination of completeness and
adequacy by the responsible governmental unit. A preliminary draft environmental impact
statement prepared by the project proposer and submitted to the responsible governmental unit shall identify or include as an appendix all studies and other sources of information used to substantiate the analysis contained in the preliminary draft environmental impact statement. The responsible governmental unit shall require additional studies, if needed, and obtain from the project proposer all additional studies and information necessary for the responsible governmental unit to perform its responsibility to review, modify, and determine the completeness and adequacy of the environmental impact statement.

Sec. 35. Minnesota Statutes 2015 Supplement, section 116J.549, subdivision 2, is amended to read:

Subd. 2. Definitions. (a) For purposes of this section, the following terms have the meanings given.

(b) "Eligible project area" means a home rule charter or statutory city located outside of the metropolitan area as defined in section 473.42 473.121, subdivision 2, with a population exceeding 500; a community that has a combined population of 1,500 residents located within 15 miles of a home rule charter or statutory city located outside the metropolitan area as defined in section 473.42 473.121, subdivision 2; or an area served by a joint county-city economic development authority.

(c) "Joint county-city economic development authority" means an economic development authority formed under Laws 1988, chapter 516, section 1, as a joint partnership between a city and county and excluding those established by the county only.

(d) "Market rate residential rental properties" means properties that are rented at market value, including new modular homes, new manufactured homes, and new manufactured homes on leased land or in a manufactured home park, and excludes:

(1) properties constructed with financial assistance requiring the property to be occupied by residents that meet income limits under federal or state law of initial occupancy; and

(2) properties constructed with federal, state, or local flood recovery assistance, regardless of whether that assistance imposed income limits as a condition of receiving assistance.

(e) "Qualified expenditure" means expenditures for market rate residential rental properties including acquisition of property; construction of improvements; and provisions of loans or subsidies, grants, interest rate subsidies, public infrastructure, and related financing costs.

Sec. 36. Minnesota Statutes 2014, section 119A.04, subdivision 2, is amended to read:
24.1 Subd. 2. Department of Employment and Economic Development. The powers and duties of the Department of Employment and Economic Development with respect to the following programs are transferred to the Department of Education under section 15.039 on July 1, 1997: (1) the Head Start program, including Project Cornerstone, under sections 119A.50 to 119A.5411; and (2) community action agency programs and financial assistance under sections 256E.30 and 256E.32.

24.7 Sec. 37. Minnesota Statutes 2015 Supplement, section 119B.011, subdivision 15, is amended to read:

Subd. 15. Income. "Income" means earned income as defined under section 256P.01, subdivision 3, unearned income as defined under section 256P.01, subdivision 8, and public assistance cash benefits, including the Minnesota family investment program, diversionary work program, work benefit, Minnesota supplemental aid, general assistance, refugee cash assistance, at-home infant child care subsidy payments, and child support and maintenance distributed to the family under section 256.741, subdivision 4. The following are deducted from income: funds used to pay for health insurance premiums for family members, and child or spousal support paid to or on behalf of a person or persons who live outside of the household. Income sources not included in this subdivision and section 256P.06, subdivision 3, are not counted.

24.19 Sec. 38. Minnesota Statutes 2015 Supplement, section 120B.301, is amended to read:

120B.301 LIMITS ON LOCAL TESTING.

(a) For students in grades 1 through 6, the cumulative total amount of time spent taking locally adopted districtwide or schoolwide assessments must not exceed ten hours per school year. For students in grades 7 through 12, the cumulative total amount of time spent taking locally adopted districtwide or schoolwide assessments must not exceed 11 hours per school year. For purposes of this paragraph, International Baccalaureate and Advanced Placement exams are not considered locally adopted assessments.

(b) A district or charter school is exempt from the requirements of paragraph (a), if the district or charter school, in consultation with the exclusive representative of the teachers or other teachers if there is no exclusive representative of the teachers, decides to exceed a time limit in paragraph (a) and includes the information in the report required under section 120B.11, subdivision 5.

24.32 Sec. 39. Minnesota Statutes 2014, section 122A.09, subdivision 10, is amended to read:
Subd. 10. **Variances.** (a) Notwithstanding subdivision 9 and section 14.05, subdivision 4 sections 14.055 and 14.056, the Board of Teaching may grant a variance to its rules upon application by a school district for purposes of implementing experimental programs in learning or management.

(b) To enable a school district to meet the needs of students enrolled in an alternative education program and to enable licensed teachers instructing those students to satisfy content area licensure requirements, the Board of Teaching annually may permit a licensed teacher teaching in an alternative education program to instruct students in a content area for which the teacher is not licensed, consistent with paragraph (a).

(c) A special education license variance issued by the Board of Teaching for a primary employer's low-incidence region shall be valid in all low-incidence regions.

Sec. 40. Minnesota Statutes 2014, section 122A.21, subdivision 1, is amended to read:

Subdivision 1. **Licensure applications.** Each application for the issuance, renewal, or extension of a license to teach, including applications for licensure via portfolio under subdivision 2, must be accompanied by a processing fee of $57. Each application for issuing, renewing, or extending the license of a school administrator or supervisor must be accompanied by a processing fee in the amount set by the Board of Teaching. The processing fee for a teacher's license and for the licenses of supervisory personnel must be paid to the executive secretary of the appropriate board. The executive secretary of the board shall deposit the fees with the commissioner of management and budget. The fees as set by the board are nonrefundable for applicants not qualifying for a license. However, a fee must be refunded by the commissioner of management and budget in any case in which the applicant already holds a valid unexpired license. The board may waive or reduce fees for applicants who apply at the same time for more than one license.

Sec. 41. Minnesota Statutes 2014, section 123B.57, subdivision 3, is amended to read:

Subd. 3. **Health and safety revenue.** A district's health and safety revenue for a fiscal year equals the district's alternative facilities levy under section 123B.59, subdivision 5, paragraph (b), plus the greater of zero or:

(1) the sum of (a) the total approved cost of the district's hazardous substance plan for fiscal years 1985 through 1989, plus (b) the total approved cost of the district's health and safety program for fiscal year 1990 through the fiscal year to which the levy is attributable, excluding expenditures funded with bonds issued under section 123B.59 or 123B.62, or chapter 475; certificates of indebtedness or capital notes under section
123B.61; levies under section 123B.58, 123B.59, 123B.63, or 126C.40, subdivision 1 or
6; and other federal, state, or local revenues, minus
(2) the sum of (a) the district's total hazardous substance aid and levy for fiscal
years 1985 through 1989 under sections Minnesota Statutes 1996, section 124.245, and
Minnesota Statutes 1986, section 275.125, subdivision 11c, plus (b) the district's health
and safety revenue under this subdivision, for years before the fiscal year to which the
levy is attributable.

Sec. 42. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 11,
is amended to read:

Subd. 11. Restrictions on long-term facilities maintenance revenue.
Notwithstanding subdivision 4-10, long-term facilities maintenance revenue may not
be used:
(1) for the construction of new facilities, remodeling of existing facilities, or the
purchase of portable classrooms;
(2) to finance a lease purchase agreement, installment purchase agreement, or other
defered payments agreement;
(3) for energy-efficiency projects under section 123B.65, for a building or property
or part of a building or property used for postsecondary instruction or administration, or
for a purpose unrelated to elementary and secondary education; or
(4) for violence prevention and facility security, ergonomics, or emergency
communication devices.

Sec. 43. Minnesota Statutes 2014, section 124D.50, subdivision 4, is amended to read:

Subd. 4. Programs following youth community service. (a) The Minnesota
Commission on National and Community Service in cooperation with the Governor's
Workforce Development Council, the commissioner and the Minnesota Office of
Higher Education, shall provide for those participants who successfully complete youth
community service under sections 124D.39 to 124D.44, the following:
(1) for those who have a high school diploma or its equivalent, an opportunity to
participate in a youth apprenticeship program at a community or technical college; and
(2) for those who are postsecondary students, an opportunity to participate in an
educational program that supplements postsecondary courses leading to a degree or a
statewide credential of academic and occupational proficiency.
(b) Participants who successfully complete a youth community service program
under sections 124D.39 to 124D.45 are eligible to receive an education voucher as
provided under section 124D.42, subdivision 4. The voucher recipient may apply the
voucher toward the cost of the recipient's tuition and other education-related expenses at a
postsecondary school under paragraph (a).

(e) (b) The Governor's Workforce Development Council, in cooperation with the
Board of Trustees of the Minnesota State Colleges and Universities, must establish a
mechanism to transfer credit earned in a youth apprenticeship program between the
technical colleges and other postsecondary institutions offering applied associate degrees.

Sec. 44. Minnesota Statutes 2014, section 124D.895, subdivision 3, is amended to read:

Subd. 3. Plan activities. Activities contained in the model plans must include:

(1) educational opportunities for families that enhance children's learning and native
and English language development;

(2) educational programs for parents or guardians on families' educational
responsibilities and resources;

(3) the hiring, training, and use of parental involvement liaison workers to
coordinate family involvement activities and to foster linguistic and culturally competent
communication among families, educators, and students, consistent with the definition of
culturally competent under section 120B.30, subdivision 1, paragraph (h) (q);

(4) curriculum materials and assistance in implementing home and community-based
learning activities that reinforce and extend classroom instruction and student motivation;

(5) technical assistance, including training to design and carry out family
involvement programs;

(6) parent resource centers;

(7) parent training programs and reasonable and necessary expenditures associated
with parents' attendance at training sessions;

(8) reports to parents on children's progress;

(9) use of parents as classroom volunteers, or as volunteers in before and after
school programs for school-age children, tutors, and aides;

(10) soliciting parents' suggestions in planning, developing, and implementing
school programs;

(11) educational programs and opportunities for parents or guardians that are
multicultural, multilingual, gender fair, and disability sensitive;

(12) involvement in a district's curriculum advisory committee or a site team under
section 120B.11; and

(13) opportunities for parent involvement in developing, implementing, or evaluating
school and district desegregation/integration plans under sections 124D.861 and 124D.862.
Sec. 45. Minnesota Statutes 2015 Supplement, section 125A.11, subdivision 1, is amended to read:

Subdivision 1. Nonresident tuition rate; other costs. (a) For fiscal year 2015 and later, when a school district provides special instruction and services for a pupil with a disability as defined in section 125A.02 outside the district of residence, excluding a pupil for whom an adjustment to special education aid is calculated according to section 127A.47, subdivision 7, paragraphs (b) to (d), special education aid paid to the resident district must be reduced by an amount equal to (1) the actual cost of providing special instruction and services to the pupil, including a proportionate amount for special transportation and unreimbursed building lease and debt service costs for facilities used primarily for special education, plus (2) the amount of general education revenue and referendum equalization aid attributable to that pupil, calculated using the resident district's average general education revenue and referendum equalization aid per adjusted pupil unit excluding basic skills revenue, elementary sparsity revenue and secondary sparsity revenue, minus (3) the amount of special education aid for children with a disability under section 125A.76 received on behalf of that child, minus (4) if the pupil receives special instruction and services outside the regular classroom for more than 60 percent of the school day, the amount of general education revenue and referendum equalization aid, excluding portions attributable to district and school administration, district support services, operations and maintenance, capital expenditures, and pupil transportation, attributable to that pupil for the portion of time the pupil receives special instruction and services outside of the regular classroom, calculated using the resident district's average general education revenue and referendum equalization aid per adjusted pupil unit excluding basic skills revenue, elementary sparsity revenue and secondary sparsity revenue and the serving district's basic skills revenue, elementary sparsity revenue and secondary sparsity revenue per adjusted pupil unit. Notwithstanding clauses (1) and (4), for pupils served by a cooperative unit without a fiscal agent school district, the general education revenue and referendum equalization aid attributable to a pupil must be calculated using the resident district's average general education revenue and referendum equalization aid excluding compensatory revenue, elementary sparsity revenue, and secondary sparsity revenue. Special education aid paid to the district or cooperative providing special instruction and services for the pupil must be increased by the amount of the reduction in the aid paid to the resident district. Amounts paid to cooperatives under this subdivision and section 127A.47, subdivision 7, shall be recognized and reported as revenues and expenditures on the resident school district's books of account under sections 123B.75
and 123B.76. If the resident district's special education aid is insufficient to make the full adjustment, the remaining adjustment shall be made to other state aid due to the district.

(b) Notwithstanding paragraph (a), when a charter school receiving special education aid under section 124E.21, subdivision 3, provides special instruction and services for a pupil with a disability as defined in section 125A.02, excluding a pupil for whom an adjustment to special education aid is calculated according to section 127A.46, subdivision 7, paragraphs (b) to (e), special education aid paid to the resident district must be reduced by an amount equal to that calculated under paragraph (a) as if the charter school received aid under section 124E.21, subdivision 1. Notwithstanding paragraph (a), special education aid paid to the charter school providing special instruction and services for the pupil must not be increased by the amount of the reduction in the aid paid to the resident district.

(c) Notwithstanding paragraph (a) and section 127A.47, subdivision 7, paragraphs (b) to (d), a charter school where more than 30 percent of enrolled students receive special education and related services, a site approved under section 125A.515, an intermediate district, a special education cooperative, or a school district that served as the applicant agency for a group of school districts for federal special education aids for fiscal year 2006 may apply to the commissioner for authority to charge the resident district an additional amount to recover any remaining unreimbursed costs of serving pupils with a disability. The application must include a description of the costs and the calculations used to determine the unreimbursed portion to be charged to the resident district. Amounts approved by the commissioner under this paragraph must be included in the tuition billings or aid adjustments under paragraph (a), or section 127A.47, subdivision 7, paragraphs (b) to (d), as applicable.

(d) For purposes of this subdivision and section 127A.47, subdivision 7, paragraph (b), "general education revenue and referendum equalization aid" means the sum of the general education revenue according to section 126C.10, subdivision 1, excluding the local optional levy according to section 126C.10, subdivision 2e, paragraph (c), plus the referendum equalization aid according to section 126C.17, subdivision 7.

Sec. 46. Minnesota Statutes 2014, section 125A.51, is amended to read:

125A.51 PLACEMENT OF CHILDREN WITHOUT DISABILITIES;
EDUCATION AND TRANSPORTATION.

The responsibility for providing instruction and transportation for a pupil without a disability who has a short-term or temporary physical or emotional illness or disability, as
determined by the standards of the commissioner, and who is temporarily placed for care
and treatment for that illness or disability, must be determined as provided in this section.

(a) The school district of residence of the pupil is the district in which the pupil's
parent or guardian resides. If there is a dispute between school districts regarding
residency, the district of residence is the district designated by the commissioner.

(b) When parental rights have been terminated by court order, the legal residence
of a child placed in a residential or foster facility for care and treatment is the district in
which the child resides.

(c) Before the placement of a pupil for care and treatment, the district of residence
must be notified and provided an opportunity to participate in the placement decision.
When an immediate emergency placement is necessary and time does not permit
resident district participation in the placement decision, the district in which the pupil is
temporarily placed, if different from the district of residence, must notify the district
of residence of the emergency placement within 15 days of the placement. When a
nonresident district makes an emergency placement without first consulting with the
resident district, the resident district has up to five business days after receiving notice
of the emergency placement to request an opportunity to participate in the placement
decision, which the placing district must then provide.

(d) When a pupil without a disability is temporarily placed for care and treatment
in a day program and the pupil continues to live within the district of residence during
the care and treatment, the district of residence must provide instruction and necessary
transportation to and from the care and treatment program for the pupil. The resident
district may establish reasonable restrictions on transportation, except if a Minnesota court
or agency orders the child placed at a day care and treatment program and the resident
district receives a copy of the order, then the resident district must provide transportation
to and from the program unless the court or agency orders otherwise. Transportation shall
only be provided by the resident district during regular operating hours of the resident
district. The resident district may provide the instruction at a school within the district of
residence, at the pupil's residence, or in the case of a placement outside of the resident
district, in the district in which the day treatment program is located by paying tuition to
that district. The district of placement may contract with a facility to provide instruction
by teachers licensed by the state Board of Teaching.

(e) When a pupil without a disability is temporarily placed in a residential program
for care and treatment, the district in which the pupil is placed must provide instruction
for the pupil and necessary transportation while the pupil is receiving instruction, and in
the case of a placement outside of the district of residence, the nonresident district must
bill the district of residence for the actual cost of providing the instruction for the regular
school year and for summer school, excluding transportation costs.

(f) Notwithstanding paragraph (e), if the pupil is homeless and placed in a public or
private homeless shelter, then the district that enrolls the pupil under section 127A.47,
subdivision 2, 120A.20, subdivision 2, paragraph (b), shall provide the transportation, unless
the district that enrolls the pupil and the district in which the pupil is temporarily placed
agree that the district in which the pupil is temporarily placed shall provide transportation.
When a pupil without a disability is temporarily placed in a residential program outside
the district of residence, the administrator of the court placing the pupil must send timely
written notice of the placement to the district of residence. The district of placement may
contract with a residential facility to provide instruction by teachers licensed by the state
Board of Teaching. For purposes of this section, the state correctional facilities operated
on a fee-for-service basis are considered to be residential programs for care and treatment.

(g) The district of residence must include the pupil in its residence count of pupil
units and pay tuition as provided in section 123A.488 to the district providing the
instruction. Transportation costs must be paid by the district providing the transportation
and the state must pay transportation aid to that district. For purposes of computing state
transportation aid, pupils governed by this subdivision must be included in the disabled
transportation category if the pupils cannot be transported on a regular school bus route
without special accommodations.

Sec. 47. Minnesota Statutes 2015 Supplement, section 125A.76, subdivision 2c,
is amended to read:

Subd. 2c. Special education aid. (a) For fiscal year 2014 and fiscal year 2015, a
district's special education aid equals the sum of the district's special education aid under
subdivision 5, the district's cross subsidy reduction aid under subdivision 2b, and the
district's excess cost aid under section 125A.79, subdivision 7.
(b)(a) For fiscal year 2016 and later, a district's special education aid equals the sum
of the district's special education initial aid under subdivision 2a and the district's excess
cost aid under section 125A.79, subdivision 5.
(c) (b) Notwithstanding paragraph (b)(a), for fiscal year 2016, the special education
aid for a school district must not exceed the sum of the special education aid the district
would have received for fiscal year 2016 under Minnesota Statutes 2012, sections 125A.76
and 125A.79, as adjusted according to Minnesota Statutes 2012, sections 125A.11 and
127A.47, subdivision 7, and the product of the district's average daily membership served
and the special education aid increase limit.
(c) Notwithstanding paragraph (a), for fiscal year 2017 and later, the special education aid for a school district must not exceed the sum of: (i) the product of the district's average daily membership served and the special education aid increase limit and (ii) the product of the sum of the special education aid the district would have received for fiscal year 2016 under Minnesota Statutes 2012, sections 125A.76 and 125A.79, as adjusted according to Minnesota Statutes 2012, sections 125A.11 and 127A.47, subdivision 7, the ratio of the district's average daily membership served for the current fiscal year to the district's average daily membership served for fiscal year 2016, and the program growth factor.

(d) Notwithstanding paragraph (a), for fiscal year 2016 and later the special education aid for a school district, not including a charter school or cooperative unit as defined in section 123A.24, must not be less than the lesser of (1) the district's nonfederal special education expenditures for that fiscal year or (2) the product of the special education aid the district would have received for fiscal year 2016 under Minnesota Statutes 2012, sections 125A.76 and 125A.79, as adjusted according to Minnesota Statutes 2012, sections 125A.11 and 127A.47, subdivision 7, the ratio of the district's adjusted daily membership for the current fiscal year to the district's average daily membership for fiscal year 2016, and the program growth factor.

(e) Notwithstanding subdivision 2a and section 125A.79, a charter school in its first year of operation shall generate special education aid based on current year data. A newly formed cooperative unit as defined in section 123A.24 may apply to the commissioner for approval to generate special education aid for its first year of operation based on current year data, with an offsetting adjustment to the prior year data used to calculate aid for programs at participating school districts or previous cooperatives that were replaced by the new cooperative.

Sec. 48. Minnesota Statutes 2015 Supplement, section 125A.79, subdivision 1, is amended to read:

Subdivision 1. Definitions. For the purposes of this section, the definitions in this subdivision apply.

(a) "Unreimbursed old formula special education expenditures" means:

1. old formula special education expenditures for the prior fiscal year; minus

2. for fiscal years 2014 and 2015, the sum of the special education aid under section 125A.76, subdivision 5, for the prior fiscal year and the cross subsidy reduction aid under section 125A.76, subdivision 2b, and for fiscal year 2016 and later, the special education initial aid under section 125A.76, subdivision 2a; minus
(3) for fiscal year 2016 and later, the amount of general education revenue, excluding local optional revenue, plus local optional aid and referendum equalization aid for the prior fiscal year attributable to pupils receiving special instruction and services outside the regular classroom for more than 60 percent of the school day for the portion of time the pupils receive special instruction and services outside the regular classroom, excluding portions attributable to district and school administration, district support services, operations and maintenance, capital expenditures, and pupil transportation.

  (b) "Unreimbursed nonfederal special education expenditures" means:

  (1) nonfederal special education expenditures for the prior fiscal year; minus

  (2) special education initial aid under section 125A.76, subdivision 2a; minus

  (3) the amount of general education revenue and referendum equalization aid for the prior fiscal year attributable to pupils receiving special instruction and services outside the regular classroom for more than 60 percent of the school day for the portion of time the pupils receive special instruction and services outside of the regular classroom, excluding portions attributable to district and school administration, district support services, operations and maintenance, capital expenditures, and pupil transportation.

  (c) "General revenue" for a school district means the sum of the general education revenue according to section 126C.10, subdivision 1, excluding transportation sparsity revenue, local optional revenue, and total operating capital revenue. "General revenue" for a charter school means the sum of the general education revenue according to section 124E.20, subdivision 1, and transportation revenue according to section 124E.23, excluding referendum equalization aid, transportation sparsity revenue, and operating capital revenue.

Sec. 49. Minnesota Statutes 2014, section 127A.45, subdivision 11, is amended to read:

Subd. 11. *Payment percentage for reimbursement aids.* One hundred percent of the aid for the previous fiscal year must be paid in the current year for the following aids: telecommunications/Internet access equity and according to section 125B.26, special education special pupil aid according to section 125A.75, subdivision 3, aid for litigation costs according to section 125A.75, subdivision 8, aid for court-placed special education expenses according to section 125A.79, subdivision 4, and aid for special education out-of-state tuition according to section 125A.79, subdivision 8, and shared time aid according to section 126C.01, subdivision 7.

Sec. 50. Minnesota Statutes 2014, section 134.32, subdivision 8, is amended to read:
Subd. 8. **Rulemaking.** (e) The commissioner shall promulgate rules consistent
with sections 134.32 to 134.355 governing:

(1) applications for these grants and aid;
(2) computation formulas for determining the amounts of establishment grants and
regional library basic system support aid; and
(3) eligibility criteria for grants and aid.

(b) To the extent allowed under federal law, a construction grant applicant, in
addition to the points received under Minnesota Rules, part 3530.2632, shall receive an
additional five points if the construction grant is for a project combining public library
services and school district library services at a single location.

Sec. 51. Minnesota Statutes 2014, section 136A.128, subdivision 2, is amended to read:

Subd. 2. **Program components.** (a) The nonprofit organization must use the
grant for:

(1) tuition scholarships up to $5,000 per year for courses leading to the nationally
recognized child development associate credential or college-level courses leading to an
associate's or bachelor's degree in early childhood development and school-age care; and
(2) education incentives of a minimum of $100 to participants in the tuition
scholarship program if they complete a year of working in the early care and education field.

(b) Applicants for the scholarship must be employed by a licensed early childhood
or child care program and working directly with children, a licensed family child care
provider, or an employee in a school-age program exempt from licensing under section
245A.03, subdivision 2, paragraph (a), clause (12). Lower wage earners must be given
priority in awarding the tuition scholarships. Scholarship recipients must contribute
ten percent of the total scholarship and must be sponsored by their employers, who
must also contribute ten percent of the total scholarship. Scholarship recipients who are
self-employed must contribute 20 percent of the total scholarship.

Sec. 52. Minnesota Statutes 2014, section 144.1222, subdivision 2a, is amended to read:

Subd. 2a. **Portable wading pools at family day care or group family day care
homes.** A portable wading pool that is located at a family day care or group family day
care home licensed under Minnesota Rules, chapter 9502, or at a home at which child
care services are provided under section 245A.03, subdivision 2, paragraph (a), clause
(2), shall be defined as a private residential pool and not as a public pool for purposes of
public swimming pool regulations under Minnesota Rules, chapter 4717, provided that
the portable wading pool has a maximum depth of 24 inches and is capable of being manually emptied and moved.

Sec. 53. Minnesota Statutes 2014, section 144.414, subdivision 2, is amended to read:

Subd. 2. Day care premises. (a) Smoking is prohibited in a day care center licensed under Minnesota Rules, parts 9503.0005 to 9503.0175, or in a family home or in a group family day care provider home licensed under Minnesota Rules, parts 9502.0300 to 9502.0445, during its hours of operation. The proprietor of a family home or group family day care provider must disclose to parents or guardians of children cared for on the premises if the proprietor permits smoking outside of its hours of operation. Disclosure must include posting on the premises a conspicuous written notice and orally informing parents or guardians.

(b) For purposes of this subdivision, the definition of smoking includes the use of electronic cigarettes, including the inhaling and exhaling of vapor from any electronic delivery device as defined in section 609.685, subdivision 1.

Sec. 54. Minnesota Statutes 2014, section 144.608, subdivision 1, is amended to read:

Subdivision 1. Trauma Advisory Council established. (a) A Trauma Advisory Council is established to advise, consult with, and make recommendations to the commissioner on the development, maintenance, and improvement of a statewide trauma system.

(b) The council shall consist of the following members:

(1) a trauma surgeon certified by the American Board of Surgery or the American Osteopathic Board of Surgery who practices in a level I or II trauma hospital;

(2) a general surgeon certified by the American Board of Surgery or the American Osteopathic Board of Surgery whose practice includes trauma and who practices in a designated rural area as defined under section 144.1501, subdivision 1, paragraph (b) (e);

(3) a neurosurgeon certified by the American Board of Neurological Surgery who practices in a level I or II trauma hospital;

(4) a trauma program nurse manager or coordinator practicing in a level I or II trauma hospital;

(5) an emergency physician certified by the American Board of Emergency Medicine or the American Osteopathic Board of Emergency Medicine whose practice includes emergency room care in a level I, II, III, or IV trauma hospital;

(6) a trauma program manager or coordinator who practices in a level III or IV trauma hospital;
(7) a physician certified by the American Board of Family Medicine or the American Osteopathic Board of Family Practice whose practice includes emergency department care in a level III or IV trauma hospital located in a designated rural area as defined under section 144.1501, subdivision 1, paragraph (b) (e);

(8) a nurse practitioner, as defined under section 144.1501, subdivision 1, paragraph (b) (l), or a physician assistant, as defined under section 144.1501, subdivision 1, paragraph (e) (o), whose practice includes emergency room care in a level IV trauma hospital located in a designated rural area as defined under section 144.1501, subdivision 1, paragraph (b) (e);

(9) a pediatrician certified by the American Board of Pediatrics or the American Osteopathic Board of Pediatrics whose practice includes emergency department care in a level I, II, III, or IV trauma hospital;

(10) an orthopedic surgeon certified by the American Board of Orthopaedic Surgery or the American Osteopathic Board of Orthopedic Surgery whose practice includes trauma and who practices in a level I, II, or III trauma hospital;

(11) the state emergency medical services medical director appointed by the Emergency Medical Services Regulatory Board;

(12) a hospital administrator of a level III or IV trauma hospital located in a designated rural area as defined under section 144.1501, subdivision 1, paragraph (b) (e);

(13) a rehabilitation specialist whose practice includes rehabilitation of patients with major trauma injuries or traumatic brain injuries and spinal cord injuries as defined under section 144.661;

(14) an attendant or ambulance director who is an EMT, EMT-I, or EMT-P within the meaning of section 144E.001 and who actively practices with a licensed ambulance service in a primary service area located in a designated rural area as defined under section 144.1501, subdivision 1, paragraph (b) (e); and

(15) the commissioner of public safety or the commissioner's designee.

Sec. 55. Minnesota Statutes 2014, section 144.651, subdivision 2, is amended to read:

Subd. 2. Definitions. For the purposes of this section, "patient" means a person who is admitted to an acute care inpatient facility for a continuous period longer than 24 hours, for the purpose of diagnosis or treatment bearing on the physical or mental health of that person. For purposes of subdivisions 4 to 9, 12, 13, 15, 16, and 18 to 20, "patient" also means a person who receives health care services at an outpatient surgical center or at a birth center licensed under section 144.615. "Patient" also means a minor who is admitted to a residential program as defined in section 253C.01. For purposes of subdivisions 1, 3 to 16, 18, 20 and 30, "patient" also means any person who is receiving
mental health treatment on an outpatient basis or in a community support program or other
community-based program. "Resident" means a person who is admitted to a nonacute care
facility including extended care facilities, nursing homes, and boarding care homes for
care required because of prolonged mental or physical illness or disability, recovery from
injury or disease, or advancing age. For purposes of all subdivisions except subdivisions
28 and 29, "resident" also means a person who is admitted to a facility licensed as a
board and lodging facility under Minnesota Rules, parts 4625.0100 to 4625.2355, or a
supervised living facility under Minnesota Rules, parts 4665.0100 to 4665.9900, and
which operates a rehabilitation program licensed under Minnesota Rules, parts 9530.4100
to 9530.4450, 9530.6405 to 9530.6505.

Sec. 56. Minnesota Statutes 2014, section 144A.04, subdivision 7, is amended to read:

Subd. 7. Minimum nursing staff requirement. Notwithstanding the provisions of
Minnesota Rules, part 4655.5600, the minimum staffing standard for nursing personnel
in certified nursing homes is as follows:

(a) The minimum number of hours of nursing personnel to be provided in a nursing
home is the greater of two hours per resident per 24 hours or 0.95 hours per standardized
resident day. Upon transition to the 34 group, RUG-III resident classification system, the
0.95 hours per standardized resident day shall no longer apply.

(b) For purposes of this subdivision, "hours of nursing personnel" means the paid,
on-duty, productive nursing hours of all nurses and nursing assistants, calculated on the
basis of any given 24-hour period. "Productive nursing hours" means all on-duty hours
during which nurses and nursing assistants are engaged in nursing duties. Examples of
nursing duties may be found in Minnesota Rules, parts 4655.5000, 4655.6100, and part
4655.6400. Not included are vacations, holidays, sick leave, in-service classroom training,
or lunches. Also not included are the nonproductive nursing hours of the in-service
training director. In homes with more than 60 licensed beds, the hours of the director
of nursing are excluded. "Standardized resident day" means the sum of the number of
residents in each case mix class multiplied by the case mix weight for that resident class,
as found in Minnesota Rules, part 9549.0059, subpart 2, calculated on the basis of a
facility's census for any given day. For the purpose of determining a facility's census, the
commissioner of health shall exclude the resident days claimed by the facility for resident
therapeutic leave or bed hold days.

(c) Calculation of nursing hours per standardized resident day is performed by
dividing total hours of nursing personnel for a given period by the total of standardized
resident days for that same period.
Sec. 57. Minnesota Statutes 2014, section 144A.10, subdivision 4, is amended to read:

Subd. 4. Correction orders. Whenever a duly authorized representative of the commissioner of health finds upon inspection of a nursing home, that the facility or a controlling person or an employee of the facility is not in compliance with sections 144.411 to 144.417, 144.651, 144.6503, 144A.01 to 144A.155, or 626.557 or the rules promulgated thereunder, a correction order shall be issued to the facility. The correction order shall state the deficiency, cite the specific rule or statute violated, state the suggested method of correction, and specify the time allowed for correction. If the commissioner finds that the nursing home had uncorrected or repeated violations which create a risk to resident care, safety, or rights, the commissioner shall notify the commissioner of human services who shall require the facility to use any efficiency incentive payments received under section 256B.431, subdivision 2b, paragraph (d), to correct the violations and shall require the facility to forfeit incentive payments for failure to correct the violations as provided in section 256B.431, subdivision 2p. The forfeiture shall not apply to correction orders issued for physical plant deficiencies.

Sec. 58. Minnesota Statutes 2014, section 144A.105, subdivision 1, is amended to read:

Subdivision 1. Circumstances for suspensions. The commissioner of health may suspend admissions to a nursing home or certified boarding care home when:

1. the commissioner has issued a penalty assessment or the nursing home has a repeated violation for noncompliance with section 144A.04, subdivision 7, or the portion of Minnesota Rules, part 4655.5600, subpart 2, that establishes minimum nursing personnel requirements;

2. the commissioner has issued a penalty assessment or the nursing home or certified boarding care home has repeated violations for not maintaining a sufficient number or type of nursing personnel to meet the needs of the residents, as required by Minnesota Rules, parts 4655.5100 to 4655.6200; 4655.5400;

3. the commissioner has determined that an emergency exists;

4. the commissioner has initiated proceedings to suspend, revoke, or not renew the license of the nursing home or certified boarding care home; or

5. the commissioner determines that the remedy of denial of payment, as provided by subparagraph 1919(h)(2)(A)(i) of the Social Security Act, is to be imposed under


section 1919(h) of the Social Security Act, or regulations adopted under that section of the Social Security Act.

Sec. 59. Minnesota Statutes 2014, section 144A.43, subdivision 22, is amended to read:

Subd. 22. Prescription. "Prescription" has the meaning given in section 151.01, subdivision 46 16a.

Sec. 60. Minnesota Statutes 2014, section 144A.442, is amended to read:

144A.442 ASSISTED LIVING CLIENTS; SERVICE TERMINATION.

If an arranged home care provider, as defined in section 144D.01, subdivision 2a, who is not also Medicare certified terminates a service agreement or service plan with an assisted living client, as defined in section 144G.01, subdivision 3, the home care provider shall provide the assisted living client and the legal or designated representatives of the client, if any, with a written notice of termination which includes the following information:

(1) the effective date of termination;
(2) the reason for termination;
(3) without extending the termination notice period, an affirmative offer to meet with the assisted living client or client representatives within no more than five business days of the date of the termination notice to discuss the termination;
(4) contact information for a reasonable number of other home care providers in the geographic area of the assisted living client, as required by Minnesota Rules, part 4668.0050 section 144A.4791, subdivision 10;
(5) a statement that the provider will participate in a coordinated transfer of the care of the client to another provider or caregiver, as required by section 144A.44, subdivision 1, clause (18);
(6) the name and contact information of a representative of the home care provider with whom the client may discuss the notice of termination;
(7) a copy of the home care bill of rights; and
(8) a statement that the notice of termination of home care services by the home care provider does not constitute notice of termination of the housing with services contract with a housing with services establishment.

Sec. 61. Minnesota Statutes 2014, section 144A.4792, subdivision 13, is amended to read:

Subd. 13. Prescriptions. There must be a current written or electronically recorded prescription as defined in Minnesota Rules, part 6800.0100, subpart 11a section 151.01,
subdivision 16a, for all prescribed medications that the comprehensive home care provider
is managing for the client.

Sec. 62. Minnesota Statutes 2014, section 144D.01, subdivision 4, is amended to read:

Subd. 4. Housing with services establishment or establishment. (a) "Housing
with services establishment" or "establishment" means:

(1) an establishment providing sleeping accommodations to one or more adult
residents, at least 80 percent of which are 55 years of age or older, and offering or
providing, for a fee, one or more regularly scheduled health-related services or two or
more regularly scheduled supportive services, whether offered or provided directly by the
establishment or by another entity arranged for by the establishment; or

(2) an establishment that registers under section 144D.025.

(b) Housing with services establishment does not include:

(1) a nursing home licensed under chapter 144A;

(2) a hospital, certified boarding care home, or supervised living facility licensed
under sections 144.50 to 144.56;

(3) a board and lodging establishment licensed under chapter 157 and Minnesota
Rules, parts 9520.0500 to 9520.0670, 9525.0215 to 9525.0355, 9525.0500 to 9525.0660,
or 9530.4410 to 9530.4450, 9530.6405 to 9530.6505, or under chapter 245D;

(4) a board and lodging establishment which serves as a shelter for battered women
or other similar purpose;

(5) a family adult foster care home licensed by the Department of Human Services;

(6) private homes in which the residents are related by kinship, law, or affinity with
the providers of services;

(7) residential settings for persons with developmental disabilities in which the
services are licensed under Minnesota Rules, parts 9525.2100 to 9525.2140, or applicable
successor rules or laws, chapter 245D;

(8) a home-sharing arrangement such as when an elderly or disabled person or
single-parent family makes lodging in a private residence available to another person
in exchange for services or rent, or both;

(9) a duly organized condominium, cooperative, common interest community, or
owners' association of the foregoing where at least 80 percent of the units that comprise the
condominium, cooperative, or common interest community are occupied by individuals
who are the owners, members, or shareholders of the units; or
41.1 (10) services for persons with developmental disabilities that are provided under
41.2 a license according to Minnesota Rules, parts 9525.2000 to 9525.2140 in effect until
41.3 January 1, 1998, or under chapter 245D.

41.4 Sec. 63. Minnesota Statutes 2014, section 144E.285, subdivision 2, is amended to read:
41.5 Subd. 2. AEMT and paramedic requirements. (a) In addition to the requirements
41.6 under subdivision 1, paragraph (b), an education program applying for approval to teach
41.7 AEMTs and paramedics must be administered by an educational institution accredited by
41.8 the Commission of Accreditation of Allied Health Education Programs (CAAHEP).
41.9 (b) An AEMT and paramedic education program that is administered by an
41.10 educational institution not accredited by CAAHEP, but that is in the process of completing
41.11 the accreditation process, may be granted provisional approval by the board upon
41.12 verification of submission of its self-study report and the appropriate review fee to
41.13 CAAHEP.
41.14 (c) An educational institution that discontinues its participation in the accreditation
41.15 process must notify the board immediately and provisional approval shall be withdrawn.
41.16 (d) This subdivision does not apply to a paramedic education program when the
41.17 program is operated by an advanced life-support ambulance service licensed by the
41.18 Emergency Medical Services Regulatory Board under this chapter, and the ambulance
41.19 service meets the following criteria:
41.20 (1) covers a rural primary service area that does not contain a hospital within the
41.21 primary service area or contains a hospital within the primary service area that has been
41.22 designated as a critical access hospital under section 144.1483, clause (44) (9);
41.23 (2) has tax-exempt status in accordance with the Internal Revenue Code, section
41.24 501(c)(3);
41.25 (3) received approval before 1991 from the commissioner of health to operate
41.26 a paramedic education program;
41.27 (4) operates an AEMT and paramedic education program exclusively to train
41.28 paramedics for the local ambulance service; and
41.29 (5) limits enrollment in the AEMT and paramedic program to five candidates per
41.30 biennium.

41.31 Sec. 64. Minnesota Statutes 2014, section 144G.03, subdivision 2, is amended to read:
41.32 Subd. 2. Minimum requirements for assisted living. (a) Assisted living shall
41.33 be provided or made available only to individuals residing in a registered housing with
41.34 services establishment. Except as expressly stated in this chapter, a person or entity
offering assisted living may define the available services and may offer assisted living to
all or some of the residents of a housing with services establishment. The services that
comprise assisted living may be provided or made available directly by a housing with
services establishment or by persons or entities with which the housing with services
establishment has made arrangements.

(b) A person or entity entitled to use the phrase "assisted living," according to
section 144G.02, subdivision 1, shall do so only with respect to a housing with services
establishment, or a service, service package, or program available within a housing with
services establishment that, at a minimum:

(1) provides or makes available health-related services under a class A or class F
home care license. At a minimum, health-related services must include:

(i) assistance with self-administration of medication as defined in Minnesota Rules,
part 4668.0003, subpart 2a, or medication administration as defined in Minnesota Rules,
part 4668.0002, subpart 21a provided in section 144A.43; and

(ii) assistance with at least three of the following seven activities of daily living:
bathing, dressing, grooming, eating, transferring, continence care, and toileting.

All health-related services shall be provided in a manner that complies with applicable
home care licensure requirements in chapter 144A, sections 148.171 to 148.285, and
Minnesota Rules, chapter 4668;

(2) provides necessary assessments of the physical and cognitive needs of assisted
living clients by a registered nurse, as required by applicable home care licensure
requirements in chapter 144A, sections 148.171 to 148.285, and Minnesota Rules, chapter
4668;

(3) has and maintains a system for delegation of health care activities to unlicensed
assistive health care personnel by a registered nurse, including supervision and evaluation
of the delegated activities as required by applicable home care licensure requirements in
chapter 144A, sections 148.171 to 148.285, and Minnesota Rules, chapter 4668;

(4) provides staff access to an on-call registered nurse 24 hours per day, seven
days per week;

(5) has and maintains a system to check on each assisted living client at least daily;

(6) provides a means for assisted living clients to request assistance for health and
safety needs 24 hours per day, seven days per week, from the establishment or a person or
entity with which the establishment has made arrangements;

(7) has a person or persons available 24 hours per day, seven days per week, who
is responsible for responding to the requests of assisted living clients for assistance with
health or safety needs, who shall be:
(i) awake;  
(ii) located in the same building, in an attached building, or on a contiguous campus with the housing with services establishment in order to respond within a reasonable amount of time;  
(iii) capable of communicating with assisted living clients;  
(iv) capable of recognizing the need for assistance;  
(v) capable of providing either the assistance required or summoning the appropriate assistance; and  
(vi) capable of following directions;  
(8) offers to provide or make available at least the following supportive services to assisted living clients:  
(i) two meals per day;  
(ii) weekly housekeeping;  
(iii) weekly laundry service;  
(iv) upon the request of the client, reasonable assistance with arranging for transportation to medical and social services appointments, and the name of or other identifying information about the person or persons responsible for providing this assistance;  
(v) upon the request of the client, reasonable assistance with accessing community resources and social services available in the community, and the name of or other identifying information about the person or persons responsible for providing this assistance; and  
(vi) periodic opportunities for socialization; and  
(9) makes available to all prospective and current assisted living clients information consistent with the uniform format and the required components adopted by the commissioner under section 144G.06. This information must be made available beginning no later than six months after the commissioner makes the uniform format and required components available to providers according to section 144G.06.

Sec. 65. Minnesota Statutes 2014, section 147A.08, is amended to read:

147A.08 EXEMPTIONS.

(a) This chapter does not apply to, control, prevent, or restrict the practice, service, or activities of persons listed in section 147.09, clauses (1) to (6) and (8) to (13), persons regulated under section 214.01, subdivision 2, or persons defined in section 144.1501, subdivision 1, paragraphs (f), (h), and (i), (k), and (l).

(b) Nothing in this chapter shall be construed to require licensure of:
(1) a physician assistant student enrolled in a physician assistant educational
program accredited by the Accreditation Review Commission on Education for the
Physician Assistant or by its successor agency approved by the board;
(2) a physician assistant employed in the service of the federal government while
performing duties incident to that employment; or
(3) technicians, other assistants, or employees of physicians who perform delegated
tasks in the office of a physician but who do not identify themselves as a physician assistant.

Sec. 66. Minnesota Statutes 2014, section 147B.03, subdivision 1, is amended to read:
Subdivision 1. NCCAOM requirements. Unless a person is licensed under
section 147B.02, subdivision 5 or 6, each licensee is required to meet the NCCAOM
professional development activity requirements to maintain NCCAOM certification.
These requirements may be met through a board approved continuing education program.

Sec. 67. Minnesota Statutes 2014, section 148.519, subdivision 1, is amended to read:
Subdivision 1. Applications for licensure. (a) An applicant for licensure must:
(1) submit a completed application for licensure on forms provided by the
commissioner. The application must include the applicant's name, certification number
under chapter 153A, if applicable, business address and telephone number, or home
address and telephone number if the applicant practices speech-language pathology or
audiology out of the home, and a description of the applicant's education, training, and
experience, including previous work history for the five years immediately preceding
the date of application. The commissioner may ask the applicant to provide additional
information necessary to clarify information submitted in the application; and
(2) submit documentation of the certificate of clinical competence issued by the
American Speech-Language-Hearing Association, board certification by the American
Board of Audiology, or satisfy the following requirements:
(i) submit a transcript showing the completion of a master's or doctoral degree or its
equivalent meeting the requirements of section 148.515, subdivision 2;
(ii) submit documentation of the required hours of supervised clinical training;
(iii) submit documentation of the postgraduate clinical or doctoral clinical experience
meeting the requirements of section 148.515, subdivision 4; and
(iv) submit documentation of receiving a qualifying score on an examination
meeting the requirements of section 148.515, subdivision 5, 153A.14, subdivision 2h.
(b) In addition, an applicant must:
(1) sign a statement that the information in the application is true and correct to the best of the applicant's knowledge and belief;

(2) submit with the application all fees required by section 148.5194; and

(3) sign a waiver authorizing the commissioner to obtain access to the applicant's records in this or any other state in which the applicant has engaged in the practice of speech-language pathology or audiology.

Sec. 68. Minnesota Statutes 2014, section 148.741, is amended to read:

148.741 APPLICABILITY OF RULES.

Minnesota Rules, parts 5601.0100 to 5601.3200, apply both to physical therapists and physical therapist assistants, except parts 5601.1300; 5601.1900; 5601.2000; 5601.3200, subpart 2, item D; and 5601.3200, subpart 5, only apply to physical therapists.

Sec. 69. Minnesota Statutes 2015 Supplement, section 151.37, subdivision 2, is amended to read:

Subd. 2. Prescribing and filing. (a) A licensed practitioner in the course of professional practice only, may prescribe, administer, and dispense a legend drug, and may cause the same to be administered by a nurse, a physician assistant, or medical student or resident under the practitioner's direction and supervision, and may cause a person who is an appropriately certified, registered, or licensed health care professional to prescribe, dispense, and administer the same within the expressed legal scope of the person's practice as defined in Minnesota Statutes. A licensed practitioner may prescribe a legend drug, without reference to a specific patient, by directing a licensed dietitian or licensed nutritionist, pursuant to section 148.634; a nurse, pursuant to section 148.235, subdivisions 8 and 9; physician assistant; medical student or resident; or pharmacist according to section 151.01, subdivision 27, to adhere to a particular practice guideline or protocol when treating patients whose condition falls within such guideline or protocol, and when such guideline or protocol specifies the circumstances under which the legend drug is to be prescribed and administered. An individual who verbally, electronically, or otherwise transmits a written, oral, or electronic order, as an agent of a prescriber, shall not be deemed to have prescribed the legend drug. This paragraph applies to a physician assistant only if the physician assistant meets the requirements of section 147A.18.

(b) The commissioner of health, if a licensed practitioner, or a person designated by the commissioner who is a licensed practitioner, may prescribe a legend drug to an individual or by protocol for mass dispensing purposes where the commissioner finds that the conditions triggering section 144.4197 or 144.4198, subdivision 2, paragraph (b), exist.
The commissioner, if a licensed practitioner, or a designated licensed practitioner, may prescribe, dispense, or administer a legend drug or other substance listed in subdivision 10 to control tuberculosis and other communicable diseases. The commissioner may modify state drug labeling requirements, and medical screening criteria and documentation, where time is critical and limited labeling and screening are most likely to ensure legend drugs reach the maximum number of persons in a timely fashion so as to reduce morbidity and mortality.

(c) A licensed practitioner that dispenses for profit a legend drug that is to be administered orally, is ordinarily dispensed by a pharmacist, and is not a vaccine, must file with the practitioner's licensing board a statement indicating that the practitioner dispenses legend drugs for profit, the general circumstances under which the practitioner dispenses for profit, and the types of legend drugs generally dispensed. It is unlawful to dispense legend drugs for profit after July 31, 1990, unless the statement has been filed with the appropriate licensing board. For purposes of this paragraph, "profit" means (1) any amount received by the practitioner in excess of the acquisition cost of a legend drug for legend drugs that are purchased in prepackaged form, or (2) any amount received by the practitioner in excess of the acquisition cost of a legend drug plus the cost of making the drug available if the legend drug requires compounding, packaging, or other treatment. The statement filed under this paragraph is public data under section 13.03. This paragraph does not apply to a licensed doctor of veterinary medicine or a registered pharmacist. Any person other than a licensed practitioner with the authority to prescribe, dispense, and administer a legend drug under paragraph (a) shall not dispense for profit. To dispense for profit does not include dispensing by a community health clinic when the profit from dispensing is used to meet operating expenses.

(d) A prescription drug order for the following drugs is not valid, unless it can be established that the prescription drug order was based on a documented patient evaluation, including an examination, adequate to establish a diagnosis and identify underlying conditions and contraindications to treatment:

1. controlled substance drugs listed in section 152.02, subdivisions 3 to 5;
2. drugs defined by the Board of Pharmacy as controlled substances under section 152.02, subdivisions 7, 8, and 12;
3. muscle relaxants;
4. centrally acting analgesics with opioid activity;
5. drugs containing butalbital; or
6. phosphodiesterase type 5 inhibitors when used to treat erectile dysfunction.
(e) For the purposes of paragraph (d), the requirement for an examination shall be met if an in-person examination has been completed in any of the following circumstances:

1) the prescribing practitioner examines the patient at the time the prescription or drug order is issued;

2) the prescribing practitioner has performed a prior examination of the patient;

3) another prescribing practitioner practicing within the same group or clinic as the prescribing practitioner has examined the patient;

4) a consulting practitioner to whom the prescribing practitioner has referred the patient has examined the patient; or

5) the referring practitioner has performed an examination in the case of a consultant practitioner issuing a prescription or drug order when providing services by means of telemedicine.

(f) Nothing in paragraph (d) or (e) prohibits a licensed practitioner from prescribing a drug through the use of a guideline or protocol pursuant to paragraph (a).

(g) Nothing in this chapter prohibits a licensed practitioner from issuing a prescription or dispensing a legend drug in accordance with the Expedited Partner Therapy in the Management of Sexually Transmitted Diseases guidance document issued by the United States Centers for Disease Control.

(h) Nothing in paragraph (d) or (e) limits prescription, administration, or dispensing of legend drugs through a public health clinic or other distribution mechanism approved by the commissioner of health or a community health board in order to prevent, mitigate, treat a pandemic illness, infectious disease outbreak, or intentional or accidental release of a biological, chemical, or radiological agent.

(i) No pharmacist employed by, under contract to, or working for a pharmacy licensed under section 151.19, subdivision 1, may dispense a legend drug based on a prescription that the pharmacist knows, or would reasonably be expected to know, is not valid under paragraph (d).

(j) No pharmacist employed by, under contract to, or working for a pharmacy licensed under section 151.19, subdivision 2, or located outside the state may dispense a legend drug to a resident of this state based on a prescription that the pharmacist knows, or would reasonably be expected to know, is not valid under paragraph (d).

(k) Nothing in this chapter prohibits the commissioner of health, if a licensed practitioner, or, if not a licensed practitioner, a designee of the commissioner who is a licensed practitioner, from prescribing legend drugs for field-delivered therapy in the treatment of a communicable disease according to the Centers For Disease Control and Prevention Partner Services Guidelines.
Sec. 70. Minnesota Statutes 2014, section 153A.15, subdivision 1, is amended to read:

Subdivision 1. **Prohibited acts.** The commissioner may take enforcement action as provided under subdivision 2 against a dispenser of hearing instruments for the following acts and conduct:

1. dispensing a hearing instrument to a minor person 18 years or younger unless evaluated by an audiologist for hearing evaluation and hearing aid evaluation;
2. being disciplined through a revocation, suspension, restriction, or limitation by another state for conduct subject to action under this chapter;
3. presenting advertising that is false or misleading;
4. providing the commissioner with false or misleading statements of credentials, training, or experience;
5. engaging in conduct likely to deceive, defraud, or harm the public; or demonstrating a willful or careless disregard for the health, welfare, or safety of a consumer;
6. splitting fees or promising to pay a portion of a fee to any other professional other than a fee for services rendered by the other professional to the client;
7. engaging in abusive or fraudulent billing practices, including violations of federal Medicare and Medicaid laws, Food and Drug Administration regulations, or state medical assistance laws;
8. obtaining money, property, or services from a consumer through the use of undue influence, high pressure sales tactics, harassment, duress, deception, or fraud;
9. performing the services of a certified hearing instrument dispenser in an incompetent or negligent manner;
10. failing to comply with the requirements of this chapter as an employer, supervisor, or trainee;
11. failing to provide information in a timely manner in response to a request by the commissioner, commissioner's designee, or the advisory council;
12. being convicted within the past five years of violating any laws of the United States, or any state or territory of the United States, and the violation is a felony, gross misdemeanor, or misdemeanor, an essential element of which relates to hearing instrument dispensing, except as provided in chapter 364;
13. failing to cooperate with the commissioner, the commissioner's designee, or the advisory council in any investigation;
14. failing to perform hearing instrument dispensing with reasonable judgment, skill, or safety due to the use of alcohol or drugs, or other physical or mental impairment;
15. failing to fully disclose actions taken against the applicant or the applicant's legal authorization to dispense hearing instruments in this or another state;
49.1 (16) violating a state or federal court order or judgment, including a conciliation
court judgment, relating to the activities of the applicant in hearing instrument dispensing;
49.2 (17) having been or being disciplined by the commissioner of the Department of
Health, or other authority, in this or another jurisdiction, if any of the grounds for the
discipline are the same or substantially equivalent to those in sections 153A.13 to 153A.18;
49.3 (18) misrepresenting the purpose of hearing tests, or in any way communicating that
the hearing test or hearing test protocol required by section 153A.14, subdivision 4b, is
a medical evaluation, a diagnostic hearing evaluation conducted by an audiologist, or is
other than a test to select a hearing instrument, except that the hearing instrument dispenser
can determine the need for or recommend the consumer obtain a medical evaluation
consistent with requirements of the United States Food and Drug Administration;
49.4 (19) violating any of the provisions of sections 148.5195, subdivision 3, clause (20);
148.5197; 148.5198; and 153A.13 to 153A.18; and
49.5 (20) aiding or abetting another person in violating any of the provisions of sections
148.5195, subdivision 3, clause (20); 148.5197; 148.5198; and 153A.13 to 153A.18.

Sec. 71. Minnesota Statutes 2014, section 155A.23, subdivision 5a, is amended to read:
Subd. 5a. Individual license. "Individual license" means a license described in
section 155A.25, subdivision 1, paragraph (a), clauses (1) and (2), paragraph (b),
clause (1).

Sec. 72. Minnesota Statutes 2014, section 155A.355, subdivision 1, is amended to read:
Subdivision 1. Single-use equipment and materials. Single-use equipment,
implements, or materials that are made or constructed of paper, wood, or other porous
materials must only be used for one application or client service. Presence of used articles
in the work area is prima facie evidence of reuse. Failure to dispose of the materials in this
subdivision is punishable by penalty under section 155A.25, subdivision 1a, paragraph
(b), clause (7).

Sec. 73. Minnesota Statutes 2014, section 155A.355, subdivision 2, is amended to read:
Subd. 2. Skin-cutting equipment. Razor-type callus shavers, rasps, or graters
designed and intended to cut growths of skin such as corns and calluses, including but
not limited to credo blades, are prohibited. Presence of these articles in the work area is
prima facie evidence of use and is punishable by penalty in section 155A.25, subdivision
1a, paragraph (b), clause (8).
Sec. 74. Minnesota Statutes 2014, section 174.06, subdivision 2, is amended to read:

Subd. 2. Department of Aeronautics. All powers, duties, and functions heretofore vested in or imposed on the commissioner of aeronautics or the Department of Aeronautics by sections 360.011 to 360.076, 360.304, 360.305 to 360.73, 360.81 to 360.91 or any other law relating to the duties and powers of the commissioner of aeronautics are transferred to, vested in, and imposed on the commissioner of transportation. The position of the commissioner of aeronautics and the Department of Aeronautics as heretofore constituted are abolished.

Sec. 75. Minnesota Statutes 2014, section 176.105, subdivision 4, is amended to read:

Subd. 4. Legislative intent; rules; loss of more than one body part. (a) For the purpose of establishing a disability schedule, the legislature declares its intent that the commissioner establish a disability schedule which shall be determined by sound actuarial evaluation and shall be based on the benefit level which exists on January 1, 1983.

(b) The commissioner shall by rulemaking adopt procedures setting forth rules for the evaluation and rating of functional disability and the schedule for permanent partial disability and to determine the percentage of loss of function of a part of the body based on the body as a whole, including internal organs, described in section 176.101, subdivision 3, and any other body part not listed in section 176.101, subdivision 3, which the commissioner deems appropriate.

(c) The rules shall promote objectivity and consistency in the evaluation of permanent functional impairment due to personal injury and in the assignment of a numerical rating to the functional impairment.

(d) Prior to adoption of rules the commissioner shall conduct an analysis of the current permanent partial disability schedule for the purpose of determining the number and distribution of permanent partial disabilities and the average compensation for various permanent partial disabilities. The commissioner shall consider setting the compensation under the proposed schedule for the most serious conditions higher in comparison to the current schedule and shall consider decreasing awards for minor conditions in comparison to the current schedule.

(e) The commissioner may consider, among other factors, and shall not be limited to the following factors in developing rules for the evaluation and rating of functional disability and the schedule for permanent partial disability benefits:

(1) the workability and simplicity of the procedures with respect to the evaluation of functional disability;

(2) the consistency of the procedures with accepted medical standards;
(3) rules, guidelines, and schedules that exist in other states that are related to the
evaluation of permanent partial disability or to a schedule of benefits for functional
disability provided that the commissioner is not bound by the degree of disability in
these sources but shall adjust the relative degree of disability to conform to the expressed
intent of this section;

(4) rules, guidelines, and schedules that have been developed by associations of
health care providers or organizations provided that the commissioner is not bound by the
degree of disability in these sources but shall adjust the relative degree of disability to
conform to the expressed intent of this section;

(5) the effect the rules may have on reducing litigation;

(6) the treatment of preexisting disabilities with respect to the evaluation of
permanent functional disability provided that any preexisting disabilities must be
objectively determined by medical evidence; and

(7) symptomatology and loss of function and use of the injured member.

The factors in clauses (1) to (7) shall not be used in any individual or specific
workers' compensation claim under this chapter but shall be used only in the adoption
of rules pursuant to this section.

Nothing listed in clauses (1) to (7) shall be used to dispute or challenge a disability
ingiven to a part of the body so long as the whole schedule conforms with the
expressed intent of this section.

(f) If an employee suffers a permanent functional disability of more than one body
part due to a personal injury incurred in a single occurrence, the percent of the whole body
which is permanently partially disabled shall be determined by the following formula so
as to ensure that the percentage for all functional disability combined does not exceed the
total for the whole body:

\[ A + B (1 - A) \]

where: A is the greater percentage whole body loss of the first body part; and B is
the lesser percentage whole body loss otherwise payable for the second body part. A + B
(1-A) is equivalent to A + B - AB.

For permanent partial disabilities to three body parts due to a single occurrence or as
the result of an occupational disease, the above formula shall be applied, providing that
A equals the result obtained from application of the formula to the first two body parts
and B equals the percentage for the third body part. For permanent partial disability to
four or more body parts incurred as described above, A equals the result obtained from
the prior application of the formula, and B equals the percentage for the fourth body
part or more in arithmetic progressions.
Sec. 76. Minnesota Statutes 2015 Supplement, section 200.02, subdivision 23, is amended to read:

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

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

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

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

(3) who received votes in each county that in the aggregate equal at least one percent of the total number of individuals who voted in the election, or its members must have presented to the secretary of state at any time before the close of filing for the state partisan primary ballot a nominating petition in a form prescribed by the secretary of state containing the valid signatures of party members in a number equal to at least one percent of the total number of individuals who voted in the preceding state general election. A signature is valid only if signed no more than one year prior to the date the petition was filed.

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

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

(e) A minor party that qualifies to be a major party loses its status as a minor party at the time it becomes a major party. Votes received by the candidates of a major party must be counted in determining whether the party received sufficient votes to qualify as a minor party, notwithstanding that the party does not receive sufficient votes to retain its major party status. To be considered a minor party in an election in a legislative district, the political party must have presented at least one candidate for a legislative office in that
district who received votes from at least ten percent of the total number of individuals
who voted for that office, or its members must have presented to the secretary of state a
nominating petition in a form prescribed by the secretary of state containing the valid
signatures of party members in a number equal to at least ten percent of the total number of
individuals who voted in the preceding state general election for that legislative office. A
signature is valid only if signed no more than one year prior to the date the petition was filed.

Sec. 77. Minnesota Statutes 2014, section 201.225, subdivision 2, is amended to read:

Subd. 2. Technology requirements. An electronic roster must:

(1) be able to be loaded with a data file that includes voter registration data in a file
format prescribed by the secretary of state;

(2) allow for data to be exported in a file format prescribed by the secretary of state;

(3) allow for data to be entered manually or by scanning a Minnesota driver's license
or identification card to locate a voter record or populate a voter registration application
that would be printed and signed and dated by the voter. The printed registration
application can be either a printed form, labels printed with voter information to be affixed
to a preprinted form, or a combination of both;

(4) allow an election judge to update data that was populated from a scanned driver's
license or identification card;

(5) cue an election judge to ask for and input data that is not populated from a
scanned driver's license or identification card that is otherwise required to be collected
from the voter or an election judge;

(6) immediately alert the election judge if the voter has provided information that
indicates that the voter is not eligible to vote;

(7) immediately alert the election judge if the electronic roster indicates that a voter
has already voted in that precinct, the voter's registration status is challenged, or it appears
the voter resides in a different precinct;

(8) provide immediate instructions on how to resolve a particular type of challenge
when a voter's record is challenged;

(9) provide for a printed voter signature certificate, containing the voter's name,
address of residence, date of birth, voter identification number, the oath required by
section 204C.10, and a space for the voter's original signature. The printed voter signature
certificate can be either a printed form or a label printed with the voter's information
to be affixed to the oath;

(10) contain only preregistered voters within the precinct, and not contain
preregistered voter data on voters registered outside of the precinct;
(11) be only networked within the polling location on election day, except for the
purpose of updating absentee ballot records;

(12) meet minimum security, reliability, and networking standards established by the
Office of the Secretary of State in consultation with the Office of MN.IT Services;

(13) be capable of providing a voter's correct polling place; and

(14) perform any other functions necessary for the efficient and secure administration
of the participating election, as determined by the secretary of state.

Electronic rosters used only for election day registration do not need to comply with
clauses (1), (8), and (10). Electronic rosters used only for preregistered voter processing
do not need to comply with clauses (4) and (5).

Sec. 78. Minnesota Statutes 2014, section 221.025, is amended to read:

221.025 EXEMPTIONS.

The provisions of this chapter requiring a certificate or permit to operate as a motor
carrier do not apply to the intrastate transportation described below:

(1) the transportation of students to or from school or school activities in a school
bus inspected and certified under section 169.451 and the transportation of children or
parents to or from a Head Start facility or Head Start activity in a Head Start bus inspected
and certified under section 169.451;

(2) the transportation of solid waste, as defined in section 116.06, subdivision 22,
including recyclable materials and waste tires, except that the term "hazardous waste" has
the meaning given it in section 221.012, subdivision 18;

(3) a commuter van as defined in section 221.012, subdivision 9;

(4) authorized emergency vehicles as defined in section 169.011, subdivision 3,
including ambulances; and tow trucks equipped with proper and legal warning devices
when picking up and transporting (i) disabled or wrecked motor vehicles or (ii) vehicles
towed or transported under a towing order issued by a public employee authorized to
issue a towing order;

(5) the transportation of grain samples under conditions prescribed by the
commissioner;

(6) the delivery of agricultural lime;

(7) the transportation of dirt and sod within an area having a 50-mile radius from the
home post office of the person performing the transportation;

(8) the transportation of sand, gravel, bituminous asphalt mix, concrete ready mix,
concrete blocks or tile and the mortar mix to be used with the concrete blocks or tile, or
crushed rock to or from the point of loading or a place of gathering within an area having a
55.1 50-mile radius from that person's home post office or a 50-mile radius from the site of
construction or maintenance of public roads and streets;
55.2 (9) the transportation of pulpwod, cordwood, mining timber, poles, posts, decorator
evergreens, wood chips, sawdust, shavings, and bark from the place where the products
are produced to the point where they are to be used or shipped;
55.3 (10) the transportation of fresh vegetables from farms to canneries or viner stations,
from viner stations to canneries, or from canneries to canneries during the harvesting,
canning, or packing season, or transporting sugar beets, wild rice, or rutabagas from the
field of production to the first place of delivery or unloading, including a processing
plant, warehouse, or railroad siding;
55.4 (11) the transportation of unprocessed dairy products in bulk within an area having a
100-mile radius from the home post office of the person providing the transportation;
55.5 (12) the transportation of agricultural, horticultural, dairy, livestock, or other farm
products within an area having a 100-mile radius from the person's home post office and
the carrier may transport other commodities within the 100-mile radius if the destination
of each haul is a farm;
55.6 (13) the transportation of newspapers, as defined in section 331A.01, subdivision
55.7 §; telephone books, handbills, circulars, or pamphlets in a vehicle with a gross vehicle
55.8 weight of 10,000 pounds or less; and
55.9 (14) transportation of potatoes from the field of production, or a storage site owned
55.10 or otherwise controlled by the producer, to the first place of processing.
55.11 The exemptions provided in this section apply to a person only while the person is
55.12 exclusively engaged in exempt transportation.

Sec. 79. Minnesota Statutes 2014, section 239.7911, subdivision 2, is amended to read:
55.24 Subd. 2. Promotion of renewable liquid fuels. (a) The commissioner of agriculture,
55.25 in consultation with the commissioners of commerce and the Pollution Control Agency,
55.26 shall identify and implement activities necessary to achieve the goals in subdivision
55.27 1. Beginning November 1, 2005, and continuing through 2015, the commissioners,
55.28 or their designees, shall convene a task force pursuant to section 15.014 that includes
55.29 representatives from the renewable fuels industry, petroleum retailers, refiners, automakers,
55.30 small engine manufacturers, and other interested groups. The task force shall assist the
55.31 commissioners in carrying out the activities in paragraph (b) and eliminating barriers to the
55.32 use of greater biofuel blends in this state. The task force must coordinate efforts with the
55.33 NextGen Energy Board, the biodiesel task force, and the Renewable Energy Roundtable
55.34 and develop annual recommendations for administrative and legislative action.
(b) The activities of the commissioners under this subdivision shall include, but not be limited to:

1) developing recommendations for specific, cost-effective incentives necessary to expedite the use of greater biofuel blends in this state including, but not limited to, incentives for retailers to install equipment necessary to dispense renewable liquid fuels to the public;

2) expanding the renewable-fuel options available to Minnesota consumers by obtaining federal approval for the use of additional blends that contain a greater percentage of biofuel;

3) developing recommendations to ensure that motor vehicles and small engine equipment have access to an adequate supply of fuel;

4) working with the owners and operators of large corporate automotive fleets in the state to increase their use of renewable fuels;

5) working to maintain an affordable retail price for liquid fuels;

6) facilitating the production and use of advanced biofuels in this state; and

7) developing procedures for reporting the amount and type of biofuel under subdivision 1 and section 239.791, subdivision 1, paragraph (c).

(c) Notwithstanding section 15.014, the task force required under paragraph (a) expires on December 31, 2015.

Sec. 80. Minnesota Statutes 2014, section 241.021, subdivision 4a, is amended to read:

Subd. 4a. Chemical dependency treatment programs. All residential chemical dependency treatment programs operated by the commissioner of corrections to treat adults committed to the commissioner's custody shall comply with the standards mandated in Minnesota Rules, parts 9530.4100 to 9530.6500, 9530.6405 to 9530.6505, or successor rule parts, for treatment programs operated by community-based treatment facilities.

When the commissioners of corrections and human services agree that these established standards for community-based programs cannot reasonably apply to correctional facilities, alternative equivalent standards shall be developed by the commissioners and established through an interagency agreement.

Sec. 81. Minnesota Statutes 2014, section 245.466, subdivision 7, is amended to read:

Subd. 7. IMD downsizing flexibility. (a) If a county presents a budget-neutral plan for a net reduction in the number of institution for mental disease (IMD) beds funded under group residential housing, the commissioner may transfer the net savings from group residential housing and general assistance medical care to medical assistance
and mental health grants to provide appropriate services in non-IMD settings. For the purposes of this subdivision, "a budget neutral plan" means a plan that does not increase the state share of costs.

(b) The provisions of paragraph (a) do not apply to a facility that has its reimbursement rate established under section 256B.431, subdivision 4, paragraph (e).

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Sec. 82. Minnesota Statutes 2015 Supplement, section 245.4661, subdivision 9, is amended to read:

Subd. 9. Services and programs. (a) The following three distinct grant programs are funded under this section:

(1) mental health crisis services;
(2) housing with supports for adults with serious mental illness; and
(3) projects for assistance in transitioning from homelessness (PATH program).

(b) In addition, the following are eligible for grant funds:

(1) community education and prevention;
(2) client outreach;
(3) early identification and intervention;
(4) adult outpatient diagnostic assessment and psychological testing;
(5) peer support services;
(6) community support program services (CSP);
(7) adult residential crisis stabilization;
(8) supported employment;
(9) assertive community treatment (ACT);
(10) housing subsidies;
(11) basic living, social skills, and community intervention;
(12) emergency response services;
(13) adult outpatient psychotherapy;
(14) adult outpatient medication management;
(15) adult mobile crisis services;
(16) adult day treatment;
(17) partial hospitalization;
(18) adult residential treatment;
(19) adult mental health targeted case management;
(20) intensive community rehabilitative services (ICRS); and
(21) transportation.
Sec. 83. Minnesota Statutes 2014, section 245.4871, subdivision 32, is amended to read:

Subd. 32. Residential treatment. "Residential treatment" means a 24-hour-a-day program under the clinical supervision of a mental health professional, in a community residential setting other than an acute care hospital or regional treatment center inpatient unit, that must be licensed as a residential treatment program for children with emotional disturbances under Minnesota Rules, parts 9545.0900 to 9545.1090 chapter 2960, or other rules adopted by the commissioner.

Sec. 84. Minnesota Statutes 2014, section 245.826, is amended to read:

245.826 USE OF RESTRICTIVE TECHNIQUES AND PROCEDURES IN FACILITIES SERVING EMOTIONALLY DISTURBED CHILDREN.

When amending rules governing facilities serving emotionally disturbed children that are licensed under section 245A.09 and Minnesota Rules, parts 9545.0900 to 9545.1090, and 9545.1400 to 9545.1500 chapter 2960, the commissioner of human services shall include provisions governing the use of restrictive techniques and procedures. No provision of these rules may encourage or require the use of restrictive techniques and procedures. The rules must prohibit: (1) the application of certain restrictive techniques or procedures in facilities, except as authorized in the child's case plan and monitored by the county caseworker responsible for the child; (2) the use of restrictive techniques or procedures that restrict the clients' normal access to nutritious diet, drinking water, adequate ventilation, necessary medical care, ordinary hygiene facilities, normal sleeping conditions, and necessary clothing; and (3) the use of corporal punishment. The rule may specify other restrictive techniques and procedures and the specific conditions under which permitted techniques and procedures are to be carried out.

Sec. 85. Minnesota Statutes 2014, section 245.94, subdivision 1, is amended to read:

Subdivision 1. Powers. (a) The ombudsman may prescribe the methods by which complaints to the office are to be made, reviewed, and acted upon. The ombudsman may not levy a complaint fee.

(b) The ombudsman may mediate or advocate on behalf of a client.

(c) The ombudsman may investigate the quality of services provided to clients and determine the extent to which quality assurance mechanisms within state and county government work to promote the health, safety, and welfare of clients, other than clients in acute care facilities who are receiving services not paid for by public funds. The ombudsman is a health oversight agency as defined in Code of Federal Regulations, title 45, section 164.501.
(d) At the request of a client, or upon receiving a complaint or other information
affording reasonable grounds to believe that the rights of a client who is not capable
of requesting assistance have been adversely affected, the ombudsman may gather
information and data about and analyze, on behalf of the client, the actions of an agency,
facility, or program.

(e) The ombudsman may gather, on behalf of a client, records of an agency, facility,
or program if the records relate to a matter that is within the scope of the ombudsman's
authority. If the records are private and the client is capable of providing consent, the
ombudsman shall first obtain the client's consent. The ombudsman is not required to
obtain consent for access to private data on clients with developmental disabilities. The
ombudsman is not required to obtain consent for access to private data on decedents
who were receiving services for mental illness, developmental disabilities, or emotional
disturbance. All data collected, created, received, or maintained by the ombudsman are
governed by chapter 13 and other applicable law.

(f) Notwithstanding any law to the contrary, the ombudsman may subpoena a person
to appear, give testimony, or produce documents or other evidence that the ombudsman
considers relevant to a matter under inquiry. The ombudsman may petition the appropriate
court in Ramsey County to enforce the subpoena. A witness who is at a hearing or is part
of an investigation possesses the same privileges that a witness possesses in the courts or
under the law of this state. Data obtained from a person under this paragraph are private
data as defined in section 13.02, subdivision 12.

(g) The ombudsman may, at reasonable times in the course of conducting a review,
enter and view premises within the control of an agency, facility, or program.

(h) The ombudsman may attend Department of Human Services Review Board and
Special Review Board proceedings; proceedings regarding the transfer of patients or
residents clients, as defined in section 246.50, subdivisions subdivision 4 and 4a, between
institutions operated by the Department of Human Services; and, subject to the consent of
the affected client, other proceedings affecting the rights of clients. The ombudsman is not
required to obtain consent to attend meetings or proceedings and have access to private
data on clients with developmental disabilities.

(i) The ombudsman shall gather data of agencies, facilities, or programs classified
as private or confidential as defined in section 13.02, subdivisions 3 and 12, regarding
services provided to clients with developmental disabilities.

(j) To avoid duplication and preserve evidence, the ombudsman shall inform
relevant licensing or regulatory officials before undertaking a review of an action of
the facility or program.
(k) Sections 245.91 to 245.97 are in addition to other provisions of law under which any other remedy or right is provided.

Sec. 86. Minnesota Statutes 2015 Supplement, section 245A.02, subdivision 21, is amended to read:

Subd. 21. Monthly. "Monthly" means at least once every calendar month, for the purposes of chemical dependency treatment programs licensed under Minnesota Rules, parts 9430.6405 9530.6405 to 9530.6505.

Sec. 87. Minnesota Statutes 2014, section 245A.03, subdivision 2a, is amended to read:

Subd. 2a. Foster care by an individual who is related to a child; license required. Notwithstanding subdivision 2, paragraph (a), clause (1), in order to provide foster care for a child, an individual who is related to the child, other than a parent, or legal guardian, must be licensed by the commissioner except as provided by section 245A.035.

Sec. 88. Minnesota Statutes 2014, section 245A.03, subdivision 2b, is amended to read:

Subd. 2b. Exception. The provision in subdivision 2, paragraph (a), clause (2), does not apply to:

(1) a child care provider who as an applicant for licensure or as a license holder has received a license denial under section 245A.05, a conditional license under section 245A.06, or a sanction under section 245A.07 from the commissioner that has not been reversed on appeal; or

(2) a child care provider, or a child care provider who has a household member who, as a result of a licensing process, has a disqualification under this chapter that has not been set aside by the commissioner.

Sec. 89. Minnesota Statutes 2014, section 245A.03, subdivision 4, is amended to read:

Subd. 4. Excluded child care programs; right to seek licensure. Nothing in this section shall prohibit a child care program that is excluded from licensure under subdivision 2, paragraph (a), clause (2), or under Laws 1997, chapter 248, section 46, as amended by Laws 1997, First Special Session chapter 5, section 10, from seeking a license under this chapter. The commissioner shall ensure that any application received from such an excluded provider is processed in the same manner as all other applications for licensed family day care.

Sec. 90. Minnesota Statutes 2014, section 245A.03, subdivision 5, is amended to read:
Subd. 5. **Excluded housing with services programs; right to seek licensure.**

Nothing in this section shall prohibit a housing with services program that is excluded from licensure under subdivision 2, paragraph (a), clause (25), from seeking a license under this chapter. The commissioner shall ensure that any application received from such an excluded provider is processed in the same manner as all other applications for licensed adult foster care.

Sec. 91. Minnesota Statutes 2014, section 245A.03, subdivision 6, is amended to read:

**Subd. 6. Right to seek certification.** Nothing in this section shall prohibit a residential program licensed by the commissioner of corrections to serve children, that is excluded from licensure under subdivision 2, paragraph (a), clause (10), from seeking certification from the commissioner of human services under this chapter for program services for which certification standards have been adopted.

Sec. 92. Minnesota Statutes 2014, section 245A.14, subdivision 10, is amended to read:

**Subd. 10. Portable wading pools; family day care and group family day care providers.** A portable wading pool as defined in section 144.1222 may not be used by a child at a family day care or group family day care home or at a home at which child care services are provided under section 245A.03, subdivision 2, paragraph (a), clause (2), unless the parent or legal guardian of the child has provided written consent. The written consent shall include a statement that the parent or legal guardian has received and read material provided by the Department of Health to the Department of Human Services for distribution to all family day care or group family day care homes and the general public on the human services Internet Web site related to the risk of disease transmission as well as other health risks associated with the use of portable wading pools.

Sec. 93. Minnesota Statutes 2014, section 245D.06, subdivision 6, is amended to read:

**Subd. 6. Restricted procedures.** (a) The following procedures are allowed when the procedures are implemented in compliance with the standards governing their use as identified in clauses (1) to (3). Allowed but restricted procedures include:

(1) permitted actions and procedures subject to the requirements in subdivision 7;

(2) procedures identified in a positive support transition plan subject to the requirements in subdivision 8; or

(3) emergency use of manual restraint subject to the requirements in section 245D.061.
For purposes of this chapter, this section supersedes the requirements identified in Minnesota Rules, part 9525.2740.

(b) A restricted procedure identified in paragraph (a) must not:

(1) be implemented with a child in a manner that constitutes sexual abuse, neglect, physical abuse, or mental injury, as defined in section 626.556, subdivision 2;

(2) be implemented with an adult in a manner that constitutes abuse or neglect as defined in section 626.5572, subdivision 2 or 17;

(3) be implemented in a manner that violates a person's rights identified in section 245D.04;

(4) restrict a person's normal access to a nutritious diet, drinking water, adequate ventilation, necessary medical care, ordinary hygiene facilities, normal sleeping conditions, necessary clothing, or any protection required by state licensing standards or federal regulations governing the program;

(5) deny the person visitation or ordinary contact with legal counsel, a legal representative, or next of kin;

(6) be used for the convenience of staff, as punishment, as a substitute for adequate staffing, or as a consequence if the person refuses to participate in the treatment or services provided by the program;

(7) use prone restraint. For purposes of this section, "prone restraint" means use of manual restraint that places a person in a face-down position. Prone restraint does not include brief physical holding of a person who, during an emergency use of manual restraint, rolls into a prone position, if the person is restored to a standing, sitting, or side-lying position as quickly as possible;

(8) apply back or chest pressure while a person is in a prone position as identified in clause (7), supine position, or side-lying position; or

(9) be implemented in a manner that is contraindicated for any of the person's known medical or psychological limitations.

Sec. 94. Minnesota Statutes 2015 Supplement, section 245D.06, subdivision 7, is amended to read:

Subd. 7. Permitted actions and procedures. (a) Use of the instructional techniques and intervention procedures as identified in paragraphs (b) and (c) is permitted when used on an intermittent or continuous basis. When used on a continuous basis, it must be addressed in a person's coordinated service and support plan addendum as identified in sections 245D.07 and 245D.071. For purposes of this chapter, the requirements of this subdivision supersede the requirements identified in Minnesota Rules, part 9525.2720.
(b) Physical contact or instructional techniques must use the least restrictive
alternative possible to meet the needs of the person and may be used:

1. to calm or comfort a person by holding that person with no resistance from
that person;
2. to protect a person known to be at risk of injury due to frequent falls as a result
of a medical condition;
3. to facilitate the person's completion of a task or response when the person does
not resist or the person's resistance is minimal in intensity and duration;
4. to block or redirect a person's limbs or body without holding the person or
limiting the person's movement to interrupt the person's behavior that may result in injury
to self or others with less than 60 seconds of physical contact by staff; or
5. to redirect a person's behavior when the behavior does not pose a serious threat
to the person or others and the behavior is effectively redirected with less than 60 seconds
of physical contact by staff.

(c) Restraint may be used as an intervention procedure to:
1. allow a licensed health care professional to safely conduct a medical examination
or to provide medical treatment ordered by a licensed health care professional;
2. assist in the safe evacuation or redirection of a person in the event of an
emergency and the person is at imminent risk of harm; or
3. position a person with physical disabilities in a manner specified in the person's
coordinated service and support plan addendum.

Any use of manual restraint as allowed in this paragraph must comply with the restrictions
identified in subdivision 6, paragraph (b).

(d) Use of adaptive aids or equipment, orthotic devices, or other medical equipment
ordered by a licensed health professional to treat a diagnosed medical condition do not in
and of themselves constitute the use of mechanical restraint.

Sec. 95. Minnesota Statutes 2014, section 245D.06, subdivision 8, is amended to read:

Subd. 8. Positive support transition plan. (a) License holders must develop
a positive support transition plan on the forms and in the manner prescribed by the
commissioner for a person who requires intervention in order to maintain safety when it is
known that the person's behavior poses an immediate risk of physical harm to self or others.
The positive support transition plan forms and instructions will supersede the requirements
in Minnesota Rules, parts 9525.2750, 9525.2760, and 9525.2780. The positive support
transition plan must phase out any existing plans for the emergency or programmatic use
of restrictive interventions prohibited under this chapter within the following timelines:
(1) for persons receiving services from the license holder before January 1, 2014, the plan must be developed and implemented by February 1, 2014, and phased out no later than December 31, 2014; and

(2) for persons admitted to the program on or after January 1, 2014, the plan must be developed and implemented within 30 calendar days of service initiation and phased out no later than 11 months from the date of plan implementation.

(b) The commissioner has limited authority to grant approval for the emergency use of procedures identified in subdivision 6 that had been part of an approved positive support transition plan when a person is at imminent risk of serious injury as defined in section 245.91, subdivision 6, due to self-injurious behavior and the following conditions are met:

(1) the person's expanded support team approves the emergency use of the procedures; and

(2) the interim review panel established in section 245.8251, subdivision 4, recommends commissioner approval of the emergency use of the procedures.

(c) Written requests for the emergency use of the procedures must be developed and submitted to the commissioner by the designated coordinator with input from the person's expanded support team in accordance with the requirements set by the interim review panel, in addition to the following:

(1) a copy of the person's current positive support transition plan and copies of each positive support transition plan review containing data on the progress of the plan from the previous year;

(2) documentation of a good faith effort to eliminate the use of the procedures that had been part of an approved positive support transition plan;

(3) justification for the continued use of the procedures that identifies the imminent risk of serious injury due to the person's self-injurious behavior if the procedures were eliminated;

(4) documentation of the clinicians consulted in creating and maintaining the positive support transition plan; and

(5) documentation of the expanded support team's approval and the recommendation from the interim panel required under paragraph (b).

(d) A copy of the written request, supporting documentation, and the commissioner's final determination on the request must be maintained in the person's service recipient record.

Sec. 96. Minnesota Statutes 2015 Supplement, section 245D.061, subdivision 1, is amended to read:
Subdivision 1. **Standards for emergency use of manual restraints.** The license holder must ensure that emergency use of manual restraints complies with the requirements of this chapter and the license holder’s policy and procedures as required under subdivision 9. For the purposes of persons receiving services governed by this chapter, this section supersedes the requirements identified in Minnesota Rules, part 9525.2770.

Sec. 97. Minnesota Statutes 2015 Supplement, section 246.18, subdivision 8, is amended to read:

Subd. 8. **State-operated services account.** (a) The state-operated services account is established in the special revenue fund. Revenue generated by new state-operated services listed under this section established after July 1, 2010, that are not enterprise activities must be deposited into the state-operated services account, unless otherwise specified in law:

1. intensive residential treatment services;
2. foster care services; and
3. psychiatric extensive recovery treatment services.

(b) Funds deposited in the state-operated services account are appropriated to the commissioner of human services for the purposes of:

1. providing services needed to transition individuals from institutional settings within state-operated services to the community when those services have no other adequate funding source; and
2. fund funding the operation of the intensive residential treatment service program in Willmar.

Sec. 98. Minnesota Statutes 2014, section 252.28, subdivision 3, is amended to read:

Subd. 3. **Licensing determinations.** (a) No new license shall be granted pursuant to this section when the issuance of the license would substantially contribute to an excessive concentration of community residential facilities within any town, municipality or county of the state.

(b) In determining whether a license shall be issued pursuant to this subdivision, the commissioner of human services shall specifically consider the population, size, land use plan, availability of community services and the number and size of existing public and private community residential facilities in the town, municipality or county in which a licensee seeks to operate a residence. Under no circumstances may the commissioner newly license any facility pursuant to this section except as provided in section 245A.11. The commissioner of human services shall establish uniform rules to implement the provisions of this subdivision.
(c) Licenses for community facilities and services shall be issued pursuant to section 245.821.

(d) No new license shall be granted for a residential program that provides home and community-based waiver services to more than four individuals at a site, except as authorized by the commissioner for emergency situations that would result in the placement of individuals into regional treatment centers. Such licenses shall not exceed 24 months.

(e) The commissioner shall not approve a determination of need application that requests that an existing residential program license under Minnesota Rules, parts 9525.0215 to 9525.0355 chapter 245D be modified in a manner that would result in the issuance of two or more licenses for the same residential program at the same location.

Sec. 99. Minnesota Statutes 2014, section 252.451, subdivision 1, is amended to read:

Subdivision 1. Definition. For the purposes of this section, "qualified business" means a business that employs primarily nondisabled persons and will employ persons with developmental disabilities. For purposes of this section, licensed providers of residential services for persons with developmental disabilities are not a qualified business. A qualified business and its employees are exempt from Minnesota Rules, parts 9525.1500 to 9525.1690 and 9525.1800 to 9525.1930.

Sec. 100. Minnesota Statutes 2014, section 253B.064, subdivision 1, is amended to read:

Subdivision 1. General. (a) An interested person may apply to the designated agency for early intervention of a proposed patient in the county of financial responsibility or the county where the patient is present. If the designated agency determines that early intervention may be appropriate, a petition setting out the reasons must be prepared pursuant to section 253B.07, subdivision 1. The county attorney may file a petition for early intervention following the procedures of section 253B.07, subdivision 2.

(b) The proposed patient is entitled to representation by counsel, pursuant to section 253B.03, subdivision 9. 253B.07, subdivision 2c. The proposed patient shall be examined by an examiner, and has the right to a second independent examiner, pursuant to section 253B.07, subdivisions 3 and 5.

Sec. 101. Minnesota Statutes 2014, section 253B.18, subdivision 5a, is amended to read:

Subd. 5a. Victim notification of petition and release; right to submit statement.

(a) As used in this subdivision:

(1) "crime" has the meaning given to "violent crime" in section 609.1095, and includes criminal sexual conduct in the fifth degree and offenses within the definition of
"crime against the person" in section 253B.02, subdivision 4a, and also includes offenses listed in section 253D.08, subdivision 8, paragraph (b), regardless of whether they are sexually motivated;

(2) "victim" means a person who has incurred loss or harm as a result of a crime the behavior for which forms the basis for a commitment under this section or chapter 253D; and

(3) "convicted" and "conviction" have the meanings given in section 609.02, subdivision 5, and also include juvenile court adjudications, findings under Minnesota Rules of Criminal Procedure, rule 20.02, that the elements of a crime have been proved, and findings in commitment cases under this section or chapter 253D that an act or acts constituting a crime occurred.

(b) A county attorney who files a petition to commit a person under this section or chapter 253D shall make a reasonable effort to provide prompt notice of filing the petition to any victim of a crime for which the person was convicted. In addition, the county attorney shall make a reasonable effort to promptly notify the victim of the resolution of the petition.

(c) Before provisionally discharging, discharging, granting pass-eligible status, approving a pass plan, or otherwise permanently or temporarily releasing a person committed under this section from a treatment facility, the head of the treatment facility shall make a reasonable effort to notify any victim of a crime for which the person was convicted that the person may be discharged or released and that the victim has a right to submit a written statement regarding decisions of the medical director, special review board, or commissioner with respect to the person. To the extent possible, the notice must be provided at least 14 days before any special review board hearing or before a determination on a pass plan. Notwithstanding section 611A.06, subdivision 4, the commissioner shall provide the judicial appeal panel with victim information in order to comply with the provisions of this section. The judicial appeal panel shall ensure that the data on victims remains private as provided for in section 611A.06, subdivision 4.

(d) This subdivision applies only to victims who have requested notification through the Department of Corrections electronic victim notification system, or by contacting, in writing, the county attorney in the county where the conviction for the crime occurred. A request for notice under this subdivision received by the commissioner of corrections through the Department of Corrections electronic victim notification system shall be promptly forwarded to the prosecutorial authority with jurisdiction over the offense to which the notice relates or, following commitment, the head of the treatment facility. A county attorney who receives a request for notification under this paragraph following commitment shall promptly forward the request to the commissioner of human services.
(e) The rights under this subdivision are in addition to rights available to a victim under chapter 611A. This provision does not give a victim all the rights of a "notified person" or a person "entitled to statutory notice" under subdivision 4a, 4b, or 5 or section 253D.14.

Sec. 102. Minnesota Statutes 2014, section 253C.01, subdivision 1, is amended to read:

Subdivision 1. Definition. As used in this section, "residential program" means (1) a hospital-based primary treatment program that provides residential treatment to minors with emotional disturbance as defined by the Comprehensive Children's Mental Health Act in sections 245.487 to 245.4889, or (2) a facility licensed by the state under Minnesota Rules, parts 9545.0900 to 9545.1090, chapter 2960, to provide services to minors on a 24-hour basis.

Sec. 103. Minnesota Statutes 2014, section 256.01, subdivision 2, is amended to read:

Subd. 2. Specific powers. Subject to the provisions of section 241.021, subdivision 2, the commissioner of human services shall carry out the specific duties in paragraphs (a) through (bb):

(a) Administer and supervise all forms of public assistance provided for by state law and other welfare activities or services as are vested in the commissioner. Administration and supervision of human services activities or services includes, but is not limited to, assuring timely and accurate distribution of benefits, completeness of service, and quality program management. In addition to administering and supervising human services activities vested by law in the department, the commissioner shall have the authority to:

(1) require county agency participation in training and technical assistance programs to promote compliance with statutes, rules, federal laws, regulations, and policies governing human services;

(2) monitor, on an ongoing basis, the performance of county agencies in the operation and administration of human services, enforce compliance with statutes, rules, federal laws, regulations, and policies governing welfare services and promote excellence of administration and program operation;

(3) develop a quality control program or other monitoring program to review county performance and accuracy of benefit determinations;

(4) require county agencies to make an adjustment to the public assistance benefits issued to any individual consistent with federal law and regulation and state law and rule and to issue or recover benefits as appropriate;
(5) delay or deny payment of all or part of the state and federal share of benefits and
administrative reimbursement according to the procedures set forth in section 256.017;

(6) make contracts with and grants to public and private agencies and organizations,
both profit and nonprofit, and individuals, using appropriated funds; and

(7) enter into contractual agreements with federally recognized Indian tribes with
a reservation in Minnesota to the extent necessary for the tribe to operate a federally
approved family assistance program or any other program under the supervision of the
commissioner. The commissioner shall consult with the affected county or counties in
the contractual agreement negotiations, if the county or counties wish to be included,
in order to avoid the duplication of county and tribal assistance program services. The
commissioner may establish necessary accounts for the purposes of receiving and
disbursing funds as necessary for the operation of the programs.

(b) Inform county agencies, on a timely basis, of changes in statute, rule, federal law,
regulation, and policy necessary to county agency administration of the programs.

(c) Administer and supervise all child welfare activities; promote the enforcement of
laws protecting disabled, dependent, neglected and delinquent children, and children born
to mothers who were not married to the children's fathers at the times of the conception
nor at the births of the children; license and supervise child-caring and child-placing
agencies and institutions; supervise the care of children in boarding and foster homes or
in private institutions; and generally perform all functions relating to the field of child
welfare now vested in the State Board of Control.

(d) Administer and supervise all noninstitutional service to persons with disabilities,
including persons who have vision impairments, and persons who are deaf, deafblind, and
hard-of-hearing or with other disabilities. The commissioner may provide and contract for
the care and treatment of qualified indigent children in facilities other than those located and
available at state hospitals when it is not feasible to provide the service in state hospitals.

(e) Assist and actively cooperate with other departments, agencies and institutions,
local, state, and federal, by performing services in conformity with the purposes of Laws
1939, chapter 431.

(f) Act as the agent of and cooperate with the federal government in matters of
mutual concern relative to and in conformity with the provisions of Laws 1939, chapter
431, including the administration of any federal funds granted to the state to aid in the
performance of any functions of the commissioner as specified in Laws 1939, chapter 431,
and including the promulgation of rules making uniformly available medical care benefits
to all recipients of public assistance, at such times as the federal government increases its
participation in assistance expenditures for medical care to recipients of public assistance,
the cost thereof to be borne in the same proportion as are grants of aid to said recipients.

(g) Establish and maintain any administrative units reasonably necessary for the
performance of administrative functions common to all divisions of the department.

(h) Act as designated guardian of both the estate and the person of all the wards of
the state of Minnesota, whether by operation of law or by an order of court, without any
further act or proceeding whatever, except as to persons committed as developmentally
disabled. For children under the guardianship of the commissioner or a tribe in Minnesota
recognized by the Secretary of the Interior whose interests would be best served by
adoptive placement, the commissioner may contract with a licensed child-placing agency
or a Minnesota tribal social services agency to provide adoption services. A contract
with a licensed child-placing agency must be designed to supplement existing county
efforts and may not replace existing county programs or tribal social services, unless the
replacement is agreed to by the county board and the appropriate exclusive bargaining
representative, tribal governing body, or the commissioner has evidence that child
placements of the county continue to be substantially below that of other counties. Funds
collected and obligated under an agreement for a specific child shall remain available
until the terms of the agreement are fulfilled or the agreement is terminated.

(i) Act as coordinating referral and informational center on requests for service for
newly arrived immigrants coming to Minnesota.

(j) The specific enumeration of powers and duties as hereinabove set forth shall in no
way be construed to be a limitation upon the general transfer of powers herein contained.

(k) Establish county, regional, or statewide schedules of maximum fees and charges
which may be paid by county agencies for medical, dental, surgical, hospital, nursing and
nursing home care and medicine and medical supplies under all programs of medical
care provided by the state and for congregate living care under the income maintenance
programs.

(l) Have the authority to conduct and administer experimental projects to test methods
and procedures of administering assistance and services to recipients or potential recipients
of public welfare. To carry out such experimental projects, it is further provided that the
commissioner of human services is authorized to waive the enforcement of existing specific
statutory program requirements, rules, and standards in one or more counties. The order
establishing the waiver shall provide alternative methods and procedures of administration,
shall not be in conflict with the basic purposes, coverage, or benefits provided by law, and
in no event shall the duration of a project exceed four years. It is further provided that no
order establishing an experimental project as authorized by the provisions of this section shall become effective until the following conditions have been met:

(1) the secretary of health and human services of the United States has agreed, for the same project, to waive state plan requirements relative to statewide uniformity; and

(2) a comprehensive plan, including estimated project costs, shall be approved by the Legislative Advisory Commission and filed with the commissioner of administration.

(m) According to federal requirements, establish procedures to be followed by local welfare boards in creating citizen advisory committees, including procedures for selection of committee members.

(n) Allocate federal fiscal disallowances or sanctions which are based on quality control error rates for the aid to families with dependent children program formerly codified in sections 256.72 to 256.87, medical assistance, or food stamp program in the following manner:

(1) one-half of the total amount of the disallowance shall be borne by the county boards responsible for administering the programs. For the medical assistance and the AFDC program formerly codified in sections 256.72 to 256.87, disallowances shall be shared by each county board in the same proportion as that county's expenditures for the sanctioned program are to the total of all counties' expenditures for the AFDC program formerly codified in sections 256.72 to 256.87, and medical assistance programs. For the food stamp program, sanctions shall be shared by each county board, with 50 percent of the sanction being distributed to each county in the same proportion as that county's administrative costs for food stamps are to the total of all food stamp administrative costs for all counties, and 50 percent of the sanctions being distributed to each county in the same proportion as that county's value of food stamp benefits issued are to the total of all benefits issued for all counties. Each county shall pay its share of the disallowance to the state of Minnesota. When a county fails to pay the amount due hereunder, the commissioner may deduct the amount from reimbursement otherwise due the county, or the attorney general, upon the request of the commissioner, may institute civil action to recover the amount due; and

(2) notwithstanding the provisions of clause (1), if the disallowance results from knowing noncompliance by one or more counties with a specific program instruction, and knowing noncompliance is a matter of official county board record, the commissioner may require payment or recover from the county or counties, in the manner prescribed in clause (1), an amount equal to the portion of the total disallowance which resulted from the noncompliance, and may distribute the balance of the disallowance according to clause (1).
(o) Develop and implement special projects that maximize reimbursements and
result in the recovery of money to the state. For the purpose of recovering state money,
the commissioner may enter into contracts with third parties. Any recoveries that result
from projects or contracts entered into under this paragraph shall be deposited in the
state treasury and credited to a special account until the balance in the account reaches
$1,000,000. When the balance in the account exceeds $1,000,000, the excess shall be
transferred and credited to the general fund. All money in the account is appropriated to
the commissioner for the purposes of this paragraph.

(p) Have the authority to make direct payments to facilities providing shelter
to women and their children according to section 256D.05, subdivision 3. Upon
the written request of a shelter facility that has been denied payments under section
256D.05, subdivision 3, the commissioner shall review all relevant evidence and make
determination within 30 days of the request for review regarding issuance of direct
payments to the shelter facility. Failure to act within 30 days shall be considered a
determination not to issue direct payments.

(q) Have the authority to establish and enforce the following county reporting
requirements:

1. the commissioner shall establish fiscal and statistical reporting requirements
necessary to account for the expenditure of funds allocated to counties for human
services programs. When establishing financial and statistical reporting requirements, the
commissioner shall evaluate all reports, in consultation with the counties, to determine if
the reports can be simplified or the number of reports can be reduced;

2. the county board shall submit monthly or quarterly reports to the department
as required by the commissioner. Monthly reports are due no later than 15 working days
after the end of the month. Quarterly reports are due no later than 30 calendar days after
the end of the quarter, unless the commissioner determines that the deadline must be
shortened to 20 calendar days to avoid jeopardizing compliance with federal deadlines
or risking a loss of federal funding. Only reports that are complete, legible, and in the
required format shall be accepted by the commissioner;

3. if the required reports are not received by the deadlines established in clause (2),
the commissioner may delay payments and withhold funds from the county board until
the next reporting period. When the report is needed to account for the use of federal
funds and the late report results in a reduction in federal funding, the commissioner shall
withhold from the county boards with late reports an amount equal to the reduction in
federal funding until full federal funding is received;
(4) a county board that submits reports that are late, illegible, incomplete, or not in the required format for two out of three consecutive reporting periods is considered noncompliant. When a county board is found to be noncompliant, the commissioner shall notify the county board of the reason the county board is considered noncompliant and request that the county board develop a corrective action plan stating how the county board plans to correct the problem. The corrective action plan must be submitted to the commissioner within 45 days after the date the county board received notice of noncompliance;

(5) the final deadline for fiscal reports or amendments to fiscal reports is one year after the date the report was originally due. If the commissioner does not receive a report by the final deadline, the county board forfeits the funding associated with the report for that reporting period and the county board must repay any funds associated with the report received for that reporting period;

(6) the commissioner may not delay payments, withhold funds, or require repayment under clause (3) or (5) if the county demonstrates that the commissioner failed to provide appropriate forms, guidelines, and technical assistance to enable the county to comply with the requirements. If the county board disagrees with an action taken by the commissioner under clause (3) or (5), the county board may appeal the action according to sections 14.57 to 14.69; and

(7) counties subject to withholding of funds under clause (3) or forfeiture or repayment of funds under clause (5) shall not reduce or withhold benefits or services to clients to cover costs incurred due to actions taken by the commissioner under clause (3) or (5).

(r) Allocate federal fiscal disallowances or sanctions for audit exceptions when federal fiscal disallowances or sanctions are based on a statewide random sample in direct proportion to each county's claim for that period.

(s) Be responsible for ensuring the detection, prevention, investigation, and resolution of fraudulent activities or behavior by applicants, recipients, and other participants in the human services programs administered by the department.

(t) Require county agencies to identify overpayments, establish claims, and utilize all available and cost-beneficial methodologies to collect and recover these overpayments in the human services programs administered by the department.

(u) Have the authority to administer the federal drug rebate program for drugs purchased under the medical assistance program as allowed by section 1927 of title XIX of the Social Security Act and according to the terms and conditions of section 1927. Rebates shall be collected for all drugs that have been dispensed or administered in an
outpatient setting and that are from manufacturers who have signed a rebate agreement
with the United States Department of Health and Human Services.

(v) Have the authority to administer a supplemental drug rebate program for drugs
purchased under the medical assistance program. The commissioner may enter into
supplemental rebate contracts with pharmaceutical manufacturers and may require prior
authorization for drugs that are from manufacturers that have not signed a supplemental
rebate contract. Prior authorization of drugs shall be subject to the provisions of section
256B.0625, subdivision 13.

(w) Operate the department's communication systems account established in Laws
1993, First Special Session chapter 1, article 1, section 2, subdivision 2, to manage shared
communication costs necessary for the operation of the programs the commissioner
supervises. A communications account may also be established for each regional
treatment center which operates communications systems. Each account must be used
to manage shared communication costs necessary for the operations of the programs the
commissioner supervises. The commissioner may distribute the costs of operating and
maintaining communication systems to participants in a manner that reflects actual usage.
Costs may include acquisition, licensing, insurance, maintenance, repair, staff time and
other costs as determined by the commissioner. Nonprofit organizations and state, county,
and local government agencies involved in the operation of programs the commissioner
supervises may participate in the use of the department's communications technology and
share in the cost of operation. The commissioner may accept on behalf of the state any
gift, bequest, devise or personal property of any kind, or money tendered to the state for
any lawful purpose pertaining to the communication activities of the department. Any
money received for this purpose must be deposited in the department's communication
systems accounts. Money collected by the commissioner for the use of communication
systems must be deposited in the state communication systems account and is appropriated
to the commissioner for purposes of this section.

(x) Receive any federal matching money that is made available through the medical
assistance program for the consumer satisfaction survey. Any federal money received for
the survey is appropriated to the commissioner for this purpose. The commissioner may
expend the federal money received for the consumer satisfaction survey in either year of
the biennium.

(y) Designate community information and referral call centers and incorporate
cost reimbursement claims from the designated community information and referral
call centers into the federal cost reimbursement claiming processes of the department
according to federal law, rule, and regulations. Existing information and referral centers
provided by Greater Twin Cities United Way or existing call centers for which Greater Twin Cities United Way has legal authority to represent, shall be included in these designations upon review by the commissioner and assurance that these services are accredited and in compliance with national standards. Any reimbursement is appropriated to the commissioner and all designated information and referral centers shall receive payments according to normal department schedules established by the commissioner upon final approval of allocation methodologies from the United States Department of Health and Human Services Division of Cost Allocation or other appropriate authorities.

(z) Develop recommended standards for foster care homes that address the components of specialized therapeutic services to be provided by foster care homes with those services.

(aa) Authorize the method of payment to or from the department as part of the human services programs administered by the department. This authorization includes the receipt or disbursement of funds held by the department in a fiduciary capacity as part of the human services programs administered by the department.

(bb) Designate the agencies that operate the Senior LinkAge Line under section 256.975, subdivision 7, and the Disability Linkage Line under subdivision 24 as the state of Minnesota Aging and Disability Resource Center under United States Code, title 42, section 3001, the Older Americans Act Amendments of 2006, and incorporate cost reimbursement claims from the designated centers into the federal cost reimbursement claiming processes of the department according to federal law, rule, and regulations. Any reimbursement must be appropriated to the commissioner and treated consistent with section 256.011. All Aging and Disability Resource Center designated agencies shall receive payments of grant funding that supports the activity and generates the federal financial participation according to Board on Aging administrative granting mechanisms.

Sec. 104. Minnesota Statutes 2014, section 256.01, subdivision 39, is amended to read:

Subd. 39. Dedicated funds report. By October 1, 2014, and with each February forecast thereafter, the commissioner of human services must provide to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over health and human services finance a report of all dedicated funds and accounts. The report must include the name of the dedicated fund or account; a description of its purpose, and the legal citation for its creation; the beginning balance, projected receipts, and expenditures; and the ending balance for each fund and account.

This subdivision shall not expire.
Sec. 105. Minnesota Statutes 2014, section 256.045, subdivision 3b, is amended to read:

Subd. 3b. **Standard of evidence for maltreatment and disqualification hearings.**

(a) The state human services judge shall determine that maltreatment has occurred if a preponderance of evidence exists to support the final disposition under sections 626.556 and 626.557. For purposes of hearings regarding disqualification, the state human services judge shall affirm the proposed disqualification in an appeal under subdivision 3, paragraph (a), clause (9), if a preponderance of the evidence shows the individual has:

1. committed maltreatment under section 626.556 or 626.557, which is serious or recurring;

2. committed an act or acts meeting the definition of any of the crimes listed in section 245C.15, subdivisions 1 to 4; or

3. failed to make required reports under section 626.556 or 626.557, for incidents in which the final disposition under section 626.556 or 626.557 was substantiated maltreatment that was serious or recurring.

(b) If the disqualification is affirmed, the state human services judge shall determine whether the individual poses a risk of harm in accordance with the requirements of section 245C.22, and whether the disqualification should be set aside or not set aside. In determining whether the disqualification should be set aside, the human services judge shall consider all of the characteristics that cause the individual to be disqualified, including those characteristics that were not subject to review under paragraph (a), in order to determine whether the individual poses a risk of harm. A decision to set aside a disqualification that is the subject of the hearing constitutes a determination that the individual does not pose a risk of harm and that the individual may provide direct contact services in the individual program specified in the set aside.

(c) If a disqualification is based solely on a conviction or is conclusive for any reason under section 245C.29, the disqualified individual does not have a right to a hearing under this section.

(d) The state human services judge shall recommend an order to the commissioner of health, education, or human services, as applicable, who shall issue a final order. The commissioner shall affirm, reverse, or modify the final disposition. Any order of the commissioner issued in accordance with this subdivision is conclusive upon the parties unless appeal is taken in the manner provided in subdivision 7. In any licensing appeal under chapters 245A and 245C and sections 144.50 to 144.58 and 144A.02 to 144A.46 144A.482, the commissioner's determination as to maltreatment is conclusive, as provided under section 245C.29.
Sec. 106. Minnesota Statutes 2014, section 256.997, subdivision 4, is amended to read:

Subd. 4. Inj ury protection for work experience participants. (a) This subdivision applies to payment of any claims resulting from an alleged injury or death of a child support obligor participating in a community work experience program established and operated by a county or a judicial district department of corrections under this section.

(b) Claims that are subject to this section must be investigated by the county agency responsible for supervising the work to determine whether the claimed injury occurred, whether the claimed medical expenses are reasonable, and whether the loss is covered by the claimant's insurance. If insurance coverage is established, the county agency shall submit the claim to the appropriate insurance entity for payment. The investigating county agency shall submit all valid claims, in the amount net of any insurance payments, to the commissioner of human services.

(c) The commissioner of human services shall submit all claims for impairment compensation to the commissioner of labor and industry. The commissioner of labor and industry shall review all submitted claims and recommend to the commissioner of human services an amount of compensation comparable to what would be provided under the impairment compensation schedule of section 176.101, subdivision 2a.

(d) The commissioner of human services shall approve a claim of $1,000 or less for payment if appropriated funds are available, if the county agency responsible for supervising the work has made the determinations required by this section, and if the work program was operated in compliance with the safety provisions of this section. The commissioner shall pay the portion of an approved claim of $1,000 or less that is not covered by the claimant's insurance within three months of the date of submission. On or before February 1 of each year, the commissioner shall submit to the appropriate committees of the senate and the house of representatives a list of claims of $1,000 or less paid during the preceding calendar year and shall be reimbursed by legislative appropriation for any claims that exceed the original appropriation provided to the commissioner to operate this program. Unspent money from this appropriation carries over to the second year of the biennium, and any unspent money remaining at the end of the second year must be returned to the general fund. On or before February 1 of each year, the commissioner shall submit to the appropriate committees of the senate and the house of representatives a list of claims in excess of $1,000 and a list of claims of $1,000 or less that were submitted to but not paid by the commissioner of human services, together with any recommendations of appropriate compensation. These claims shall be heard and determined by the appropriate committees of the senate and house of representatives and, if approved, paid under the legislative claims procedure.
(e) Compensation paid under this section is limited to reimbursement for reasonable medical expenses and impairment compensation for disability in like amounts as allowed in section 176.101, subdivision 2b 2a. Compensation for injuries resulting in death shall include reasonable medical expenses and burial expenses in addition to payment to the participant's estate in an amount not to exceed the limits set forth in section 466.04. Compensation may not be paid under this section for pain and suffering, lost wages, or other benefits provided in chapter 176. Payments made under this section must be reduced by any proceeds received by the claimant from any insurance policy covering the loss. For the purposes of this section, "insurance policy" does not include the medical assistance program authorized under chapter 256B or the general assistance medical care program authorized under chapter 256D.

(f) The procedure established by this section is exclusive of all other legal, equitable, and statutory remedies against the state, its political subdivisions, or employees of the state or its political subdivisions. The claimant may not seek damages from any state or county insurance policy or self-insurance program.

(g) A claim is not valid for purposes of this subdivision if the local agency responsible for supervising the work cannot verify to the commissioner of human services:

(1) that appropriate safety training and information is provided to all persons being supervised by the agency under this subdivision; and

(2) that all programs involving work by those persons comply with federal Occupational Safety and Health Administration and state Department of Labor and Industry safety standards.

A claim that is not valid because of failure to verify safety training or compliance with safety standards may not be paid by the commissioner of human services or through the legislative claims process and must be heard, decided, and paid, if appropriate, by the local government unit responsible for supervising the work of the claimant.

Sec. 107. Minnesota Statutes 2015 Supplement, section 256B.038, is amended to read:

**256B.038 PROVIDER RATE INCREASES AFTER JUNE 30, 1999.**

(a) For fiscal years beginning on or after July 1, 1999, the commissioner of management and budget shall include an annual inflationary adjustment in payment rates for the services listed in paragraph (b) as a budget change request in each biennial detailed expenditure budget submitted to the legislature under section 16A.11. The adjustment shall be accomplished by indexing the rates in effect for inflation based on the change in the Consumer Price Index-All Items (United States city average)(CPI-U) as forecasted by
Data Resources, Inc., in the fourth quarter of the prior year for the calendar year during which the rate increase occurs.

(b) Within the limits of appropriations specifically for this purpose, the commissioner shall apply the rate increases in paragraph (a) to home and community-based waiver services for persons with developmental disabilities under section 256B.501; home and community-based waiver services for the elderly under section 256B.0915; waivered services under community access for disability inclusion under section 256B.49; community alternative care waivered services under section 256B.49; brain injury waivered services under section 256B.49; nursing services and home health services under section 256B.0625, subdivision 6a; personal care services and nursing supervision of personal care services under section 256B.0625, subdivision 19a; home care nursing services under section 256B.0625, subdivision 7; day training and habilitation services for adults with developmental disabilities under sections 252.41 to 252.46; physical therapy services under sections 256B.0625, subdivision 8, and 256D.03, subdivision 4; occupational therapy services under sections 256B.0625, subdivision 8a, and 256D.03, subdivision 4; speech-language therapy services under section 256D.03, subdivision 4, and Minnesota Rules, part 9505.0390; respiratory therapy services under section 256D.03, subdivision 4, and Minnesota Rules, part 9505.0295; physician services under section 256B.0625, subdivision 3; dental services under sections 256B.0625, subdivision 9, and 256D.03, subdivision 4; alternative care services under section 256B.0913; adult residential program grants under Minnesota Rules, parts 9535.2000 to 9535.3000 section 245.73; adult and family community support grants under Minnesota Rules, parts 9535.1700 to 9535.1760; and semi-independent living services under section 252.275, including SILS funding under county social services grants formerly funded under chapter 256L.

(c) The commissioner shall increase prepaid medical assistance program capitation rates as appropriate to reflect the rate increases in this section.

(d) In implementing this section, the commissioner shall consider proposing a schedule to equalize rates paid by different programs for the same service.

Sec. 108. Minnesota Statutes 2015 Supplement, section 256B.0622, subdivision 2, is amended to read:

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

(a) "Assertive community treatment" means intensive nonresidential rehabilitative mental health services provided according to the evidence-based practice of assertive community treatment. Core elements of this service include, but are not limited to:
(1) a multidisciplinary staff who utilize a total team approach and who serve as a
fixed point of responsibility for all service delivery;
(2) providing services 24 hours per day and seven days per week;
(3) providing the majority of services in a community setting;
(4) offering a low ratio of recipients to staff; and
(5) providing service that is not time-limited.

(b) "Intensive residential treatment services" means short-term, time-limited services
provided in a residential setting to recipients who are in need of more restrictive settings
and are at risk of significant functional deterioration if they do not receive these services.
Services are designed to develop and enhance psychiatric stability, personal and emotional
adjustment, self-sufficiency, and skills to live in a more independent setting. Services must
be directed toward a targeted discharge date with specified client outcomes.

(c) "Evidence-based practices" are nationally recognized mental health services that
are proven by substantial research to be effective in helping individuals with serious
mental illness obtain specific treatment goals.

(d) "Overnight staff" means a member of the intensive residential rehabilitative
mental health treatment team who is responsible during hours when recipients are
typically asleep.

(e) "Treatment team" means all staff who provide services under this section to
recipients. At a minimum, this includes the clinical supervisor, mental health professionals
as defined in section 245.462, subdivision 18, clauses (1) to (6); mental health practitioners
as defined in section 245.462, subdivision 17; mental health rehabilitation workers under
section 256B.0623, subdivision 5, clause (3)(4); and certified peer specialists under
section 256B.0615.

Sec. 109. Minnesota Statutes 2014, section 256B.0625, subdivision 5, is amended to
read:

Subd. 5. Community mental health center services. Medical assistance covers
community mental health center services provided by a community mental health center
that meets the requirements in paragraphs (a) to (j).

(a) The provider is licensed under Minnesota Rules, parts 9520.0750 to 9520.0870.
(b) The provider provides mental health services under the clinical supervision of a
mental health professional who is licensed for independent practice at the doctoral level or
by a board-certified psychiatrist or a psychiatrist who is eligible for board certification.
Clinical supervision has the meaning given in Minnesota Rules, part 9505.0323, subpart
4, item F 9505.0370, subpart 6.
(c) The provider must be a private nonprofit corporation or a governmental agency and have a community board of directors as specified by section 245.66.

(d) The provider must have a sliding fee scale that meets the requirements in section 245.481, and agree to serve within the limits of its capacity all individuals residing in its service delivery area.

(e) At a minimum, the provider must provide the following outpatient mental health services: diagnostic assessment; explanation of findings; family, group, and individual psychotherapy, including crisis intervention psychotherapy services, multiple family group psychotherapy, psychological testing, and medication management. In addition, the provider must provide or be capable of providing upon request of the local mental health authority day treatment services and professional home-based mental health services. The provider must have the capacity to provide such services to specialized populations such as the elderly, families with children, persons who are seriously and persistently mentally ill, and children who are seriously emotionally disturbed.

(f) The provider must be capable of providing the services specified in paragraph (e) to individuals who are diagnosed with both mental illness or emotional disturbance, and chemical dependency, and to individuals dually diagnosed with a mental illness or emotional disturbance and developmental disability.

(g) The provider must provide 24-hour emergency care services or demonstrate the capacity to assist recipients in need of such services to access such services on a 24-hour basis.

(h) The provider must have a contract with the local mental health authority to provide one or more of the services specified in paragraph (e).

(i) The provider must agree, upon request of the local mental health authority, to enter into a contract with the county to provide mental health services not reimbursable under the medical assistance program.

(j) The provider may not be enrolled with the medical assistance program as both a hospital and a community mental health center. The community mental health center's administrative, organizational, and financial structure must be separate and distinct from that of the hospital.

Sec. 110. Minnesota Statutes 2014, section 256B.0653, subdivision 2, is amended to read:

Subd. 2. Definitions. For the purposes of this section, the following terms have the meanings given.
(a) "Assessment" means an evaluation of the recipient's medical need for home health agency services by a registered nurse or appropriate therapist that is conducted within 30 days of a request.

(b) "Home care therapies" means occupational, physical, and respirator therapy and speech-language pathology services provided in the home by a Medicare certified home health agency.

(c) "Home health agency services" means services delivered in the recipient's home residence, except as specified in section 256B.0625, by a home health agency to a recipient with medical needs due to illness, disability, or physical conditions.

(d) "Home health aide" means an employee of a home health agency who completes medically oriented tasks written in the plan of care for a recipient.

(e) "Home health agency" means a home care provider agency that is Medicare-certified.

(f) "Occupational therapy services" mean the services defined in Minnesota Rules, part 9505.0390.

(g) "Physical therapy services" mean the services defined in Minnesota Rules, part 9505.0390.

(h) "Respiratory therapy services" mean the services defined in chapter 147C and Minnesota Rules, part 4668.0003, subpart 37.

(i) "Speech-language pathology services" mean the services defined in Minnesota Rules, part 9505.0390.

(j) "Skilled nurse visit" means a professional nursing visit to complete nursing tasks required due to a recipient's medical condition that can only be safely provided by a professional nurse to restore and maintain optimal health.

(k) "Store-and-forward technology" means telehomecare services that do not occur in real time via synchronous transmissions such as diabetic and vital sign monitoring.

(l) "Telehomecare" means the use of telecommunications technology via live, two-way interactive audiovisual technology which may be augmented by store-and-forward technology.

(m) "Telehomecare skilled nurse visit" means a visit by a professional nurse to deliver a skilled nurse visit to a recipient located at a site other than the site where the nurse is located and is used in combination with face-to-face skilled nurse visits to adequately meet the recipient's needs.

Sec. 111. Minnesota Statutes 2014, section 256B.0659, subdivision 22, is amended to read:
Subd. 22. **Annual review for personal care providers.** (a) All personal care assistance provider agencies shall resubmit, on an annual basis, the information specified in subdivision 21, in a format determined by the commissioner, and provide a copy of the personal care assistance provider agency's most current version of its grievance policies and procedures along with a written record of grievances and resolutions of the grievances that the personal care assistance provider agency has received in the previous year and any other information requested by the commissioner.

(b) The commissioner shall send annual review notification to personal care assistance provider agencies 30 days prior to renewal. The notification must:

1. list the materials and information the personal care assistance provider agency is required to submit;
2. provide instructions on submitting information to the commissioner; and
3. provide a due date by which the commissioner must receive the requested information.

Personal care assistance provider agencies shall submit required documentation for annual review within 30 days of notification from the commissioner. If no documentation is submitted, the personal care assistance provider agency enrollment number must be terminated or suspended.

(c) Personal care assistance provider agencies also currently licensed under Minnesota Rules, part 4668.0012, as a class A provider section 144A.471, subdivision 6 or 7, or currently certified for participation in Medicare as a home health agency are deemed in compliance with the personal care assistance requirements for enrollment, annual review process, and documentation.

Sec. 112. Minnesota Statutes 2015 Supplement, section 256B.0915, subdivision 3a, is amended to read:

Subd. 3a. **Elderly waiver cost limits.** (a) Effective on the first day of the state fiscal year in which the resident assessment system as described in section 256B.438 for nursing home rate determination is implemented and the first day of each subsequent state fiscal year, the monthly limit for the cost of waivered services to an individual elderly waiver client shall be the monthly limit of the case mix resident class to which the waiver client would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0051, in effect on the last day of the previous state fiscal year, adjusted by any legislatively adopted home and community-based services percentage rate adjustment.

(b) The monthly limit for the cost of waivered services under paragraph (a) to an individual elderly waiver client assigned to a case mix classification A with:
(1) no dependencies in activities of daily living; or

(2) up to two dependencies in bathing, dressing, grooming, walking, and eating

when the dependency score in eating is three or greater as determined by an assessment performed under section 256B.0911 shall be $1,750 per month effective on July 1, 2011, for all new participants enrolled in the program on or after July 1, 2011. This monthly limit shall be applied to all other participants who meet this criteria at reassessment. This monthly limit shall be increased annually as described in paragraphs (a) and (e).

(c) If extended medical supplies and equipment or environmental modifications are or will be purchased for an elderly waiver client, the costs may be prorated for up to 12 consecutive months beginning with the month of purchase. If the monthly cost of a recipient's waived services exceeds the monthly limit established in paragraph (a), (b), (d), or (e), the annual cost of all waived services shall be determined. In this event, the annual cost of all waived services shall not exceed 12 times the monthly limit of waived services as described in paragraph (a), (b), (d), or (e).

(d) Effective July 1, 2013, the monthly cost limit of waiver services, including any necessary home care services described in section 256B.0651, subdivision 2, for individuals who meet the criteria as ventilator-dependent given in section 256B.0651, subdivision 1, paragraph (g), shall be the average of the monthly medical assistance amount established for home care services as described in section 256B.0652, subdivision 7, and the annual average contracted amount established by the commissioner for nursing facility services for ventilator-dependent individuals. This monthly limit shall be increased annually as described in paragraphs (a) and (e).

(e) Effective July 1, 2016, and each July 1 thereafter, the monthly cost limits for elderly waiver services in effect on the previous June 30 shall be increased by the difference between any legislatively adopted home and community-based provider rate increases effective on July 1 or since the previous July 1 and the average statewide percentage increase in nursing facility operating payment rates under sections 256B.431, 256B.434, and 256B.441, effective the previous January 1. This paragraph shall only apply if the average statewide percentage increase in nursing facility operating payment rates is greater than any legislatively adopted home and community-based provider rate increases effective on July 1, or occurring since the previous July 1.

Sec. 113. Minnesota Statutes 2015 Supplement, section 256B.0915, subdivision 3e, is amended to read:

Subd. 3e. **Customized living service rate.** (a) Payment for customized living services shall be a monthly rate authorized by the lead agency within the parameters
established by the commissioner. The payment agreement must delineate the amount of
each component service included in the recipient's customized living service plan. The
lead agency, with input from the provider of customized living services, shall ensure that
there is a documented need within the parameters established by the commissioner for all
component customized living services authorized.

(b) The payment rate must be based on the amount of component services to be
provided utilizing component rates established by the commissioner. Counties and tribes
shall use tools issued by the commissioner to develop and document customized living
service plans and rates.

(c) Component service rates must not exceed payment rates for comparable elderly
waiver or medical assistance services and must reflect economies of scale. Customized
living services must not include rent or raw food costs.

(d) With the exception of individuals described in subdivision 3a, paragraph (b), the
individualized monthly authorized payment for the customized living service plan shall
not exceed 50 percent of the greater of either the statewide or any of the geographic
groups' weighted average monthly nursing facility rate of the case mix resident class
to which the elderly waiver eligible client would be assigned under Minnesota Rules,
parts 9549.0050 to 9549.0059, less the maintenance needs allowance as
described in subdivision 1d, paragraph (a). Effective on July 1 of the state fiscal year
in which the resident assessment system as described in section 256B.438 for nursing
home rate determination is implemented and July 1 of each subsequent state fiscal year,
the individualized monthly authorized payment for the services described in this clause
shall not exceed the limit which was in effect on June 30 of the previous state fiscal year
updated annually based on legislatively adopted changes to all service rate maximums for
home and community-based service providers.

(e) Effective July 1, 2011, the individualized monthly payment for the customized
living service plan for individuals described in subdivision 3a, paragraph (b), must be the
monthly authorized payment limit for customized living for individuals classified as case
mix A, reduced by 25 percent. This rate limit must be applied to all new participants
enrolled in the program on or after July 1, 2011, who meet the criteria described in
subdivision 3a, paragraph (b). This monthly limit also applies to all other participants who
meet the criteria described in subdivision 3a, paragraph (b), at reassessment.

(f) Customized living services are delivered by a provider licensed by the
Department of Health as a class A or class F home care provider and provided in a
building that is registered as a housing with services establishment under chapter 144D.
Licensed home care providers are subject to section 256B.0651, subdivision 14.
(g) A provider may not bill or otherwise charge an elderly waiver participant or their
family for additional units of any allowable component service beyond those available
under the service rate limits described in paragraph (d), nor for additional units of any
allowable component service beyond those approved in the service plan by the lead agency.

(h) Effective July 1, 2016, and each July 1 thereafter, individualized service rate
limits for customized living services under this subdivision shall be increased by the
difference between any legislatively adopted home and community-based provider rate
increases effective on July 1 or since the previous July 1 and the average statewide
percentage increase in nursing facility operating payment rates under sections 256B.431,
256B.434, and 256B.441, effective the previous January 1. This paragraph shall only
apply if the average statewide percentage increase in nursing facility operating payment
rates is greater than any legislatively adopted home and community-based provider rate
increases effective on July 1, or occurring since the previous July 1.

Sec. 114. Minnesota Statutes 2015 Supplement, section 256B.0915, subdivision 3h,
is amended to read:

Subd. 3h. Service rate limits; 24-hour customized living services. (a) The
payment rate for 24-hour customized living services is a monthly rate authorized by the
lead agency within the parameters established by the commissioner of human services.
The payment agreement must delineate the amount of each component service included
in each recipient's customized living service plan. The lead agency, with input from
the provider of customized living services, shall ensure that there is a documented need
within the parameters established by the commissioner for all component customized
living services authorized. The lead agency shall not authorize 24-hour customized living
services unless there is a documented need for 24-hour supervision.

(b) For purposes of this section, "24-hour supervision" means that the recipient
requires assistance due to needs related to one or more of the following:

(1) intermittent assistance with toileting, positioning, or transferring;
(2) cognitive or behavioral issues;
(3) a medical condition that requires clinical monitoring; or

(4) for all new participants enrolled in the program on or after July 1, 2011, and
all other participants at their first reassessment after July 1, 2011, dependency in at
least three of the following activities of daily living as determined by assessment under
section 256B.0911: bathing; dressing; grooming; walking; or eating when the dependency
score in eating is three or greater; and needs medication management and at least 50
hours of service per month. The lead agency shall ensure that the frequency and mode
of supervision of the recipient and the qualifications of staff providing supervision are
described and meet the needs of the recipient.

(c) The payment rate for 24-hour customized living services must be based on the
amount of component services to be provided utilizing component rates established by the
commissioner. Counties and tribes will use tools issued by the commissioner to develop
and document customized living plans and authorize rates.

(d) Component service rates must not exceed payment rates for comparable elderly
waiver or medical assistance services and must reflect economies of scale.

(e) The individually authorized 24-hour customized living payments, in combination
with the payment for other elderly waiver services, including case management, must not
exceed the recipient's community budget cap specified in subdivision 3a. Customized
living services must not include rent or raw food costs.

(f) The individually authorized 24-hour customized living payment rates shall not
exceed the 95 percentile of statewide monthly authorizations for 24-hour customized
living services in effect and in the Medicaid management information systems on March
31, 2009, for each case mix resident class under Minnesota Rules, parts 9549.0050
9549.0051 to 9549.0059, to which elderly waiver service clients are assigned. When there
are fewer than 50 authorizations in effect in the case mix resident class, the commissioner
shall multiply the calculated service payment rate maximum for the A classification by the
standard weight for that classification under Minnesota Rules, parts 9549.0050 9549.0051
9549.0059, to determine the applicable payment rate maximum. Service payment rate
maxima shall be updated annually based on legislatively adopted changes to all service
rates for home and community-based service providers.

(g) Notwithstanding the requirements of paragraphs (d) and (f), the commissioner
may establish alternative payment rate systems for 24-hour customized living services in
housing with services establishments which are freestanding buildings with a capacity of
16 or fewer, by applying a single hourly rate for covered component services provided
in either:

(1) licensed corporate adult foster homes; or

(2) specialized dementia care units which meet the requirements of section 144D.065
and in which:

(i) each resident is offered the option of having their own apartment; or

(ii) the units are licensed as board and lodge establishments with maximum capacity
of eight residents, and which meet the requirements of Minnesota Rules, part 9555.6205,
subparts 1, 2, 3, and 4, item A.
(h) Twenty-four-hour customized living services are delivered by a provider licensed by the Department of Health as a class A or class F home care provider and provided in a building that is registered as a housing with services establishment under chapter 144D. Licensed home care providers are subject to section 256B.0651, subdivision 14.

(i) A provider may not bill or otherwise charge an elderly waiver participant or their family for additional units of any allowable component service beyond those available under the service rate limits described in paragraph (e), nor for additional units of any allowable component service beyond those approved in the service plan by the lead agency.

(j) Effective July 1, 2016, and each July 1 thereafter, individualized service rate limits for 24-hour customized living services under this subdivision shall be increased by the difference between any legislatively adopted home and community-based provider rate increases effective on July 1 or since the previous July 1 and the average statewide percentage increase in nursing facility operating payment rates under sections 256B.431, 256B.434, and 256B.441, effective the previous January 1. This paragraph shall only apply if the average statewide percentage increase in nursing facility operating payment rates is greater than any legislatively adopted home and community-based provider rate increases effective on July 1, or occurring since the previous July 1.

Sec. 115. Minnesota Statutes 2014, section 256B.092, subdivision 4a, is amended to read:

Subd. 4a. Demonstration projects. The commissioner may waive state rules governing home and community-based services in order to demonstrate other methods of administering these services and to improve efficiency and responsiveness to individual needs of persons with developmental disabilities, notwithstanding section 14.05, subdivision 4, sections 14.055 and 14.056. All demonstration projects approved by the commissioner must comply with state laws and federal regulations, must remain within the fiscal limitations of the home and community-based services program for persons with developmental disabilities, and must assure the health and welfare of the persons receiving services.

Sec. 116. Minnesota Statutes 2014, section 256B.093, subdivision 3, is amended to read:

Subd. 3. Traumatic brain injury program duties. The department shall fund administrative case management under this subdivision using medical assistance administrative funds. The traumatic brain injury program duties include:

(1) recommending to the commissioner in consultation with the medical review agent according to Minnesota Rules, parts 9505.0501 to 9505.0540, the
89.1 approval or denial of medical assistance funds to pay for out-of-state placements for
89.2 traumatic brain injury services and in-state traumatic brain injury services provided by
89.3 designated Medicare long-term care hospitals;
89.4 (2) coordinating the brain injury home and community-based waiver;
89.5 (3) providing ongoing technical assistance and consultation to county and facility
89.6 case managers to facilitate care plan development for appropriate, accessible, and
89.7 cost-effective medical assistance services;
89.8 (4) providing technical assistance to promote statewide development of appropriate,
89.9 accessible, and cost-effective medical assistance services and related policy;
89.10 (5) providing training and outreach to facilitate access to appropriate home and
89.11 community-based services to prevent institutionalization;
89.12 (6) facilitating appropriate admissions, continued stay review, discharges, and
89.13 utilization review for neurobehavioral hospitals and other specialized institutions;
89.14 (7) providing technical assistance on the use of prior authorization of home care
89.15 services and coordination of these services with other medical assistance services;
89.16 (8) developing a system for identification of nursing facility and hospital residents
89.17 with traumatic brain injury to assist in long-term planning for medical assistance services.
89.18 Factors will include, but are not limited to, number of individuals served, length of stay,
89.19 services received, and barriers to community placement; and
89.20 (9) providing information, referral, and case consultation to access medical
89.21 assistance services for recipients without a county or facility case manager. Direct access
89.22 to this assistance may be limited due to the structure of the program.

Sec. 117. Minnesota Statutes 2014, section 256B.0947, subdivision 3a, is amended to
read:

Subd. 3a. Required service components. (a) Subject to federal approval, medical
89.25 assistance covers all medically necessary intensive nonresidential rehabilitative mental
89.26 health services and supports, as defined in this section, under a single daily rate per client.
89.27 Services and supports must be delivered by an eligible provider under subdivision 5
89.28 to an eligible client under subdivision 3.
89.29 (b) Intensive nonresidential rehabilitative mental health services, supports, and
89.30 ancillary activities covered by the single daily rate per client must include the following,
89.31 as needed by the individual client:
89.32 (1) individual, family, and group psychotherapy;
89.33 (2) individual, family, and group skills training, as defined in section 256B.0943,
89.34 subdivision 1, paragraph (t) (t);
(3) crisis assistance as defined in section 245.4871, subdivision 9a, which includes
recognition of factors precipitating a mental health crisis, identification of behaviors
related to the crisis, and the development of a plan to address prevention, intervention, and
follow-up strategies to be used in the lead-up to or onset of, and conclusion of, a mental
health crisis; crisis assistance does not mean crisis response services or crisis intervention
services provided in section 256B.0944;

(4) medication management provided by a physician or an advanced practice
registered nurse with certification in psychiatric and mental health care;

(5) mental health case management as provided in section 256B.0625, subdivision 20;

(6) medication education services as defined in this section;

(7) care coordination by a client-specific lead worker assigned by and responsible to
the treatment team;

(8) psychoeducation of and consultation and coordination with the client's biological,
adoptive, or foster family and, in the case of a youth living independently, the client's
immediate nonfamilial support network;

(9) clinical consultation to a client's employer or school or to other service agencies
or to the courts to assist in managing the mental illness or co-occurring disorder and to
develop client support systems;

(10) coordination with, or performance of, crisis intervention and stabilization
services as defined in section 256B.0944;

(11) assessment of a client's treatment progress and effectiveness of services using
standardized outcome measures published by the commissioner;

(12) transition services as defined in this section;

(13) integrated dual disorders treatment as defined in this section; and

(14) housing access support.

(c) The provider shall ensure and document the following by means of performing
the required function or by contracting with a qualified person or entity:

(1) client access to crisis intervention services, as defined in section 256B.0944, and
available 24 hours per day and seven days per week;

(2) completion of an extended diagnostic assessment, as defined in Minnesota Rules,
part 9505.0372, subpart 1, item C; and

(3) determination of the client's needed level of care using an instrument approved
and periodically updated by the commissioner.

Sec. 118. Minnesota Statutes 2014, section 256B.25, subdivision 3, is amended to read:

Subd. 3. Payment exceptions. The limitation in subdivision 2 shall not apply to:
(a) payment of Minnesota supplemental assistance funds to recipients who reside in facilities which are involved in litigation contesting their designation as an institution for treatment of mental disease;

(b) payment or grants to a boarding care home or supervised living facility licensed by the Department of Human Services under Minnesota Rules, parts 9520.0500 to 9520.0690, 9530.2500 to 9530.4000 chapter 2960, 9545.0900 to 9545.1090, or 9545.1400 to 9545.1500 or chapter 9530, or payment to recipients who reside in these facilities;

(c) payments or grants to a boarding care home or supervised living facility which are ineligible for certification under United States Code, title 42, sections 1396-1396p;

(d) payments or grants otherwise specifically authorized by statute or rule.

Sec. 119. Minnesota Statutes 2015 Supplement, section 256B.431, subdivision 2b, is amended to read:

Subd. 2b. Operating costs after July 1, 1985. (a) For rate years beginning on or after July 1, 1985, the commissioner shall establish procedures for determining per diem reimbursement for operating costs.

(b) The commissioner shall contract with an econometric firm with recognized expertise in and access to national economic change indices that can be applied to the appropriate cost categories when determining the operating cost payment rate.

(c) The commissioner shall analyze and evaluate each nursing facility's cost report of allowable operating costs incurred by the nursing facility during the reporting year immediately preceding the rate year for which the payment rate becomes effective.

(d) The commissioner shall establish limits on actual allowable historical operating cost per diems based on cost reports of allowable operating costs for the reporting year that begins October 1, 1983, taking into consideration relevant factors including resident needs, geographic location, and size of the nursing facility. In developing the geographic groups for purposes of reimbursement under this section, the commissioner shall ensure that nursing facilities in any county contiguous to the Minneapolis-St. Paul seven-county metropolitan area are included in the same geographic group. The limits established by the commissioner shall not be less, in the aggregate, than the 60th percentile of total actual allowable historical operating cost per diems for each group of nursing facilities established under subdivision 1 based on cost reports of allowable operating costs in the previous reporting year. For rate years beginning on or after July 1, 1989, facilities located in geographic group I as described in Minnesota Rules, part 9549.0052, on January 1, 1989, may choose to have the commissioner apply either the care related limits or the other operating cost limits calculated for facilities located in geographic group II, or both, if
either of the limits calculated for the group II facilities is higher. The efficiency incentive
for geographic group I nursing facilities must be calculated based on geographic group I
limits. The phase-in must be established utilizing the chosen limits. For purposes of these
exceptions to the geographic grouping requirements, the definitions in Minnesota Rules,
parts 9549.0050 to 9549.0059 (Emergency), and 9549.0010 to 9549.0080,
apply. The limits established under this paragraph remain in effect until the commissioner
establishes a new base period. Until the new base period is established, the commissioner
shall adjust the limits annually using the appropriate economic change indices established
in paragraph (e). In determining allowable historical operating cost per diems for purposes
of setting limits and nursing facility payment rates, the commissioner shall divide the
allowable historical operating costs by the actual number of resident days, except that
where a nursing facility is occupied at less than 90 percent of licensed capacity days, the
commissioner may establish procedures to adjust the computation of the per diem to
an imputed occupancy level at or below 90 percent. The commissioner shall establish
efficiency incentives as appropriate. The commissioner may establish efficiency incentives
for different operating cost categories. The commissioner shall consider establishing
efficiency incentives in care related cost categories. The commissioner may combine one
or more operating cost categories and may use different methods for calculating payment
rates for each operating cost category or combination of operating cost categories. For the
rate year beginning on July 1, 1985, the commissioner shall:

(1) allow nursing facilities that have an average length of stay of 180 days or less in
their skilled nursing level of care, 125 percent of the care related limit and 105 percent
of the other operating cost limit established by rule; and

(2) exempt nursing facilities licensed on July 1, 1983, by the commissioner to
provide residential services for the physically disabled under Minnesota Rules, parts
9570.2000 and 9570.3400, from the care related limits and allow 105 percent of
the other operating cost limit established by rule.

For the purpose of calculating the other operating cost efficiency incentive for
nursing facilities referred to in clause (1) or (2), the commissioner shall use the other
operating cost limit established by rule before application of the 105 percent.

(e) The commissioner shall establish a composite index or indices by determining
the appropriate economic change indicators to be applied to specific operating cost
categories or combination of operating cost categories.

(f) Each nursing facility shall receive an operating cost payment rate equal to the sum
of the nursing facility's operating cost payment rates for each operating cost category. The
operating cost payment rate for an operating cost category shall be the lesser of the nursing
facility's historical operating cost in the category increased by the appropriate index

established in paragraph (e) for the operating cost category plus an efficiency incentive

established pursuant to paragraph (d) or the limit for the operating cost category increased

by the same index. If a nursing facility's actual historic operating costs are greater than the

prospective payment rate for that rate year, there shall be no retroactive cost settle up. In

establishing payment rates for one or more operating cost categories, the commissioner may

establish separate rates for different classes of residents based on their relative care needs.

(g) The commissioner shall include the reported actual real estate tax liability or

payments in lieu of real estate tax of each nursing facility as an operating cost of that

nursing facility. Allowable costs under this subdivision for payments made by a nonprofit

nursing facility that are in lieu of real estate taxes shall not exceed the amount which the

nursing facility would have paid to a city or township and county for fire, police, sanitation

services, and road maintenance costs had real estate taxes been levied on that property

for those purposes. For rate years beginning on or after July 1, 1987, the reported actual

real estate tax liability or payments in lieu of real estate tax of nursing facilities shall be

adjusted to include an amount equal to one-half of the dollar change in real estate taxes

from the prior year. The commissioner shall include a reported actual special assessment,

and reported actual license fees required by the Minnesota Department of Health, for each

nursing facility as an operating cost of that nursing facility. For rate years beginning

on or after July 1, 1989, the commissioner shall include a nursing facility's reported

Public Employee Retirement Act contribution for the reporting year as apportioned to the

care-related operating cost categories and other operating cost categories multiplied by

the appropriate composite index or indices established pursuant to paragraph (e) as costs

under this paragraph. Total adjusted real estate tax liability, payments in lieu of real

estate tax, actual special assessments paid, the indexed Public Employee Retirement Act

contribution, and license fees paid as required by the Minnesota Department of Health,

for each nursing facility (1) shall be divided by actual resident days in order to compute

the operating cost payment rate for this operating cost category, (2) shall not be used to

compute the care-related operating cost limits or other operating cost limits established

by the commissioner, and (3) shall not be increased by the composite index or indices

established pursuant to paragraph (e), unless otherwise indicated in this paragraph.

Sec. 120. Minnesota Statutes 2014, section 256B.438, subdivision 4, is amended to read:

Subd. 4. Resident assessment schedule. (a) Nursing facilities shall conduct and

submit case mix assessments according to the schedule established by the commissioner

of health under section 144.0724, subdivisions 4 and 5.
(b) The resident reimbursement classifications established under section 144.0724, subdivision 3a, shall be effective the day of admission for new admission assessments. The effective date for significant change assessments shall be the assessment reference date. The effective date for annual and quarterly assessments shall be the first day of the month following assessment reference date.

c) Effective October 1, 2006, the commissioner shall rebase payment rates to account for the change in the resident assessment schedule in section 144.0724, subdivision 4, paragraph (b), clause (4), in a facility specific budget neutral manner, according to subdivision 7, paragraph (b).

d) Effective January 1, 2012, the commissioner shall determine payment rates to account for the transition to RUG-IV, in a facility-specific, revenue-neutral manner, according to subdivision 8, paragraph (b).

Sec. 121. Minnesota Statutes 2014, section 256B.47, subdivision 1, is amended to read:

Subdivision 1. Nonallowable costs. The following costs shall not be recognized as allowable: (1) political contributions; (2) salaries or expenses of a lobbyist, as defined in section 10A.01, subdivision 21, for lobbying activities; (3) advertising designed to encourage potential residents to select a particular nursing facility; (4) assessments levied by the commissioner of health for uncorrected violations; (5) legal and related expenses for unsuccessful challenges to decisions by governmental agencies; (6) memberships in sports, health or similar social clubs or organizations; (7) costs incurred for activities directly related to influencing employees with respect to unionization; and (8) direct and indirect costs of providing services which are billed separately from the nursing facility's payment rate or pursuant to Minnesota Rules, parts 9500.0750 to 9500.1080 9505.0170 to 9505.0475. The commissioner shall by rule exclude the costs of any other items not directly related to the provision of resident care.

Sec. 122. Minnesota Statutes 2014, section 256B.47, subdivision 3, is amended to read:

Subd. 3. Allocation of costs. To ensure the avoidance of double payments as required by section 256B.433, the direct and indirect reporting year costs of providing residents of nursing facilities that are not hospital attached with therapy services that are billed separately from the nursing facility payment rate or according to Minnesota Rules, parts 9500.0750 to 9500.1080 9505.0170 to 9505.0475, must be determined and deducted from the appropriate cost categories of the annual cost report as follows:
(a) The costs of wages and salaries for employees providing or participating in
providing and consultants providing services shall be allocated to the therapy service
based on direct identification.

(b) The costs of fringe benefits and payroll taxes relating to the costs in paragraph (a)
must be allocated to the therapy service based on direct identification or the ratio of total
costs in paragraph (a) to the sum of total allowable salaries and the costs in paragraph (a).

(c) The costs of housekeeping, plant operations and maintenance, real estate taxes,
special assessments, and insurance, other than the amounts classified as a fringe benefit,
must be allocated to the therapy service based on the ratio of service area square footage
to total facility square footage.

(d) The costs of bookkeeping and medical records must be allocated to the therapy
service either by the method in paragraph (e) or based on direct identification. Direct
identification may be used if adequate documentation is provided to, and accepted by,
the commissioner.

(e) The costs of administrators, bookkeeping, and medical records salaries, except
as provided in paragraph (d), must be allocated to the therapy service based on the ratio
of the total costs in paragraphs (a) to (d) to the sum of total allowable nursing facility
costs and the costs in paragraphs (a) to (d).

(f) The cost of property must be allocated to the therapy service and removed from the
nursing facility's property-related payment rate, based on the ratio of service area square
footage to total facility square footage multiplied by the property-related payment rate.

Sec. 123. Minnesota Statutes 2014, section 256B.47, subdivision 4, is amended to read:

Subd. 4. Allocation of costs; hospital-attached facilities. To ensure the avoidance
of double payments as required by section 256B.433, the direct and indirect reporting
year costs of providing therapy services to residents of a hospital-attached nursing
facility, when the services are billed separately from the nursing facility's payment rate or
according to Minnesota Rules, parts 9500.0750 to 9500.1080 9505.0170 to 9505.0475,
must be determined and deducted from the appropriate cost categories of the annual cost
report based on the Medicare step-down as prepared in accordance with instructions
provided by the commissioner.

Sec. 124. Minnesota Statutes 2014, section 256B.4914, subdivision 9, is amended to
read:

Subd. 9. Payments for unit-based services without programming. Payments for
unit-based without program services without programming, including night supervision,
personal support, respite, and companion care provided to an individual outside of any day
or residential service plan must be calculated as follows unless the services are authorized
separately under subdivision 6 or 7:

(1) for all services except respite, determine the number of units of service to meet
a recipient's needs;

(2) personnel hourly wage rates must be based on the 2009 Bureau of Labor Statistics
Minnesota-specific rate or rates derived by the commissioner as provided in subdivision 5;

(3) for a recipient requiring customization for deaf and hard-of-hearing language
accessibility under subdivision 12, add the customization rate provided in subdivision 12
to the result of clause (2). This is defined as the customized direct care rate;

(4) multiply the number of direct staff hours by the appropriate staff wage in
subdivision 5 or the customized direct care rate;

(5) multiply the number of direct staff hours by the product of the supervision span
of control ratio in subdivision 5, paragraph (f), clause (1), and the appropriate supervision
wage in subdivision 5, paragraph (a), clause (16);

(6) combine the results of clauses (4) and (5), and multiply the result by one plus
the employee vacation, sick, and training allowance ratio in subdivision 5, paragraph (f),
clause (2). This is defined as the direct staffing rate;

(7) for program plan support, multiply the result of clause (6) by one plus the
program plan support ratio in subdivision 5, paragraph (f), clause (4);

(8) for employee-related expenses, multiply the result of clause (7) by one plus the
employee-related cost ratio in subdivision 5, paragraph (f), clause (3);

(9) for client programming and supports, multiply the result of clause (8) by one plus
the client programming and support ratio in subdivision 5, paragraph (f), clause (5);

(10) this is the subtotal rate;

(11) sum the standard general and administrative rate, the program-related expense
ratio, and the absence and utilization factor ratio;

(12) divide the result of clause (10) by one minus the result of clause (11). This is
the total payment amount;

(13) for respite services, determine the number of day units of service to meet an
individual's needs;

(14) personnel hourly wage rates must be based on the 2009 Bureau of Labor Statistics
Minnesota-specific rate or rates derived by the commissioner as provided in subdivision 5;

(15) for a recipient requiring deaf and hard-of-hearing customization under
subdivision 12, add the customization rate provided in subdivision 12 to the result of
clause (14). This is defined as the customized direct care rate;
(16) multiply the number of direct staff hours by the appropriate staff wage in subdivision 5, paragraph (a);

(17) multiply the number of direct staff hours by the product of the supervisory span of control ratio in subdivision 5, paragraph (g), clause (1), and the appropriate supervision wage in subdivision 5, paragraph (a), clause (16);

(18) combine the results of clauses (16) and (17), and multiply the result by one plus the employee vacation, sick, and training allowance ratio in subdivision 5, paragraph (g), clause (2). This is defined as the direct staffing rate;

(19) for employee-related expenses, multiply the result of clause (18) by one plus the employee-related cost ratio in subdivision 5, paragraph (g), clause (3);

(20) this is the subtotal rate;

(21) sum the standard general and administrative rate, the program-related expense ratio, and the absence and utilization factor ratio;

(22) divide the result of clause (20) by one minus the result of clause (21). This is the total payment amount; and

(23) adjust the result of clauses (12) and (22) by a factor to be determined by the commissioner to adjust for regional differences in the cost of providing services.

Sec. 125. Minnesota Statutes 2015 Supplement, section 256B.50, subdivision 1, is amended to read:

Subdivision 1. **Scope.** A provider may appeal from a determination of a payment rate established pursuant to this chapter or allowed costs under section 256B.441 and reimbursement rules of the commissioner if the appeal, if successful, would result in a change to the provider's payment rate or to the calculation of maximum charges to therapy vendors as provided by section 256B.433, subdivision 3. Appeals must be filed in accordance with procedures in this section. This section does not apply to a request from a resident or long-term care facility for reconsideration of the classification of a resident under section 144.0722.

Sec. 126. Minnesota Statutes 2014, section 256B.50, subdivision 1a, is amended to read:

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

(a) "Determination of a payment rate" means the process by which the commissioner establishes the payment rate paid to a provider pursuant to this chapter, including determinations made in desk audit, field audit, or pursuant to an amendment filed by the provider.
(b) "Provider" means a nursing facility as defined in section 256B.421, subdivision 7, or a facility as defined in section 256B.501, subdivision 1.

e) "Reimbursement rules" means Minnesota Rules, parts 9510.0010 to 9510.0480, 9510.0500 to 9510.0890, and rules adopted by the commissioner pursuant to sections 256B.41 and 256B.501, subdivision 3.

Sec. 127. Minnesota Statutes 2014, section 256B.501, subdivision 11, is amended to read:

Subd. 11. Investment per bed limits; interest expense limitations; leases. (a) The provisions of Minnesota Rules, part 9553.0075, except as modified under this subdivision, shall apply to newly constructed or established facilities that are certified for medical assistance on or after May 1, 1990.

(b) For purposes of establishing payment rates under this subdivision and Minnesota Rules, parts 9553.0010 to 9553.0080, the term "newly constructed or newly established" means a facility (1) for which a need determination has been approved by the commissioner under sections 252.28 and 252.291; (2) whose program is newly licensed under Minnesota Rules, parts 9525.0210 to 9525.0355, chapter 245D and certified under Code of Federal Regulations, title 42, section 442.400, et seq.; and (3) that is part of a proposal that meets the requirements of section 252.291, subdivision 2, paragraph (a), clause (2). The term does not include a facility for which a need determination was granted solely for other reasons such as the relocation of a facility; a change in the facility's name, program, number of beds, type of beds, or ownership; or the sale of a facility, unless the relocation of a facility to one or more service sites is the result of a closure of a facility under section 252.292, in which case clause (3) shall not apply. The term does include a facility that converts more than 50 percent of its licensed beds from class A to class B residential or class B institutional to serve persons discharged from state regional treatment centers on or after May 1, 1990, in which case clause (3) does not apply.

(c) Newly constructed or newly established facilities that are certified for medical assistance on or after May 1, 1990, shall be allowed the capital asset investment per bed limits as provided in clauses (1) to (4).

(1) The 1990 calendar year investment per bed limit for a facility's land must not exceed $5,700 per bed for newly constructed or newly established facilities in Hennepin, Ramsey, Anoka, Washington, Dakota, Scott, Carver, Chisago, Isanti, Wright, Benton, Sherburne, Stearns, St. Louis, Clay, and Olmsted Counties, and must not exceed $3,000 per bed for newly constructed or newly established facilities in other counties.
(2) The 1990 calendar year investment per bed limit for a facility's depreciable capital assets must not exceed $44,800 for class B residential beds, and $45,200 for class B institutional beds.

(3) The investment per bed limit in clause (2) must not be used in determining the three-year average percentage increase adjustment in Minnesota Rules, part 9553.0060, subpart 1, item C, subitem (4), for facilities that were newly constructed or newly established before May 1, 1990.

(4) The investment per bed limits in clause (2) and Minnesota Rules, part 9553.0060, subpart 1, item C, subitem (2) shall be adjusted annually beginning January 1, 1991, and each January 1 following, as provided in Minnesota Rules, part 9553.0060, subpart 1, item C, subitem (2), except that the index utilized will be the Bureau of the Census: Composite Fixed-Weighted Price Index as published in the Survey of Current Business.

(d) A newly constructed or newly established facility's interest expense limitation as provided for in Minnesota Rules, part 9553.0060, subpart 3, item F, on capital debt for capital assets acquired during the interim or settle-up period, shall be increased by 2.5 percentage points for each full .25 percentage points that the facility's interest rate on its mortgage is below the maximum interest rate as established in Minnesota Rules, part 9553.0060, subpart 2, item A, subitem (2). For all following rate periods, the interest expense limitation on capital debt in Minnesota Rules, part 9553.0060, subpart 3, item F, shall apply to the facility's capital assets acquired, leased, or constructed after the interim or settle-up period. If a newly constructed or newly established facility is acquired by the state, the limitations of this paragraph and Minnesota Rules, part 9553.0060, subpart 3, item F, shall not apply.

(e) If a newly constructed or newly established facility is leased with an arm's-length lease as provided for in Minnesota Rules, part 9553.0060, subpart 7, the lease agreement shall be subject to the following conditions:

(1) the term of the lease, including option periods, must not be less than 20 years;
(2) the maximum interest rate used in determining the present value of the lease must not exceed the lesser of the interest rate limitation in Minnesota Rules, part 9553.0060, subpart 2, item A, subitem (2), or 16 percent; and
(3) the residual value used in determining the net present value of the lease must be established using the provisions of Minnesota Rules, part 9553.0060.

(f) All leases of the physical plant of an intermediate care facility for the developmentally disabled shall contain a clause that requires the owner to give the commissioner notice of any requests or orders to vacate the premises 90 days before such vacation of the premises is to take place. In the case of eviction actions, the owner...
shall notify the commissioner within three days of notice of an eviction action being
served upon the tenant. The only exception to this notice requirement is in the case of
emergencies where immediate vacation of the premises is necessary to assure the safety
and welfare of the residents. In such an emergency situation, the owner shall give the
commissioner notice of the request to vacate at the time the owner of the property is aware
that the vacating of the premises is necessary. This section applies to all leases entered
into after May 1, 1990. Rentals set in leases entered into after that date that do not contain
this clause are not allowable costs for purposes of medical assistance reimbursement.

(g) A newly constructed or newly established facility's preopening costs are subject
to the provisions of Minnesota Rules, part 9553.0035, subpart 12, and must be limited to
only those costs incurred during one of the following periods, whichever is shorter:

1. between the date the commissioner approves the facility's need determination
   and 30 days before the date the facility is certified for medical assistance; or
2. the 12-month period immediately preceding the 30 days before the date the
   facility is certified for medical assistance.

(h) The development of any newly constructed or newly established facility as
defined in this subdivision and projected to be operational after July 1, 1991, by the
commissioner of human services shall be delayed until July 1, 1993, except for those
facilities authorized by the commissioner as a result of a closure of a facility according
to section 252.292 prior to January 1, 1991, or those facilities developed as a result of a
receivership of a facility according to section 245A.12. This paragraph does not apply to
state-operated community facilities authorized in section 252.50.

Sec. 128. Minnesota Statutes 2014, section 256B.5013, subdivision 1, is amended to
read:

Subdivision 1. **Variable rate adjustments.** (a) For rate years beginning on or after
October 1, 2000, when there is a documented increase in the needs of a current ICF/DD
recipient, the county of financial responsibility may recommend a variable rate to enable
the facility to meet the individual's increased needs. Variable rate adjustments made under
this subdivision replace payments for persons with special needs under section 256B.501,
subdivision 8, and payments for persons with special needs for crisis intervention services
under section 256B.501, subdivision 8a. Effective July 1, 2003, facilities with a base rate
above the 50th percentile of the statewide average reimbursement rate for a Class A
facility or Class B facility, whichever matches the facility licensure, are not eligible for a
variable rate adjustment. Variable rate adjustments may not exceed a 12-month period,
except when approved for purposes established in paragraph (b), clause (1). Variable rate
adjustments approved solely on the basis of changes on a developmental disabilities
screening document will end June 30, 2002.
(b) A variable rate may be recommended by the county of financial responsibility
for increased needs in the following situations:
(1) a need for resources due to an individual's full or partial retirement from
participation in a day training and habilitation service when the individual: (i) has reached
the age of 65 or has a change in health condition that makes it difficult for the person
to participate in day training and habilitation services over an extended period of time
because it is medically contraindicated; and (ii) has expressed a desire for change through
the developmental disability screening process under section 256B.092;
(2) a need for additional resources for intensive short-term programming which is
necessary prior to an individual's discharge to a less restrictive, more integrated setting;
(3) a demonstrated medical need that significantly impacts the type or amount of
services needed by the individual; or
(4) a demonstrated behavioral need that significantly impacts the type or amount of
services needed by the individual.
(c) The county of financial responsibility must justify the purpose, the projected
length of time, and the additional funding needed for the facility to meet the needs of
the individual.
(d) The facility shall provide an annual report to the county case manager on
the use of the variable rate funds and the status of the individual on whose behalf the
funds were approved. The county case manager will forward the facility's report with a
recommendation to the commissioner to approve or disapprove a continuation of the
variable rate.
(e) Funds made available through the variable rate process that are not used by
the facility to meet the needs of the individual for whom they were approved shall be
returned to the state.
Sec. 129. Minnesota Statutes 2014, section 256B.69, subdivision 5, is amended to read:
Subd. 5. Prospective per capita payment. The commissioner shall establish the
method and amount of payments for services. The commissioner shall annually contract
with demonstration providers to provide services consistent with these established
methods and amounts for payment.
If allowed by the commissioner, a demonstration provider may contract with an
insurer, health care provider, nonprofit health service plan corporation, or the commissioner,
to provide insurance or similar protection against the cost of care provided by the
demonstration provider or to provide coverage against the risks incurred by demonstration
providers under this section. The recipients enrolled with a demonstration provider are
a permissible group under group insurance laws and chapter 62C, the Nonprofit Health
Service Plan Corporations Act. Under this type of contract, the insurer or corporation may
make benefit payments to a demonstration provider for services rendered or to be rendered
to a recipient. Any insurer or nonprofit health service plan corporation licensed to do
business in this state is authorized to provide this insurance or similar protection.

Payments to providers participating in the project are exempt from the requirements
of sections 256.966 and 256B.03, subdivision 2. The commissioner shall complete
development of capitation rates for payments before delivery of services under this section
is begun. The commissioner shall contract with an independent actuary to establish
prepayment rates.

Beginning July 1, 2004, the commissioner may include payments for elderly waiver
services and 180 days of nursing home care in capitation payments for the prepaid medical
assistance program for recipients age 65 and older.

Sec. 130. Minnesota Statutes 2014, section 256B.71, subdivision 4, is amended to read:

Subd. 4. Payment for services. Notwithstanding section 256.966 and this chapter,
the method of payment utilized for the social health maintenance organization projects
shall be the method developed by the commissioner of human services in consultation
with local project staff and the federal Department of Health and Human Services, Centers
for Medicare and Medicaid Services, Office of Demonstrations. This subdivision applies
only to the payment method for the social health maintenance organization projects.

Sec. 131. Minnesota Statutes 2014, section 256B.76, subdivision 5, is amended to read:

Subd. 5. Outpatient rehabilitation facility. An entity that operates both a
Medicare certified comprehensive outpatient rehabilitation facility and a facility which
was certified prior to January 1, 1993, that is licensed under Minnesota Rules, parts
9570.2000 to 9570.3600 9570.3400, and for whom at least 33 percent of the clients
receiving rehabilitation services in the most recent calendar year are medical assistance
recipients, shall be reimbursed by the commissioner for rehabilitation services at rates that
are 38 percent greater than the maximum reimbursement rate allowed under subdivision 1,
paragraph (a), clause (2), when those services are (1) provided within the comprehensive
outpatient rehabilitation facility and (2) provided to residents of nursing facilities owned
by the entity.
Sec. 132. Minnesota Statutes 2015 Supplement, section 256B.765, is amended to read:

256B.765 PROVIDER RATE INCREASES.

(a) Effective July 1, 2001, within the limits of appropriations specifically for this purpose, the commissioner shall provide an annual inflation adjustment for the providers listed in paragraph (c). The index for the inflation adjustment must be based on the change in the Employment Cost Index for Private Industry Workers - Total Compensation forecasted by Data Resources, Inc., as forecasted in the fourth quarter of the calendar year preceding the fiscal year. The commissioner shall increase reimbursement or allocation rates by the percentage of this adjustment, and county boards shall adjust provider contracts as needed.

(b) The commissioner of management and budget shall include an annual inflationary adjustment in reimbursement rates for the providers listed in paragraph (c) using the inflation factor specified in paragraph (a) as a budget change request in each biennial detailed expenditure budget submitted to the legislature under section 16A.11.

(c) The annual adjustment under paragraph (a) shall be provided for home and community-based waiver services for persons with developmental disabilities under section 256B.501; home and community-based waiver services for the elderly under section 256B.0915; waived services under community access for disability inclusion under section 256B.49; community alternative care waived services under section 256B.49; brain injury waived services under section 256B.49; nursing services and home health services under section 256B.0625, subdivision 6a; personal care services and nursing supervision of personal care services under section 256B.0625, subdivision 19a; home care nursing services under section 256B.0625, subdivision 7; day training and habilitation services for adults with developmental disabilities under sections 252.41 to 252.46; physical therapy services under sections 256B.0625, subdivision 8, and 256D.03, subdivision 4; occupational therapy services under sections 256B.0625, subdivision 8a, and 256D.03, subdivision 4; speech-language therapy services under section 256D.03, subdivision 4, and Minnesota Rules, part 9505.0390; respiratory therapy services under section 256D.03, subdivision 4, and Minnesota Rules, part 9505.0295; alternative care services under section 256B.0913; adult residential program grants under Minnesota Rules, parts 9535.2000 to 9535.3000 section 245.73; adult and family community support grants under Minnesota Rules, parts 9535.1700 to 9535.1760; semi-independent living services under section 252.275 including SILS funding under county social services grants formerly funded under chapter 256I; and community support services for deaf and hard-of-hearing adults with mental illness who use or wish to use sign language as their primary means of communication.
Sec. 133. Minnesota Statutes 2014, section 256B.77, subdivision 10, is amended to read:

104.2 Subd. 10. Capitation payment. (a) The commissioner shall pay a capitation payment to the county authority and, when applicable under subdivision 6, paragraph (a), to the service delivery organization for each medical assistance eligible enrollee. The commissioner shall develop capitation payment rates for the initial contract period for each demonstration site in consultation with an independent actuary, to ensure that the cost of services under the demonstration project does not exceed the estimated cost for medical assistance services for the covered population under the fee-for-service system for the demonstration period. For each year of the demonstration project, the capitation payment rate shall be based on 96 percent of the projected per person costs that would otherwise have been paid under medical assistance fee-for-service during each of those years.

104.3 Rates shall be adjusted within the limits of the available risk adjustment technology, as mandated by section 62Q.03. In addition, the commissioner shall implement appropriate risk and savings sharing provisions with county administrative entities and, when applicable under subdivision 6, paragraph (a), service delivery organizations within the projected budget limits. Capitation rates shall be adjusted, at least annually, to include any rate increases and payments for expanded or newly covered services for eligible individuals. The initial demonstration project rate shall include an amount in addition to the fee-for-service payments to adjust for underutilization of dental services. Any savings beyond those allowed for the county authority, county administrative entity, or service delivery organization shall be first used to meet the unmet needs of eligible individuals.

104.4 Payments to providers participating in the project are exempt from the requirements of sections 256.966 and 256B.03, subdivision 2.

(b) The commissioner shall monitor and evaluate annually the effect of the discount on consumers, the county authority, and providers of disability services. Findings shall be reported and recommendations made, as appropriate, to ensure that the discount effect does not adversely affect the ability of the county administrative entity or providers of services to provide appropriate services to eligible individuals, and does not result in cost shifting of eligible individuals to the county authority.

(c) For risk-sharing to occur under this subdivision, the aggregate fee-for-service cost of covered services provided by the county administrative entity under this section must exceed the aggregate sum of capitation payments made to the county administrative entity under this section. The county authority is required to maintain its current level of nonmedical assistance spending on enrollees. If the county authority spends less in nonmedical assistance dollars on enrollees than it spent the year prior to the contract year, the amount of underspending shall be deducted from the aggregate fee-for-service cost
of covered services. The commissioner shall then compare the fee-for-service costs and
capitation payments related to the services provided for the term of this contract. The
commissioner shall base its calculation of the fee-for-service costs on application of the
medical assistance fee schedule to services identified on the county administrative entity's
encounter claims submitted to the commissioner. The aggregate fee-for-service cost shall
not include any third-party recoveries or cost-avoided amounts.

If the commissioner finds that the aggregate fee-for-service cost is greater than the
sum of the capitation payments, the commissioner shall settle according to the following
schedule:

(1) For the first contract year for each project, the commissioner shall pay the county
administrative entity 50 percent of the difference between the sum of the capitation
payments and 100 percent of projected fee-for-service costs. For aggregate fee-for-service
costs in excess of 100 percent of projected fee-for-service costs, the commissioner shall
pay 25 percent of the difference between the aggregate fee-for-service costs and the
projected fee-for-service costs, up to 104 percent of the projected fee-for-service costs.
The county administrative entity shall be responsible for all costs in excess of 104 percent
of projected fee-for-service costs.

(2) For the second contract year for each project, the commissioner shall pay the
county administrative entity 37.5 percent of the difference between the sum of the
capitation payments and 100 percent of projected fee-for-service costs. The county
administrative entity shall be responsible for all costs in excess of 100 percent of projected
fee-for-service costs.

(3) For the third contract year for each project, the commissioner shall pay the
county administrative entity 25 percent of the difference between the sum of the capitation
payments and 100 percent of projected fee-for-service costs. The county administrative
entity shall be responsible for all costs in excess of 100 percent of projected fee-for-service
costs.

(4) For the fourth and subsequent contract years for each project, the county
administrative entity shall be responsible for all costs in excess of the capitation payments.
(d) In addition to other payments under this subdivision, the commissioner may
increase payments by up to 0.25 percent of the projected per-person costs that would
otherwise have been paid under medical assistance fee-for-service. The commissioner
may make the increased payments to:

(1) offset rate increases for regional treatment services under subdivision 22 which
are higher than were expected by the commissioner when the capitation was set at 96
percent; and
106.1 (2) implement incentives to encourage appropriate, high quality, efficient services.

106.2 Sec. 134. Minnesota Statutes 2015 Supplement, section 256B.85, subdivision 17, is amended to read:

Subd. 17. **Consultation services duties.** Consultation services is a required service that includes:

106.6 (1) entering into a written agreement with the participant, participant's representative, or legal representative that includes but is not limited to the details of services, service delivery methods, dates of services, and contact information;

106.9 (2) providing an initial and annual orientation to CFSS information and policies, including selecting a service model;

106.10 (3) assisting with accessing FMS providers or agency-providers;

106.12 (4) providing assistance with the development, implementation, management, documentation, and evaluation of the person-centered CFSS service delivery plan;

106.14 (5) approving the CFSS service delivery plan for a participant without a case manager or care coordinator who is responsible for authorizing services;

106.16 (6) maintaining documentation of the approved CFSS service delivery plan;

106.17 (7) distributing copies of the final CFSS service delivery plan to the participant and to the agency-provider or FMS provider, case manager or care coordinator, and other designated parties;

106.20 (8) assisting to fulfill responsibilities and requirements of CFSS, including modifying CFSS service delivery plans and changing service models;

106.22 (9) if requested, providing consultation on recruiting, selecting, training, managing, directing, supervising, and evaluating support workers;

106.24 (10) evaluating services upon receiving information from an FMS provider indicating spending or participant employer concerns;

106.26 (11) reviewing the use of and access to informal and community supports, goods, or resources;

106.28 (12) a semiannual review of services if the participant does not have a case manager or care coordinator and when the support worker is a paid parent of a minor participant or the participant's spouse;

106.31 (13) collecting and reporting of data as required by the department;

106.32 (14) providing the participant with a copy of the participant protections under subdivision 20 at the start of consultation services;

106.34 (15) providing assistance to resolve issues of noncompliance with the requirements of CFSS;

106.35
(16) providing recommendations to the commissioner for changes to services when
support to participants to resolve issues of noncompliance have been unsuccessful; and
(17) other duties as assigned by the commissioner.

Sec. 135. Minnesota Statutes 2015 Supplement, section 256B.85, subdivision 18a,
is amended to read:

Subd. 18a. **Worker training and development services.** (a) The commissioner
shall develop the scope of tasks and functions, service standards, and service limits for
worker training and development services.

(b) Worker training and development costs are in addition to the participant's assessed
service units or service budget. Services provided according to this subdivision must:

(1) help support workers obtain and expand the skills and knowledge necessary to
ensure competency in providing quality services as needed and defined in the participant's
CFSS service delivery plan and as required under subdivisions 11b and 14;

(2) be provided or arranged for by the agency-provider under subdivision 11, or
purchased by the participant employer under the budget model as identified in subdivision
13; and

(3) be described in the participant's CFSS service delivery plan and documented in
the participant's file.

(c) Services covered under worker training and development shall include:

(1) support worker training on the participant's individual assessed needs and
condition, provided individually or in a group setting by a skilled and knowledgeable
trainer beyond any training the participant or participant's representative provides;

(2) tuition for professional classes and workshops for the participant's support
workers that relate to the participant's assessed needs and condition; and

(3) direct observation, monitoring, coaching, and documentation of support worker
job skills and tasks, beyond any training the participant or participant's representative
provides, including supervision of health-related tasks or behavioral supports that is
conducted by an appropriate professional based on the participant's assessed needs.
These services must be provided at the start of services or the start of a new support
worker except as provided in paragraph (d) and must be specified in the participant's
CFSS service delivery plan; and

(4) the activities to evaluate CFSS services and ensure support worker competency
described in subdivisions 11a and 11b.
(d) The services in paragraph (c), clause (3), are not required to be provided for a new support worker providing services for a participant due to staffing failures, unless the support worker is expected to provide ongoing backup staffing coverage.

(e) Worker training and development services shall not include:

(1) general agency training, worker orientation, or training on CFSS self-directed models;

(2) payment for preparation or development time for the trainer or presenter;

(3) payment of the support worker's salary or compensation during the training;

(4) training or supervision provided by the participant, the participant's support worker, or the participant's informal supports, including the participant's representative; or

(5) services in excess of 96 units per annual service agreement, unless approved by the department.

Sec. 136. Minnesota Statutes 2014, section 256C.30, is amended to read:

256C.30 DUTIES OF HUMAN SERVICES COMMISSIONER.

(a) As described in this section, the commissioner of human services must enter into grant agreements with television stations to make live local news programming accessible to deaf, hard-of-hearing, and deafblind persons as defined in section 256C.23.

(b) The grant agreements must provide for:

(1) real-time captioning services for broadcasting that is not emergency broadcasting subject to Code of Federal Regulations, title 47, section 79.2;

(2) real-time captioning services for commercial broadcasters in areas of Minnesota where commercial broadcasters are not subject to the live programming closed-captioning requirements of Code of Federal Regulations, title 47, section 71.1(e)(3) 79.1(d); and

(3) real-time captioning for large-market noncommercial broadcasters who produce live news programming.

(c) For the purposes of this section, "real-time captioning" means a method of captioning in which captions are simultaneously prepared and transmitted at the time of origination by specially trained real-time captioners.

Sec. 137. Minnesota Statutes 2014, section 256G.02, subdivision 4, is amended to read:

Subd. 4. **County of financial responsibility.** (a) "County of financial responsibility" has the meanings in paragraphs (b) to (f).

(b) For an applicant who resides in the state and is not in a facility described in subdivision 6, it means the county in which the applicant resides at the time of application.
(c) For an applicant who resides in a facility described in subdivision 6, it means
the county in which the applicant last resided in nonexcluded status immediately before
entering the facility.

(d) For an applicant who has not resided in this state for any time other than the
excluded time, and subject to the limitations in section 256G.03, subdivision 2, it means
the county in which the applicant resides at the time of making application.

(e) For an individual already having a social service case open in one county,
financial responsibility for any additional social services attaches to the case that has the
earliest date of application and has been open without interruption.

(f) Notwithstanding paragraphs (b) to (e), the county of financial responsibility for
semi-independent living services provided under section 252.275, and Minnesota Rules,
parts 9525.0500 to 9525.0660 chapter 245D, is the county of residence in nonexcluded
status immediately before the placement into or request for those services.

Sec. 138. Minnesota Statutes 2014, section 256G.02, subdivision 6, is amended to read:

Subd. 6. Excluded time. "Excluded time" means:

(1) any period an applicant spends in a hospital, sanitarium, nursing home, shelter
other than an emergency shelter, halfway house, foster home, community residential
setting licensed under chapter 245D, semi-independent living domicile or services
program, residential facility offering care, board and lodging facility or other institution
for the hospitalization or care of human beings, as defined in section 144.50, 144A.01,
or 245A.02, subdivision 14; maternity home, battered women's shelter, or correctional
facility; or any facility based on an emergency hold under sections section 253B.05,
subdivisions 1 and 2, and 253B.07, subdivision 6;

(2) any period an applicant spends on a placement basis in a training and habilitation
program, including: a rehabilitation facility or work or employment program as defined
in section 268A.01; semi-independent living services provided under section 252.275,
and Minnesota Rules, parts 9525.0500 to 9525.0660 chapter 245D; or day training and
habilitation programs and assisted living services; and

(3) any placement for a person with an indeterminate commitment, including
independent living.

Sec. 139. Minnesota Statutes 2014, section 256G.03, subdivision 2, is amended to read:

Subd. 2. No durational test. Except as otherwise provided in sections 256J.75;
256B.056, subdivision 1; 256D.02, subdivision 12a, and 256J.12 for purposes of this
chapter, no waiting period is required before securing county or state residence. A person
cannot, however, gain residence while physically present in an excluded time facility

unless otherwise specified in this chapter or in a federal regulation controlling a federally
funded human service program. Interstate migrants who enter a shelter for battered
women directly from another state can gain residency while in the facility provided the
person can provide documentation that the person is a victim of domestic abuse and the
county determines that the placement is appropriate; and the commissioner of human
services is authorized to make per diem payments under section 256D.05, subdivision
3, on behalf of such individuals.

Sec. 140. Minnesota Statutes 2015 Supplement, section 256I.04, subdivision 3, is
amended to read:

Subd. 3. Moratorium on development of group residential housing beds. (a)
Agencies shall not enter into agreements for new group residential housing beds with total
rates in excess of the MSA equivalent rate except:

(1) for group residential housing establishments licensed under Minnesota Rules,
parts 9525.0215 to 9525.0355, chapter 245D provided the facility is needed to meet the
census reduction targets for persons with developmental disabilities at regional treatment
centers;

(2) up to 80 beds in a single, specialized facility located in Hennepin County that will
provide housing for chronic inebriates who are repetitive users of detoxification centers
and are refused placement in emergency shelters because of their state of intoxication,
and planning for the specialized facility must have been initiated before July 1, 1991,
in anticipation of receiving a grant from the Housing Finance Agency under section
462A.05, subdivision 20a, paragraph (b);

(3) notwithstanding the provisions of subdivision 2a, for up to 190 supportive
housing units in Anoka, Dakota, Hennepin, or Ramsey County for homeless adults with a
mental illness, a history of substance abuse, or human immunodeficiency virus or acquired
immunodeficiency syndrome. For purposes of this section, "homeless adult" means a
person who is living on the street or in a shelter or discharged from a regional treatment
center, community hospital, or residential treatment program and has no appropriate
housing available and lacks the resources and support necessary to access appropriate
housing. At least 70 percent of the supportive housing units must serve homeless adults
with mental illness, substance abuse problems, or human immunodeficiency virus or
acquired immunodeficiency syndrome who are about to be or, within the previous six
months, has been discharged from a regional treatment center, or a state-contracted
psychiatric bed in a community hospital, or a residential mental health or chemical
dependency treatment program. If a person meets the requirements of subdivision 1, paragraph (a), and receives a federal or state housing subsidy, the group residential housing rate for that person is limited to the supplementary rate under section 256I.05, subdivision 1a, and is determined by subtracting the amount of the person's countable income that exceeds the MSA equivalent rate from the group residential housing supplementary rate. A resident in a demonstration project site who no longer participates in the demonstration program shall retain eligibility for a group residential housing payment in an amount determined under section 256I.06, subdivision 8, using the MSA equivalent rate. Service funding under section 256I.05, subdivision 1a, will end June 30, 1997, if federal matching funds are available and the services can be provided through a managed care entity. If federal matching funds are not available, then service funding will continue under section 256I.05, subdivision 1a;

(4) for an additional two beds, resulting in a total of 32 beds, for a facility located in Hennepin County providing services for recovering and chemically dependent men that has had a group residential housing contract with the county and has been licensed as a board and lodge facility with special services since 1980;

(5) for a group residential housing provider located in the city of St. Cloud, or a county contiguous to the city of St. Cloud, that operates a 40-bed facility, that received financing through the Minnesota Housing Finance Agency Ending Long-Term Homelessness Initiative and serves chemically dependent clientele, providing 24-hour-a-day supervision;

(6) for a new 65-bed facility in Crow Wing County that will serve chemically dependent persons, operated by a group residential housing provider that currently operates a 304-bed facility in Minneapolis, and a 44-bed facility in Duluth;

(7) for a group residential housing provider that operates two ten-bed facilities, one located in Hennepin County and one located in Ramsey County, that provide community support and 24-hour-a-day supervision to serve the mental health needs of individuals who have chronically lived unsheltered; and

(8) for a group residential facility in Hennepin County with a capacity of up to 48 beds that has been licensed since 1978 as a board and lodging facility and that until August 1, 2007, operated as a licensed chemical dependency treatment program.

(b) An agency may enter into a group residential housing agreement for beds with rates in excess of the MSA equivalent rate in addition to those currently covered under a group residential housing agreement if the additional beds are only a replacement of beds with rates in excess of the MSA equivalent rate which have been made available due to closure of a setting, a change of licensure or certification which removes the beds from group residential housing payment, or as a result of the downsizing of a group residential
housing setting. The transfer of available beds from one agency to another can only
occur by the agreement of both agencies.

Sec. 141. Minnesota Statutes 2015 Supplement, section 256I.04, subdivision 4, is
amended to read:

Subd. 4. Rental assistance. For participants in the Minnesota supportive housing
demonstration program under subdivision 3, paragraph (a), clause (5) (3), notwithstanding
the provisions of section 256I.06, subdivision 8, the amount of the group residential
housing payment for room and board must be calculated by subtracting 30 percent of the
recipient's adjusted income as defined by the United States Department of Housing and
Urban Development for the Section 8 program from the fair market rent established for the
recipient's living unit by the federal Department of Housing and Urban Development. This
payment shall be regarded as a state housing subsidy for the purposes of subdivision 3.
Notwithstanding the provisions of section 256I.06, subdivision 6, the recipient's countable
income will only be adjusted when a change of greater than $100 in a month occurs or
upon annual redetermination of eligibility, whichever is sooner.

Sec. 142. Minnesota Statutes 2014, section 256I.05, subdivision 1a, is amended to read:

Subd. 1a. Supplementary service rates. (a) Subject to the provisions of section
256I.04, subdivision 3, the county agency may negotiate a payment not to exceed $426.37
for other services necessary to provide room and board provided by the group residence if
the residence is licensed by or registered by the Department of Health, or licensed by the
Department of Human Services to provide services in addition to room and board, and if the
provider of services is not also concurrently receiving funding for services for a recipient
under a home and community-based waiver under title XIX of the Social Security Act; or
funding from the medical assistance program under section 256B.0659, for personal care
services for residents in the setting; or residing in a setting which receives funding under
Minnesota Rules, parts 9535.2000 to 9535.3000 section 245.73. If funding is available for
other necessary services through a home and community-based waiver, or personal care
services under section 256B.0659, then the GRH rate is limited to the rate set in subdivision
1. Unless otherwise provided in law, in no case may the supplementary service rate exceed
$426.37. The registration and licensure requirement does not apply to establishments
which are exempt from state licensure because they are located on Indian reservations and
for which the tribe has prescribed health and safety requirements. Service payments under
this section may be prohibited under rules to prevent the supplanting of federal funds with
state funds. The commissioner shall pursue the feasibility of obtaining the approval of the
Article 1 Sec. 143.

113.1 Secretary of Health and Human Services to provide home and community-based waiver services under title XIX of the Social Security Act for residents who are not eligible for an existing home and community-based waiver due to a primary diagnosis of mental illness or chemical dependency and shall apply for a waiver if it is determined to be cost-effective.

113.2 (b) The commissioner is authorized to make cost-neutral transfers from the GRH fund for beds under this section to other funding programs administered by the department after consultation with the county or counties in which the affected beds are located.

113.3 The commissioner may also make cost-neutral transfers from the GRH fund to county human service agencies for beds permanently removed from the GRH census under a plan submitted by the county agency and approved by the commissioner. The commissioner shall report the amount of any transfers under this provision annually to the legislature.

113.4 (c) The provisions of paragraph (b) do not apply to a facility that has its reimbursement rate established under section 256B.131, subdivision 4, paragraph (c).

113.5 (d) Counties must not negotiate supplementary service rates with providers of group residential housing that are licensed as board and lodging with special services and that do not encourage a policy of sobriety on their premises and make referrals to available community services for volunteer and employment opportunities for residents.

113.6 Sec. 143. Minnesota Statutes 2015 Supplement, section 256I.05, subdivision 1c, is amended to read:

113.7 Subd. 1c. Rate increases. An agency may not increase the rates negotiated for group residential housing above those in effect on June 30, 1993, except as provided in paragraphs (a) to (f).

113.8 (a) An agency may increase the rates for group residential housing settings to the MSA equivalent rate for those settings whose current rate is below the MSA equivalent rate.

113.9 (b) An agency may increase the rates for residents in adult foster care whose difficulty of care has increased. The total group residential housing rate for these residents must not exceed the maximum rate specified in subdivisions 1 and 1a. Agencies must not include nor increase group residential housing difficulty of care rates for adults in foster care whose difficulty of care is eligible for funding by home and community-based waiver programs under title XIX of the Social Security Act.

113.10 (c) The room and board rates will be increased each year when the MSA equivalent rate is adjusted for SSI cost-of-living increases by the amount of the annual SSI increase, less the amount of the increase in the medical assistance personal needs allowance under section 256B.35.
(d) When a group residential housing rate is used to pay for an individual's room and board, or other costs necessary to provide room and board, the rate payable to the residence must continue for up to 18 calendar days per incident that the person is temporarily absent from the residence, not to exceed 60 days in a calendar year, if the absence or absences have received the prior approval of the county agency's social service staff. Prior approval is not required for emergency absences due to crisis, illness, or injury.

(e) For facilities meeting substantial change criteria within the prior year. Substantial change criteria exists if the group residential housing establishment experiences a 25 percent increase or decrease in the total number of its beds, if the net cost of capital additions or improvements is in excess of 15 percent of the current market value of the residence, or if the residence physically moves, or changes its licensure, and incurs a resulting increase in operation and property costs.

(f) Until June 30, 1994, an agency may increase by up to five percent the total rate paid for recipients of assistance under sections 256D.01 to 256D.21 or 256D.33 to 256D.54 who reside in residences that are licensed by the commissioner of health as a boarding care home, but are not certified for the purposes of the medical assistance program. However, an increase under this clause must not exceed an amount equivalent to 65 percent of the 1991 medical assistance reimbursement rate for nursing home resident class A, in the geographic grouping in which the facility is located, as established under Minnesota Rules, parts 9549.0050 9549.0051 to 9549.0058.

Sec. 144. Minnesota Statutes 2014, section 256J.08, subdivision 73, is amended to read:

Subd. 73. Qualified noncitizen. "Qualified noncitizen" means a person:

1) who was lawfully admitted for permanent residence according to United States Code, title 8;

2) who was admitted to the United States as a refugee according to United States Code, title 8; section 1157;

3) whose deportation is being withheld according to United States Code, title 8, sections 1231(b)(3), 1253(h), and 1641(b)(5);

4) who was paroled for a period of at least one year according to United States Code, title 8, section 1182(d)(5);

5) who was granted conditional entry according to United States Code, title 8, section 1153(a)(7);

6) who is a Cuban or Haitian entrant as defined in section 501(e) of the Refugee Education Assistance Act of 1980, United States Code, title 8, section 1641(b)(7);

7) who was granted asylum according to United States Code, title 8, section 1158;
(8) who is a battered noncitizen according to United States Code, title 8, section 1641(c); or
(9) who is a parent or child of a battered noncitizen according to United States Code, title 8, section 1641(c).

Sec. 145. Minnesota Statutes 2014, section 256J.24, subdivision 7, is amended to read:
Subd. 7. Family wage level. The family wage level is 110 percent of the transitional standard under subdivision 5 or 6. If there is earned income in the assistance unit, earned income is subtracted from the family wage level to determine the amount of the assistance payment, as specified in section 256J.21. The assistance payment may not exceed the transitional standard under subdivision 5 or 6, or the shared household standard under subdivision 9, whichever is applicable, for the assistance unit.

Sec. 146. Minnesota Statutes 2014, section 256L.03, subdivision 3, is amended to read:
Subd. 3. Inpatient hospital services. (a) Covered health services shall include inpatient hospital services, including inpatient hospital mental health services and inpatient hospital and residential chemical dependency treatment, subject to those limitations necessary to coordinate the provision of these services with eligibility under the medical assistance spenddown.
(b) Admissions for inpatient hospital services paid for under section 256L.11, subdivision 3, must be certified as medically necessary in accordance with Minnesota Rules, parts 9505.0500 to 9505.0540, except as provided in clauses (1) and (2):
(1) all admissions must be certified, except those authorized under rules established under section 254A.03, subdivision 3, or approved under Medicare; and
(2) payment under section 256L.11, subdivision 3, shall be reduced by five percent for admissions for which certification is requested more than 30 days after the day of admission. The hospital may not seek payment from the enrollee for the amount of the payment reduction under this clause.

Sec. 147. Minnesota Statutes 2014, section 257C.03, subdivision 7, is amended to read:
Subd. 7. Interested third party; burden of proof; factors. (a) To establish that an individual is an interested third party, the individual must:
(1) show by clear and convincing evidence that one of the following factors exist:
(i) the parent has abandoned, neglected, or otherwise exhibited disregard for the child's well-being to the extent that the child will be harmed by living with the parent;
(ii) placement of the child with the individual takes priority over preserving the
day-to-day parent-child relationship because of the presence of physical or emotional
danger to the child, or both; or
(iii) other extraordinary circumstances;
(2) prove by a preponderance of the evidence that it is in the best interests of the
child to be in the custody of the interested third party; and
(3) show by clear and convincing evidence that granting the petition would not
violate section 518.179, subdivision 1a.
(b) The following factors must be considered by the court in determining an
interested third party's petition:
(1) the amount of involvement the interested third party had with the child during
the parent's absence or during the child's lifetime;
(2) the amount of involvement the parent had with the child during the parent's
absence;
(3) the presence or involvement of other interested third parties;
(4) the facts and circumstances of the parent's absence;
(5) the parent's refusal to comply with conditions for retaining custody set forth
in previous court orders;
(6) whether the parent now seeking custody was previously prevented from doing so
as a result of domestic violence;
(7) whether a sibling of the child is already in the care of the interested third party; and
(8) the existence of a standby custody designation under chapter 257B.
(c) In determining the best interests of the child, the court must apply the standards
in section 257C.04.

Sec. 148. Minnesota Statutes 2014, section 260.785, subdivision 3, is amended to read:
Subd. 3. Compliance grants. The commissioner shall establish direct grants to
an Indian child welfare defense corporation, as defined in Minnesota Statutes 1996,
section 611.216, subdivision 1a, to promote statewide compliance with the Indian Family
Preservation Act and the Indian Child Welfare Act, United States Code, title 25, section
1901, et seq. The commissioner shall give priority consideration to applicants with
demonstrated capability of providing legal advocacy services statewide.

Sec. 149. Minnesota Statutes 2015 Supplement, section 260C.221, is amended to read:

260C.221 RELATIVE SEARCH.
(a) The responsible social services agency shall exercise due diligence to identify and notify adult relatives prior to placement or within 30 days after the child's removal from the parent. The county agency shall consider placement with a relative under this section without delay and whenever the child must move from or be returned to foster care. The relative search required by this section shall be comprehensive in scope. After a finding that the agency has made reasonable efforts to conduct the relative search under this paragraph, the agency has the continuing responsibility to appropriately involve relatives, who have responded to the notice required under this paragraph, in planning for the child and to continue to consider relatives according to the requirements of section 260C.212, subdivision 2. At any time during the course of juvenile protection proceedings, the court may order the agency to reopen its search for relatives when it is in the child's best interest to do so.

(b) The relative search required by this section shall include both maternal and paternal adult relatives of the child; all adult grandparents; all legal parents, guardians or custodians of the child's siblings; and any other adult relatives suggested by the child's parents, subject to the exceptions due to family violence in paragraph (c). The search shall also include getting information from the child in an age-appropriate manner about who the child considers to be family members and important friends with whom the child has resided or had significant contact. The relative search required under this section must fulfill the agency's duties under the Indian Child Welfare Act regarding active efforts to prevent the breakup of the Indian family under United States Code, title 25, section 1912(d), and to meet placement preferences under United States Code, title 25, section 1915. The relatives must be notified:

1. (1) of the need for a foster home for the child, the option to become a placement resource for the child, and the possibility of the need for a permanent placement for the child;
2. (2) of their responsibility to keep the responsible social services agency and the court informed of their current address in order to receive notice in the event that a permanent placement is sought for the child and to receive notice of the permanency progress review hearing under section 260C.204. A relative who fails to provide a current address to the responsible social services agency and the court forfeits the right to receive notice of the possibility of permanent placement and of the permanency progress review hearing under section 260C.204. A decision by a relative not to be identified as a potential permanent placement resource or participate in planning for the child at the beginning of the case shall not affect whether the relative is considered for placement of the child with that relative later;
(3) that the relative may participate in the care and planning for the child, including that the opportunity for such participation may be lost by failing to respond to the notice sent under this subdivision. "Participate in the care and planning" includes, but is not limited to, participation in case planning for the parent and child, identifying the strengths and needs of the parent and child, supervising visits, providing respite and vacation visits for the child, providing transportation to appointments, suggesting other relatives who might be able to help support the case plan, and to the extent possible, helping to maintain the child's familiar and regular activities and contact with friends and relatives;

(4) of the family foster care licensing requirements, including how to complete an application and how to request a variance from licensing standards that do not present a safety or health risk to the child in the home under section 245A.04 and supports that are available for relatives and children who reside in a family foster home; and

(5) of the relatives' right to ask to be notified of any court proceedings regarding the child, to attend the hearings, and of a relative's right or opportunity to be heard by the court as required under section 260C.152, subdivision 5.

c A responsible social services agency may disclose private data, as defined in sections 13.02 and 626.556, to relatives of the child for the purpose of locating and assessing a suitable placement and may use any reasonable means of identifying and locating relatives including the Internet or other electronic means of conducting a search. The agency shall disclose data that is necessary to facilitate possible placement with relatives and to ensure that the relative is informed of the needs of the child so the relative can participate in planning for the child and be supportive of services to the child and family. If the child's parent refuses to give the responsible social services agency information sufficient to identify the maternal and paternal relatives of the child, the agency shall ask the juvenile court to order the parent to provide the necessary information. If a parent makes an explicit request that a specific relative not be contacted or considered for placement due to safety reasons including past family or domestic violence, the agency shall bring the parent's request to the attention of the court to determine whether the parent's request is consistent with the best interests of the child and the agency shall not contact the specific relative when the juvenile court finds that contacting the specific relative would endanger the parent, guardian, child, sibling, or any family member.

d At a regularly scheduled hearing not later than three months after the child's placement in foster care and as required in section 260C.202, the agency shall report to the court:
(1) its efforts to identify maternal and paternal relatives of the child and to engage
the relatives in providing support for the child and family, and document that the relatives
have been provided the notice required under paragraph (a); and
(2) its decision regarding placing the child with a relative as required under section
260C.212, subdivision 2, and to ask relatives to visit or maintain contact with the child in
order to support family connections for the child, when placement with a relative is not
possible or appropriate.
(e) Notwithstanding chapter 13, the agency shall disclose data about particular
relatives identified, searched for, and contacted for the purposes of the court's review of
the agency's due diligence.
(f) When the court is satisfied that the agency has exercised due diligence to
identify relatives and provide the notice required in paragraph (a), the court may find that
reasonable efforts have been made to conduct a relative search to identify and provide
notice to adult relatives as required under section 260.012, paragraph (e), clause (3). If the
court is not satisfied that the agency has exercised due diligence to identify relatives and
provide the notice required in paragraph (a), the court may order the agency to continue its
search and notice efforts and to report back to the court.
(g) When the placing agency determines that permanent placement proceedings are
necessary because there is a likelihood that the child will not return to a parent's care, the
agency must send the notice provided in paragraph (h), may ask the court to modify the
duty of the agency to send the notice required in paragraph (h), or may ask the court to
completely relieve the agency of the requirements of paragraph (h). The relative notification
requirements of paragraph (h) do not apply when the child is placed with an appropriate
relative or a foster home that has committed to adopting the child or taking permanent
legal and physical custody of the child and the agency approves of that foster home for
permanent placement of the child. The actions ordered by the court under this section
must be consistent with the best interests, safety, permanency, and welfare of the child.
(h) Unless required under the Indian Child Welfare Act or relieved of this duty by the
court under paragraph (f), when the agency determines that it is necessary to prepare for
permanent placement determination proceedings, or in anticipation of filing a termination
of parental rights petition, the agency shall send notice to the relatives, any adult with
whom the child is currently residing, any adult with whom the child has resided for one
year or longer in the past, and any adults who have maintained a relationship or exercised
visitation with the child as identified in the agency case plan. The notice must state that a
permanent home is sought for the child and that the individuals receiving the notice may
indicate to the agency their interest in providing a permanent home. The notice must state
that within 30 days of receipt of the notice an individual receiving the notice must indicate
to the agency the individual's interest in providing a permanent home for the child or that
the individual may lose the opportunity to be considered for a permanent placement.

Sec. 150. Minnesota Statutes 2014, section 268A.01, subdivision 14, is amended to
read:

enterprise employment" means employment which provides paid work on the premises of
an affirmative business enterprise as certified by the commissioner.

   Affirmative business enterprise employment is considered community employment
for purposes of funding under Minnesota Rules, parts 3300.1000-3300.2005 to 3300.2055,
provided that the wages for individuals reported must be at or above customary wages for
the same employer. The employer must also provide one benefit package that is available
to all employees at the specific site certified as an affirmative business enterprise.

Sec. 151. Minnesota Statutes 2014, section 270C.721, is amended to read:

   **270C.721 REVOCATION OF CERTIFICATES OF AUTHORITY TO DO
BUSINESS IN THIS STATE.**

   When a foreign corporation authorized to do business in this state under chapter 303,
or a foreign limited liability company or partnership authorized to do business in this state
under chapter 322B or 322C, fails to comply with a law administered by the commissioner
that imposes a tax, the commissioner may serve the secretary of state with a certified copy
of an order finding such failure to comply. The secretary of state, upon receipt of the
order, shall revoke the authority to do business in this state, and shall reinstate the entity
under section 303.19; 322B.960, subdivision 6; or 322C.0706 only when the corporation
or limited liability company or partnership has obtained from the commissioner an order
finding that the corporation or limited liability company or partnership is in compliance
with such law. An order requiring revocation of a certificate shall not be issued unless the
commissioner gives the corporation or limited liability company or partnership 30 days'
written notice of the proposed order, specifying the violations of law, and affording an
opportunity to request a contested case hearing under chapter 14.

Sec. 152. Minnesota Statutes 2014, section 271.06, subdivision 7, is amended to read:

   Subd. 7. **Rules.** Except as provided in section 278.05, subdivision 6, the Rules
of Evidence and Civil Procedure for the district court of Minnesota shall govern the
procedures in the Tax Court, where practicable. The Tax Court may adopt rules under

Sec. 153. Minnesota Statutes 2014, section 271.07, is amended to read:

**271.07 STENOGRAPHIC REPORT; TRANSCRIPT.**
Except in the small claims division, the Tax Court shall provide for a verbatim
stenographic report of all proceedings had before it upon appeals, as required by the laws
relating to proceedings in district court. The cost of the stenographic record shall be paid
by the party taking the appeal. The cost is a taxable cost under section 271.09 271.19.

Sec. 154. Minnesota Statutes 2014, section 272.02, subdivision 10, is amended to read:
Subd. 10. **Personal property used for pollution control.** Personal property used
primarily for the abatement and control of air, water, or land pollution is exempt to the
extent that it is so used, and real property is exempt if it is used primarily for abatement
and control of air, water, or land pollution as part of an agricultural operation, as a part
of a centralized treatment and recovery facility operating under a permit issued by the
Minnesota Pollution Control Agency pursuant to chapters 115 and 116 and Minnesota
Rules, parts 7001.0500 to 7001.0730, and 7045.0020 to 7045.1260 7045.1030, as a
wastewater treatment facility and for the treatment, recovery, and stabilization of metals,
oils, chemicals, water, sludges, or inorganic materials from hazardous industrial wastes,
or as part of an electric generation system. For purposes of this subdivision, personal
property includes ponderous machinery and equipment used in a business or production
activity that at common law is considered real property.

Any taxpayer requesting exemption of all or a portion of any real property or any
equipment or device, or part thereof, operated primarily for the control or abatement of
air, water, or land pollution shall file an application with the commissioner of revenue.
The commissioner shall develop an electronic means to notify interested parties when
electric power generation facilities have filed an application. The Minnesota Pollution
Control Agency shall upon request of the commissioner furnish information and advice to
the commissioner.

The information and advice furnished by the Minnesota Pollution Control
Agency must include statements as to whether the equipment, device, or real property
meets a standard, rule, criteria, guideline, policy, or order of the Minnesota Pollution
Control Agency, and whether the equipment, device, or real property is installed or
operated in accordance with it. On determining that property qualifies for exemption,
the commissioner shall issue an order exempting the property from taxation. The
commissioner shall develop an electronic means to notify interested parties when the commissioner has issued an order exempting property from taxation under this subdivision. The equipment, device, or real property shall continue to be exempt from taxation as long as the order issued by the commissioner remains in effect.

Sec. 155. Minnesota Statutes 2014, section 273.032, is amended to read:

273.032 MARKET VALUE DEFINITION.

(a) Unless otherwise provided, for the purpose of determining any property tax levy limitation based on market value or any limit on net debt, the issuance of bonds, certificates of indebtedness, or capital notes based on market value, any qualification to receive state aid based on market value, or any state aid amount based on market value, the terms "market value," "estimated market value," and "market valuation," whether equalized or unequalized, mean the estimated market value of taxable property within the local unit of government before any of the following or similar adjustments for:

(1) the market value exclusions under:

(i) section 273.11, subdivisions 14a and 14c (vacant platted land);
(ii) section 273.11, subdivision 16 (certain improvements to homestead property);
(iii) section 273.11, subdivisions 19 and 20 (certain improvements to business properties);
(iv) section 273.11, subdivision 21 (homestead property damaged by mold);
(v) section 273.11, subdivision 22 (qualifying lead hazardous reduction projects);
(vi) section 273.13, subdivision 34 (homestead of a disabled veteran or family caregiver); or
(vii) section 273.13, subdivision 35 (homestead market value exclusion); or

(2) the deferment of value under:

(i) the Minnesota Agricultural Property Tax Law, section 273.111;
(ii) the Aggregate Resource Preservation Law, section 273.1115;
(iii) the Minnesota Open Space Property Tax Law, section 273.112;
(iv) the rural preserves property tax program, section 273.114; or
(v) the Metropolitan Agricultural Preserves Act, section 473H.10; or

(3) the adjustments to tax capacity for:

(i) tax increment financing under sections 469.174 to 469.1794;
(ii) fiscal disparities under chapter 276A or 473F; or
(iii) powerline credit under section 273.425.
(b) Estimated market value under paragraph (a) also includes the market value
of tax-exempt property if the applicable law specifically provides that the limitation,
qualification, or aid calculation includes tax-exempt property.
(c) Unless otherwise provided, "market value," "estimated market value," and
"market valuation" for purposes of property tax levy limitations and calculation of state
aid, refer to the estimated market value for the previous assessment year and for purposes
of limits on net debt, the issuance of bonds, certificates of indebtedness, or capital notes
refer to the estimated market value as last finally equalized.
(d) For purposes of a provision of a home rule charter or of any special law that is not
codified in the statutes and that imposes a levy limitation based on market value or any limit
on debt, the issuance of bonds, certificates of indebtedness, or capital notes based on market
value, the terms "market value," "taxable market value," and "market valuation," whether
equalized or unequalized, mean "estimated market value" as defined in paragraph (a).

Sec. 156. Minnesota Statutes 2014, section 287.29, subdivision 1, is amended to read:

Subdivision 1. **Appointment and payment of tax proceeds.** (a) The proceeds of the
taxes levied and collected under sections 287.21 to **287.39, 287.385** must be apportioned,
97 percent to the general fund of the state, and three percent to the county revenue fund.
(b) On or before the 20th day of each month, the county treasurer shall determine
and pay to the commissioner of revenue for deposit in the state treasury and credit to the
general fund the state's portion of the receipts for deed tax from the preceding month
subject to the electronic transfer requirements of section 270C.42. The county treasurer
shall provide any related reports requested by the commissioner of revenue.
(c) Counties must remit the state's portion of the June receipts collected through June
25 and the estimated state's portion of the receipts to be collected during the remainder of
the month to the commissioner of revenue two business days before June 30 of each year.
The remaining amount of the June receipts is due on August 20.

Sec. 157. Minnesota Statutes 2014, section 290.01, subdivision 22, is amended to read:

Subd. 22. **Taxable net income.** For tax years beginning after December 31, 1986,
the term "taxable net income" means:
(1) for resident individuals the same as net income;
(2) for individuals who were not residents of Minnesota for the entire year, the same
as net income except that the tax is imposed only on the Minnesota apportioned share of
that income as determined pursuant to section 290.06, subdivision 2c, paragraph (e);
(3) for all other taxpayers, the part of net income that is allocable to Minnesota by
assignment or apportionment under one or more of sections 290.17, 290.191, 290.20,
and 290.36.

For tax years beginning before January 1, 1987, the term "taxable net income"
means the net income assignable to this state pursuant to sections 290.17 to 290.20. For
corporations, taxable net income is then reduced by the deductions contained in section
290.24.

Sec. 158. Minnesota Statutes 2015 Supplement, section 290.0671, subdivision 1,
is amended to read:

Subdivision 1. Credit allowed. (a) An individual who is a resident of Minnesota is
allowed a credit against the tax imposed by this chapter equal to a percentage of earned
income. To receive a credit, a taxpayer must be eligible for a credit under section 32 of the
Internal Revenue Code.

(b) For individuals with no qualifying children, the credit equals 2.10 percent of the
first $6,180 of earned income. The credit is reduced by 2.01 percent of earned income
or adjusted gross income, whichever is greater, in excess of $8,130, but in no case is
the credit less than zero.

(c) For individuals with one qualifying child, the credit equals 9.35 percent of the
first $11,120 of earned income. The credit is reduced by 6.02 percent of earned income
or adjusted gross income, whichever is greater, in excess of $21,190, but in no case is
the credit less than zero.

(d) For individuals with two or more qualifying children, the credit equals 11 percent
of the first $18,240 of earned income. The credit is reduced by 10.82 percent of earned
income or adjusted gross income, whichever is greater, in excess of $25,130, but in no
case is the credit less than zero.

(e) For a part-year resident, the credit must be allocated based on the percentage
calculated under section 290.06, subdivision 2c, paragraph (e).

(f) For a person who was a resident for the entire tax year and has earned income
not subject to tax under this chapter, including income excluded under section 290.01,
subdivision 19b, clause (9), the credit must be allocated based on the ratio of federal
adjusted gross income reduced by the earned income not subject to tax under this chapter
over federal adjusted gross income. For purposes of this paragraph, the subtractions
for military pay under section 290.01, subdivision 19b, clauses (10) and (11), are not
considered "earned income not subject to tax under this chapter."
For the purposes of this paragraph, the exclusion of combat pay under section 112
of the Internal Revenue Code is not considered "earned income not subject to tax under
this chapter."

(g) For tax years beginning after December 31, 2007, and before December 31, 2010, and for tax years beginning after December 31, 2017, the $8,130 in paragraph (b), the $21,190 in paragraph (c), and the $25,130 in paragraph (d), after being adjusted for inflation under subdivision 7, are each increased by $3,000 for married taxpayers filing joint returns. For tax years beginning after December 31, 2008, the commissioner shall annually adjust the $3,000 by the percentage determined pursuant to the provisions of section 1(f) of the Internal Revenue Code, except that in section 1(f)(3)(B), the word "2007" shall be substituted for the word "1992." For 2009, the commissioner shall then determine the percent change from the 12 months ending on August 31, 2007, to the 12 months ending on August 31, 2008, and in each subsequent year, from the 12 months ending on August 31, 2007, to the 12 months ending on August 31 of the year preceding the taxable year. The earned income thresholds as adjusted for inflation must be rounded to the nearest $10. If the amount ends in $5, the amount is rounded up to the nearest $10. The determination of the commissioner under this subdivision is not a rule under the Administrative Procedure Act.

(h) For tax years beginning after December 31, 2012, and before January 1, 2014, the $5,770 in paragraph (b), the $15,080 in paragraph (c), and the $17,890 in paragraph (d), after being adjusted for inflation under subdivision 7, are increased by $5,340 for married taxpayers filing joint returns; and (2) for tax years beginning after December 31, 2013, and before January 1, 2018, the $8,130 in paragraph (b), the $21,190 in paragraph (c), and the $25,130 in paragraph (d), after being adjusted for inflation under subdivision 7, are each increased by $5,000 for married taxpayers filing joint returns. For tax years beginning after December 31, 2010, and before January 1, 2012, and for tax years beginning after December 31, 2013, and before January 1, 2018, the commissioner shall annually adjust the $5,000 by the percentage determined pursuant to the provisions of section 1(f) of the Internal Revenue Code, except that in section 1(f)(3)(B), the word "2008" shall be substituted for the word "1992." For 2011, the commissioner shall then determine the percent change from the 12 months ending on August 31, 2008, to the 12 months ending on August 31, 2010, and in each subsequent year, from the 12 months ending on August 31, 2008, to the 12 months ending on August 31 of the year preceding the taxable year. The earned income thresholds as adjusted for inflation must be rounded to the nearest $10. If the amount ends in $5, the amount is rounded up to the nearest $10. The determination of the commissioner under this subdivision is not a rule under the Administrative Procedure Act.
(i) The commissioner shall construct tables showing the amount of the credit at various income levels and make them available to taxpayers. The tables shall follow the schedule contained in this subdivision, except that the commissioner may graduate the transition between income brackets.

Sec. 159. Minnesota Statutes 2014, section 290.0677, subdivision 1, is amended to read:
Subdivision 1. Credit allowed; current military service. (a) An individual is allowed a credit against the tax due under this chapter equal to $59 for each month or portion thereof that the individual was in active military service in a designated area after September 11, 2001, and before January 1, 2009, while a Minnesota domiciliary.
(b) (a) An individual is allowed a credit against the tax due under this chapter equal to $120 for each month or portion thereof that the individual was in active military service in a designated area after December 31, 2008, while a Minnesota domiciliary.
(c) For active service performed after September 11, 2001, and before December 31, 2006, the individual may claim the credit in the taxable year beginning after December 31, 2005, and before January 1, 2007.
(d) For active service performed after December 31, 2006; (b) The individual may claim the credit for the taxable year in which the active service was performed.
(e) If an individual entitled to the credit died prior to January 1, 2006, the individual's estate or heirs at law, if the individual's probate estate has closed or the estate was not probated, may claim the credit.

Sec. 160. Minnesota Statutes 2014, section 290.091, subdivision 3, is amended to read:
Subd. 3. Exemption amount. (a) For purposes of computing the alternative minimum tax, the exemption amount is, for taxable years beginning after December 31, 2005, $60,000 for married couples filing joint returns, $30,000 for married individuals filing separate returns, estates, and trusts, and $45,000 for unmarried individuals.
(b) The exemption amount determined under this subdivision is subject to the phase out under section 55(d)(3) of the Internal Revenue Code, except that alternative minimum taxable income as determined under this section must be substituted in the computation of the phase out.
(c) For taxable years beginning after December 31, 2006, the exemption amount under paragraph (a), clause (2), must be adjusted for inflation. The commissioner shall adjust the exemption amount by the percentage determined pursuant to the provisions of section 1(f) of the Internal Revenue Code, except that in section 1(f)(3)(B) the word "2005" shall be substituted for the word "1992." For 2007, the commissioner shall then determine
the percent change from the 12 months ending on August 31, 2005, to the 12 months
ending on August 31, 2006, and in each subsequent year, from the 12 months ending on
August 31, 2005, to the 12 months ending on August 31 of the year preceding the taxable
year. The exemption amount as adjusted must be rounded to the nearest $10. If the amount
ends in $5, it must be rounded up to the nearest $10 amount. The determination of the
commissioner under this subdivision is not a rule under the Administrative Procedure Act.

Sec. 161. Minnesota Statutes 2014, section 290.191, subdivision 2, is amended to read:
Subd. 2. **Apportionment formula of general application.** (a) Except for those trades or businesses required to use a different formula under subdivision 3 or section 290.36, and for those trades or businesses that receive permission to use some other method under section 290.20 or under subdivision 4, a trade or business required to apportion its net income must apportion its income to this state on the basis of the percentage obtained by taking the sum of:

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

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

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

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

<table>
<thead>
<tr>
<th>Taxable years beginning during calendar year</th>
<th>Sales factor percent</th>
<th>Property factor percent</th>
<th>Payroll factor percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>78</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td>2008</td>
<td>84</td>
<td>9.5</td>
<td>9.5</td>
</tr>
<tr>
<td>2009</td>
<td>84</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>2010</td>
<td>87</td>
<td>6.5</td>
<td>6.5</td>
</tr>
<tr>
<td>2011</td>
<td>90</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>2012</td>
<td>93</td>
<td>3.5</td>
<td>3.5</td>
</tr>
<tr>
<td>2013</td>
<td>96</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>2014 and later calendar years</td>
<td>100</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Article 1 Sec. 161.
Sec. 162. Minnesota Statutes 2014, section 290.191, subdivision 3, is amended to read:

Subd. 3. **Apportionment formula for financial institutions.** Except for an investment company required to apportion its income under section 290.36, a financial institution that is required to apportion its net income must apportion its net income to this state on the basis of the percentage obtained by taking the sum of:

1. The percent for the sales factor under subdivision 2, paragraph (b), of the percentage which the receipts from within this state in connection with the trade or business during the tax period are of the total receipts in connection with the trade or business during the tax period, from wherever derived;
2. The percent for the property factor under subdivision 2, paragraph (b), of the percentage which the sum of the tangible property used by the taxpayer in this state and the intangible property owned by the taxpayer and attributed to this state in connection with the trade or business during the tax period is of the sum of the tangible property, wherever located, used by the taxpayer and the intangible property owned by the taxpayer and attributed to all states in connection with the trade or business during the tax period; and
3. The percent for the payroll factor under subdivision 2, paragraph (b), of the percentage which the taxpayer’s total payrolls paid or incurred in this state or paid in respect to labor performed in this state in connection with the trade or business during the tax period are of the taxpayer’s total payrolls paid or incurred in connection with the trade or business during the tax period.

Sec. 163. Minnesota Statutes 2014, section 291.031, is amended to read:

**291.031 CREDIT.**

(a) The estate of a nonresident decedent that is subject to tax under this chapter on the value of Minnesota situs property held in a pass-through entity is allowed a credit against the tax due under section 291.03 equal to the lesser of:

1. The amount of estate or inheritance tax paid to another state that is attributable to the Minnesota situs property held in the pass-through entity; or
2. The amount of tax paid under this section due under section 291.03 attributable to the Minnesota situs property held in the pass-through entity.

(b) The amount of tax attributable to the Minnesota situs property held in the pass-through entity must be determined by the increase in the estate or inheritance tax that results from including the market value of the property in the estate or treating the value as a taxable inheritance to the recipient of the property.

Sec. 164. Minnesota Statutes 2014, section 297A.70, subdivision 11, is amended to read:
Subd. 11. School tickets or admissions. Tickets or admissions to regular season school games, events, and activities, and to games, events, and activities sponsored by the Minnesota State High School League under chapter 128C, are exempt. For purposes of this subdivision, "school" has the meaning given it in section 120A.22, subdivision 4.

Sec. 165. Minnesota Statutes 2014, section 297B.01, subdivision 14, is amended to read:

Subd. 14. Purchase price. (a) "Purchase price" means the total consideration valued in money for a sale, whether paid in money or otherwise. The purchase price excludes the amount of a manufacturer's rebate paid or payable to the purchaser. If a motor vehicle is taken in trade as a credit or as part payment on a motor vehicle taxable under this chapter, the credit or trade-in value allowed by the person selling the motor vehicle shall be deducted from the total selling price to establish the purchase price of the vehicle being sold and the trade-in allowance allowed by the seller shall constitute the purchase price of the motor vehicle accepted as a trade-in. The purchase price in those instances where the motor vehicle is acquired by gift or by any other transfer for a nominal or no monetary consideration shall also include the average value of similar motor vehicles, established by standards and guides as determined by the motor vehicle registrar. The purchase price in those instances where a motor vehicle is manufactured by a person who registers it under the laws of this state shall mean the manufactured cost of such motor vehicle and manufactured cost shall mean the amount expended for materials, labor, and other properly allocable costs of manufacture, except that in the absence of actual expenditures for the manufacture of a part or all of the motor vehicle, manufactured costs shall mean the reasonable value of the completed motor vehicle.

(b) The term "purchase price" shall not include the portion of the value of a motor vehicle due solely to modifications necessary to make the motor vehicle disability accessible.

(c) The term "purchase price" shall not include the transfer of a motor vehicle by way of gift between a husband and wife or parent and child, or to a nonprofit organization as provided under subdivision 16, paragraph (c), clause (6), nor shall it include the transfer of a motor vehicle by a guardian to a ward when there is no monetary consideration and the title to such vehicle was registered in the name of the guardian, as guardian, only because the ward was a minor.

(d) The term "purchase price" shall not include the transfer of a motor vehicle as a gift between a foster parent and foster child. For purposes of this subdivision, a foster relationship exists, regardless of the age of the child, if (1) a foster parent's home is or was licensed as a foster family home under Minnesota Rules, parts 9545.0010 2960.3000.
to 9545.0260 2960.3230, and (2) the county verifies that the child was a state ward or
in permanent foster care.

(e) There shall not be included in "purchase price" the amount of any tax imposed by
the United States upon or with respect to retail sales whether imposed upon the retailer or
the consumer.

Sec. 166. Minnesota Statutes 2014, section 297E.01, subdivision 8, is amended to read:

Subd. 8. Gross receipts. "Gross receipts" means all receipts derived from lawful
gambling activity including, but not limited to, the following items:

(1) gross sales of bingo hard cards, paper sheets, linked bingo paper sheets, and
electronic linked bingo games before reduction for prizes, expenses, shortages, free plays, or any other charges or offsets;

(2) the ideal gross of pull-tab, electronic pull-tab games, and tipboard deals or games
less the value of unsold and defective tickets and before reduction for prizes, expenses,
shortages, free plays, or any other charges or offsets;

(3) gross sales of raffle tickets and paddle tickets before reduction for prizes, expenses, shortages, free plays, or any other charges or offsets;

(4) admission, commission, cover, or other charges imposed on participants in
lawful gambling activity as a condition for or cost of participation; and

(5) interest, dividends, annuities, profit from transactions, or other income derived
from the accumulation or use of gambling proceeds.

Gross receipts does not include rental proceeds from rental under section 249.18,
subdivision 3 premises owned by an organization and leased to one or more other
organizations for the purposes of conducting lawful gambling.

Sec. 167. Minnesota Statutes 2014, section 298.223, subdivision 1, is amended to read:

Subdivision 1. Creation; purposes. A fund called the taconite environmental
protection fund is created for the purpose of reclaiming, restoring and enhancing those
areas of northeast Minnesota located within the taconite assistance area defined in section
273.1341, that are adversely affected by the environmentally damaging operations
involved in mining taconite and iron ore and producing iron ore concentrate and for the
purpose of promoting the economic development of northeast Minnesota. The taconite
environmental protection fund shall be used for the following purposes:

(1) to initiate investigations into matters the Iron Range Resources and Rehabilitation
Board determines are in need of study and which will determine the environmental
problems requiring remedial action;
(2) reclamation, restoration, or reforestation of mine lands not otherwise provided for by state law;

(3) local economic development projects but only if those projects are approved by the board, and public works, including construction of sewer and water systems located within the taconite assistance area defined in section 273.1341;

(4) monitoring of mineral industry related health problems among mining employees; and

(5) local public works projects under section 298.227, paragraph (c); and

(6) local public works projects as provided under this clause. The following amounts shall be distributed in 2009 based upon the taxable tonnage of production in 2008:

(i) .4651 cent per ton to the city of Aurora for street repair and renovation;

(ii) .4264 cent per ton to the city of Biwabik for street and utility infrastructure improvements to the south side industrial site;

(iii) .6460 cent per ton to the city of Buhl for street repair;

(iv) 1.0336 cents per ton to the city of Hoyt Lakes for public utility improvements;

(v) 1.1628 cents per ton to the city of Eveleth for water and sewer infrastructure upgrades;

(vi) 1.0336 cents per ton to the city of Gilbert for water and sewer infrastructure upgrades;

(vii) .7752 cent per ton to the city of Mountain Iron for water and sewer infrastructure;

(viii) 1.2920 cents per ton to the city of Virginia for utility upgrades and accessibility modifications for the miners' memorial;

(ix) .6460 cent per ton to the town of White for Highway 135 road upgrades;

(x) 1.9380 cents per ton to the city of Hibbing for public infrastructure projects;

(xi) 1.1628 cents per ton to the city of Chisholm for water and sewer repair;

(xii) .6460 cent per ton to the city of Balkan for community center repair;

(xiii) .9044 cent per ton to the city of Babbitt for city garage construction;

(xiv) .5168 cent per ton to the city of Cook for public infrastructure projects;

(xv) .5168 cent per ton to the city of Ely for reconstruction of 2nd Avenue West;

(xvi) .6460 cent per ton to the city of Tower for water infrastructure upgrades;

(xvii) .1292 cent per ton to the city of Orr for water infrastructure upgrades;

(xviii).1292 cent per ton to the city of Silver Bay for emergency cleanup;

(xix).3230 cent per ton to Lake County for trail construction;

(xx) .1292 cent per ton to Cook County for construction of tennis courts in Grand Marais;

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(xxi) $0.3101$ cent per ton to the city of Two Harbors for water infrastructure improvements;

(xxii) $0.1938$ cent per ton for land acquisition for phase one of Cook Airport project;

(xxiii) $1.0336$ cents per ton to the city of Coleraine for water and sewer improvements along Gayley Avenue;

(xxiv) $0.3876$ cent per ton to the city of Marble for construction of a city administration facility;

(xxv) $0.1292$ cent per ton to the city of Calumet for repairs at city hall and the community center;

(xxvi) $0.6460$ cent per ton to the city of Nashwauk for electrical infrastructure upgrades;

(xxvii) $1.0336$ cents per ton to the city of Keewatin for water and sewer upgrades along Depot Street;

(xxviii) $0.2584$ cent per ton to the city of Aitkin for water, sewer, street, and gutter improvements;

(xxix) $1.1628$ cents per ton to the city of Grand Rapids for water and sewer infrastructure upgrades at Pokegema Golf Course and Park Place;

(XXX) $1.9044$ cent per ton to the city of Grand Rapids for water and sewer upgrades for 1st Avenue from River Road to 3rd Street SE; and

(XXXI) $0.9044$ cent per ton to the city of Cohasset for upgrades to the railroad crossing at Highway 2 and County Road 62.

Sec. 168. Minnesota Statutes 2014, section 298.28, subdivision 4, is amended to read:

Subd. 4. School districts. (a) $0.3215$ cents per taxable ton, plus the increase provided in paragraph (d), less the amount that would have been computed under Minnesota Statutes 2008, section 126C.21, subdivision 4, for the current year for that district, must be allocated to qualifying school districts to be distributed, based upon the certification of the commissioner of revenue, under paragraphs (b), (c), and (f).

(b)(i) $3.43$ cents per taxable ton must be distributed to the school districts in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. The distribution must be based on the apportionment formula prescribed in subdivision 2.

(ii) Four cents per taxable ton from each taconite facility must be distributed to each affected school district for deposit in a fund dedicated to building maintenance and repairs, as follows:
(1) proceeds from Keewatin Taconite or its successor are distributed to Independent School Districts Nos. 316, Coleraine, and 319, Nashwauk-Keewatin, or their successor districts;

(2) proceeds from the Hibbing Taconite Company or its successor are distributed to Independent School Districts Nos. 695, Chisholm, and 701, Hibbing, or their successor districts;

(3) proceeds from the Mittal Steel Company and Minntac or their successors are distributed to Independent School Districts Nos. 712, Mountain Iron-Buhl, 706, Virginia, 2711, Mesabi East, and 2154, Eveleth-Gilbert, or their successor districts;

(4) proceeds from the Northshore Mining Company or its successor are distributed to Independent School Districts Nos. 2142, St. Louis County, and 381, Lake Superior, or their successor districts; and

(5) proceeds from United Taconite or its successor are distributed to Independent School Districts Nos. 2142, St. Louis County, and 2154, Eveleth-Gilbert, or their successor districts. 

Revenues that are required to be distributed to more than one district shall be apportioned according to the number of pupil units identified in section 126C.05, subdivision 1, enrolled in the second previous year.

(c)(i) 24.72 cents per taxable ton, less any amount distributed under paragraph (e), shall be distributed to a group of school districts comprised of those school districts which qualify as a tax relief area under section 273.134, paragraph (b), or in which there is a qualifying municipality as defined by section 273.134, paragraph (a), in direct proportion to school district indexes as follows: for each school district, its pupil units determined under section 126C.05 for the prior school year shall be multiplied by the ratio of the average adjusted net tax capacity per pupil unit for school districts receiving aid under this clause as calculated pursuant to chapters 122A, 126C, and 127A for the school year ending prior to distribution to the adjusted net tax capacity per pupil unit of the district. Each district shall receive that portion of the distribution which its index bears to the sum of the indices for all school districts that receive the distributions.

(ii) Notwithstanding clause (i), each school district that receives a distribution under sections 298.018; 298.24, and 298.25 to 298.28, exclusive of any amount received under this clause; 298.34 to 298.39; 298.391 to 298.396; 298.405; or any law imposing a tax on severed mineral values after reduction for any portion distributed to cities and towns under section 126C.48, subdivision 8, paragraph (5), that is less than the amount of its levy reduction under section 126C.48, subdivision 8, for the second year prior to the year of the distribution shall receive a distribution equal to the difference; the amount...
necessary to make this payment shall be derived from proportionate reductions in the
initial distribution to other school districts under clause (i). If there are insufficient tax
proceeds to make the distribution provided under this paragraph in any year, money must
be transferred from the taconite property tax relief account in subdivision 6, to the extent
of the shortfall in the distribution.

(d)(1) Any school district described in paragraph (c) where a levy increase pursuant
to section 126C.17, subdivision 9, was authorized by referendum for taxes payable in
2001, shall receive a distribution of 21.3 cents per ton. Each district shall receive $175
times the pupil units identified in section 126C.05, subdivision 1, enrolled in the second
previous year or the 1983-1984 school year, whichever is greater, less the product of 1.8
percent times the district's taxable net tax capacity in 2011.

(2) Districts qualifying under paragraph (c) must receive additional taconite aid each
year equal to 22.5 percent of the amount obtained by subtracting:

(i) 1.8 percent of the district's net tax capacity for 2011, from:

(ii) the district's weighted average daily membership for fiscal year 2012, multiplied
by the sum of:

(A) $415, plus

(B) the district's referendum revenue allowance for fiscal year 2013.

If the total amount provided by paragraph (d) is insufficient to make the payments
herein required then the entitlement of $175 per pupil unit shall be reduced uniformly
so as not to exceed the funds available. Any amounts received by a qualifying school
district in any fiscal year pursuant to paragraph (d) shall not be applied to reduce general
education aid which the district receives pursuant to section 126C.13 or the permissible
levies of the district. Any amount remaining after the payments provided in this paragraph
shall be paid to the commissioner of Iron Range resources and rehabilitation who shall
deposit the same in the taconite environmental protection fund and the Douglas J. Johnson
economic protection trust fund as provided in subdivision 11.

Each district receiving money according to this paragraph shall reserve the lesser of
the amount received under this paragraph or $25 times the number of pupil units served in
the district. It may use the money for early childhood programs.

(e) There shall be distributed to any school district the amount which the school
district was entitled to receive under section 298.32 in 1975.

(f) Four cents per taxable ton must be distributed to qualifying school districts
according to the distribution specified in paragraph (b), clause (ii), and 11 cents per
taxable ton must be distributed according to the distribution specified in paragraph (c).
These amounts are not subject to sections 126C.21, subdivision 4, and section 126C.48, subdivision 8.

Sec. 169. Minnesota Statutes 2014, section 298.294, is amended to read:

298.294 INVESTMENT OF FUND.

(a) The trust fund established by section 298.292 shall be invested pursuant to law by the State Board of Investment and the net interest, dividends, and other earnings arising from the investments shall be transferred, except as provided in paragraph (b), on the first day of each month to the trust and shall be included and become part of the trust fund. The amounts transferred, including the interest, dividends, and other earnings earned prior to July 13, 1982, together with the additional amount of $10,000,000 for fiscal year 1983, which is appropriated April 21, 1983, are appropriated from the trust fund to the commissioner of Iron Range resources and rehabilitation for deposit in a separate account for expenditure for the purposes set forth in section 298.292. Amounts appropriated pursuant to this section shall not cancel but shall remain available unless expended.

(b) For fiscal years 2010 and 2011 only, $1,500,000 of the net interest, dividends, and other earnings under paragraph (a) shall be transferred to a special account. Funds in the special account are available for loans or grants to businesses, with priority given to businesses with 25 or fewer employees. Funds may be used for wage subsidies for up to 52 weeks of up to $5 per hour or other activities, including, but not limited to, short-term operating expenses and purchase of equipment and materials by businesses under financial duress, that will create additional jobs in the taconite assistance area under section 273.1341. Expenditures from the special account must be approved by the board.

(c) (b) To qualify for a grant or loan, a business must be currently operating and have been operating for one year immediately prior to its application for a loan or grant, and its corporate headquarters must be located in the taconite assistance area.

Sec. 170. Minnesota Statutes 2014, section 298.2961, subdivision 4, is amended to read:

Subd. 4. Grant and loan fund. (a) A fund is established to receive distributions under section 298.28, subdivision 9b, and to make grants or loans as provided in this subdivision. Any grant or loan made under this subdivision must be approved by the board, established under section 298.22.

(b) Distributions received in calendar year 2005 are allocated to the city of Virginia for improvements and repairs to the city's steam heating system.
(c) Distributions received in calendar year 2006 are allocated to a project of the public utilities commissions of the cities of Hibbing and Virginia to convert their electrical generating plants to the use of biomass products, such as wood.

(d) Distributions received in calendar year 2007 must be paid to the city of Tower to be used for the East Two Rivers project in or near the city of Tower.

(e) For distributions received in 2008, the first $2,000,000 of the 2008 distribution must be paid to St. Louis County for deposit in its county road and bridge fund to be used for relocation of St. Louis County Road 715, commonly referred to as Pike River Road. The remainder of the 2008 distribution must be paid to St. Louis County for a grant to the city of Virginia for connecting sewer and water lines to the St. Louis County maintenance garage on Highway 135, further extending the lines to interconnect with the city of Gilbert's sewer and water lines. (b) All distributions received in 2009 and subsequent years are allocated for projects under section 298.223, subdivision 1.

Sec. 171. Minnesota Statutes 2014, section 303.16, subdivision 2, is amended to read:

Subd. 2. Contents of application. The application for withdrawal shall set forth:

(1) the name of the corporation and the state or country under the laws of which it is organized;

(2) that it has no property located in this state and has ceased to transact business therein;

(3) that its board of directors has duly determined to surrender its authority to transact business in this state;

(4) that it revokes the authority of its registered agent in this state to accept service of process;

(5) the address to which the secretary of state shall mail a copy of any process against the corporation that may be served upon the secretary of state; .and

(6) that it will pay to the commissioner of management and budget the amount of any additional license fees properly found by the secretary of state to be then due from such corporation; .and

(7) additional information required or demanded to enable the secretary of state to determine the additional license fees, if any, payable by the corporation, the determination thereof to be made in the manner provided by section 303.07, subdivision 2.

Sec. 172. Minnesota Statutes 2014, section 319B.02, subdivision 19, is amended to read:

Subd. 19. Professional services. "Professional services" means services of the type required or permitted to be furnished by a professional under a license, registration, or
certificate issued by the state of Minnesota to practice medicine and surgery under sections
147.01 to 147.22, as a physician assistant pursuant to sections 147A.01 to 147A.27,
chiropractic under sections 148.01 to 148.105, registered nursing under sections 148.171 to
148.285, optometry under sections 148.52 to 148.62, psychology under sections 148.88 to
148.98, social work under chapter 148D, marriage and family therapy under sections
148B.29 to 148B.39, professional counseling under sections 148B.50 to 148B.593,
dentistry and dental hygiene under sections 150A.01 to 150A.12, pharmacy under sections
151.01 to 151.40, podiatric medicine under sections 153.01 to 153.25, veterinary medicine
under sections 156.001 to 156.14, architecture, engineering, surveying, landscape
architecture, geoscience, and certified interior design under sections 326.02 to 326.15,
accountancy under chapter 326A, or law under sections 481.01 to 481.17, or under a
license or certificate issued by another state under similar laws. Professional services
includes services of the type required to be furnished by a professional pursuant to a
license or other authority to practice law under the laws of a foreign nation.

Sec. 173. Minnesota Statutes 2014, section 325E.34, subdivision 1, is amended to read:
Subdivision 1. Definitions. For the purposes of this section, the terms in paragraphs
(a) and (b) have the meanings given them.
(a) "Newspaper" means a publication issued regularly by the same person or corporation, or a successor, whether the
name of the publication is the same or different.
(b) "Place of public accommodation" means a
subdivision 34.

Sec. 174. Minnesota Statutes 2014, section 326B.31, subdivision 15, is amended to read:
Subd. 15. Demarcation. "Demarcation" means listed equipment as identified in
Minnesota Rules, part 3800.3619, such as a transformer, uninterruptible
power supply (UPS), battery, control panel, or other device that isolates technology
circuits or systems from nontechnology circuits or systems, including plug or cord and
plug connection.

Sec. 175. Minnesota Statutes 2014, section 326B.42, subdivision 6, is amended to read:
Subd. 6. Plumber's apprentice. A "plumber's apprentice" is any individual who
is employed in the practical installation of plumbing under an apprenticeship agreement
approved by the department under Minnesota Rules, part 5200.0240, section 178.07.
Sec. 176. Minnesota Statutes 2014, section 326B.91, subdivision 8, is amended to read:

Subd. 8. *Pipefitter apprentice.* A "pipefitter apprentice" is an individual employed in the trade of the practical construction and installation of high pressure piping and appurtenances under an apprenticeship agreement approved by the department under Minnesota Rules, part 5200.0300 section 178.07.

Sec. 177. Minnesota Statutes 2014, section 326B.92, subdivision 2, is amended to read:

Subd. 2. *Permissive municipal regulation.* The commissioner may enter into an agreement with a municipality, in which the municipality agrees to perform inspections and issue permits for the construction and installation of high pressure piping systems within the municipality's geographical area of jurisdiction, if:

(a) The municipality has adopted:

(1) the code for power piping systems, Minnesota Rules, parts 5230.0250 to 5230.6200 5230.5920;

(2) an ordinance that authorizes the municipality to issue permits to persons holding a high pressure piping business license issued by the department and only for construction or installation that would, if performed properly, fully comply with all Minnesota Statutes and Minnesota Rules;

(3) an ordinance that authorizes the municipality to perform the inspections that are required under Minnesota Statutes or Minnesota Rules governing the construction and installation of high pressure piping systems; and

(4) an ordinance that authorizes the municipality to enforce the code for power piping systems in its entirety.

(b) The municipality agrees to issue permits only to persons holding a high pressure piping business license as required by law at the time of the permit issuance, and only for construction or installation that would, if performed properly, comply with all Minnesota Statutes and Minnesota Rules governing the construction or installation of high pressure piping systems.

(c) The municipality agrees to issue permits only on forms approved by the department.

(d) The municipality agrees that, for each permit issued by the municipality, the municipality shall perform one or more inspections of the construction or installation to determine whether the construction or installation complies with all Minnesota Statutes and Minnesota Rules governing the construction or installation of high pressure piping systems, and shall prepare a written report of each inspection.
(e) The municipality agrees to notify the commissioner within 24 hours after the municipality discovers any violation of the licensing laws related to high pressure piping.

(f) The municipality agrees to notify the commissioner immediately if the municipality discovers that any entity has failed to meet a deadline set by the municipality for correction of a violation of the high pressure piping laws.

(g) The commissioner determines that the individuals who will conduct the inspections for the municipality do not have any conflict of interest in conducting the inspections.

(h) Individuals who will conduct the inspections for the municipality are permanent employees of the municipality and are licensed contracting high pressure pipefitters or licensed journeyman high pressure pipefitters.

(i) The municipality agrees to notify the commissioner within ten days of any changes in the names or qualifications of the individuals who conduct the inspections for the municipality.

(j) The municipality agrees to enforce in its entirety the code for power piping systems on all projects.

(k) The municipality shall not approve any piping installation unless the installation conforms to all applicable provisions of the high pressure piping laws in effect at the time of the installation.

(l) The municipality agrees to promptly require compliance or revoke a permit that it has issued if there is noncompliance with any of the applicable provisions of the high pressure piping laws in connection with the work covered by the permit. The municipality agrees to revoke the permit if any laws regulating the licensing of pipefitters have been violated.

(m) The municipality agrees to keep official records of all documents received, including permit applications, and of all permits issued, reports of inspections, and notices issued in connection with inspections.

(n) The municipality agrees to maintain the records described in paragraph (m) in the official records of the municipality for the period required for the retention of public records under section 138.17, and shall make these records readily available for review according to section 13.37.

(o) Not later than the tenth day of each month, the municipality shall submit to the commissioner a report of all high pressure piping permits issued by the municipality during the preceding month. This report shall be in a format approved by the commissioner and shall include:

(1) the name of the contractor;
(2) the license number of the contractor's license issued by the commissioner;

(3) the permit number;

(4) the address of the job;

(5) the date the permit was issued;

(6) a brief description of the work; and

(7) the amount of the inspection fee.

(p) Not later than the 31st day of January of each year, the municipality shall submit

a summary report to the commissioner identifying the status of each high pressure piping

project for which the municipality issued a permit during the preceding year, and the

status of high pressure piping projects for which the municipality issued a permit during a

prior year where no final inspection had occurred by the first day of the preceding year.

This summary report shall include:

(1) the permit number;

(2) the date of any final inspection; and

(3) identification of any violation of high pressure piping laws related to work

covered by the permit.

(q) The municipality and the commissioner agree that if at any time during the

agreement the municipality does not have in effect the code for high pressure piping

systems or any of the ordinances described in paragraph (a), or if the commissioner

determines that the municipality is not properly administering and enforcing the code for

high pressure piping or is otherwise not complying with the agreement:

(1) the commissioner may, effective 14 days after the municipality's receipt of

written notice, terminate the agreement and have the administration and enforcement of

the high pressure piping code in the involved municipality undertaken by the department;

(2) the municipality may challenge the termination in a contested case before the

commissioner pursuant to the Administrative Procedure Act; and

(3) while any challenge under clause (2) is pending, the commissioner may exercise

oversight of the municipality to the extent needed to ensure that high pressure piping

inspections are performed and permits are issued in accordance with the high pressure

piping laws.

(r) The municipality and the commissioner agree that the municipality may terminate

the agreement with or without cause on 90 days' written notice to the commissioner.

(s) The municipality and the commissioner agree that no municipality shall

revoke, suspend, or place restrictions on any high pressure piping license issued by the

commissioner. If the municipality identifies during an inspection any violation that

may warrant revocation, suspension, or placement of restrictions on a high pressure
piping license issued by the commissioner, the municipality shall promptly notify the
commissioner of the violation and the commissioner shall determine whether revocation,
suspension, or placement of restrictions on any high pressure piping license issued by
the commissioner is appropriate.

Sec. 178. Minnesota Statutes 2014, section 327C.02, subdivision 5, is amended to read:

Subd. 5. Written notice required. A prospective resident, before being asked to
sign a rental agreement, must be given the following notice printed verbatim in boldface
type of a minimum size of ten points. The notice must be provided with the park residency
application. The notice and the safety feature disclosure form required under section
327C.07, subdivision 3a, must be posted in a conspicuous and public location in the park:

"IMPORTANT NOTICE

State law provides special rules for the owners, residents, and prospective residents
of manufactured home parks.

You may keep your home in the park as long as the park is in operation and you
meet your financial obligations, obey state and local laws which apply to the park, obey
reasonable park rules, do not substantially annoy or endanger the other residents or
substantially endanger park personnel and do not substantially damage the park premises.

You may not be evicted or have your rent increased or your services cut for complaining
to the park owner or to a governmental official.

If you receive an eviction notice and do not leave the park, the park owner may take
you to court. If you lose in court, a sheriff may remove you and your home from the park
within seven days. Or, the court may require you to leave the park within seven days but
give you 60 days to sell the home within the park.

If you receive an eviction notice for a new or amended rule and the court finds the
rule to be reasonable and not a substantial modification of your original agreement, the
court will not order you to leave but will order you to comply with the rule within ten
days. If you do not comply within the time given or if you violate the rule at a later time,
you will be subject to eviction.

All park rules and policies must be reasonable. Your rent may not be increased more
than twice a year. Changes made in park rules after you become a park resident will not
apply to you if they substantially change your original agreement.

The park may not charge you an entrance fee.
The park may require a security deposit, but the deposit must not amount to more
than two months rent.
You have a right to sell the home in the park. But the sale is not final until the park owner approves the buyer as a new resident, and you must advise in writing anyone who wants to buy your home that the sale is subject to final approval by the park owner.

The park must provide to you, in writing, the procedures and criteria used to evaluate a prospective resident. If your application is denied, you can request, in writing, the reason why.

You must also disclose in writing certain safety information about your home to anyone who wants to buy it in the park. You must give this information to the buyer before the sale, in writing, on the form that is attached to this notice. You must completely and accurately fill out the form and you and the buyer should each keep a copy.

Your rental agreement and the park rules contain important information about your rights and duties. Read them carefully and keep a copy.

You must be given a copy of the shelter or evacuation plan for the park. This document contains information on where to seek shelter in times of severe weather conditions. You should carefully review the plan and keep a copy.

By February 1 of each year, the park must give you a certificate of rent constituting property taxes as required by Minnesota Statutes, section 290A.19.

For further information concerning your rights, consult a private attorney. The state law governing the rental of lots in manufactured home parks may also be enforced by the Minnesota Attorney General.

In addition, the safety feature disclosure form required under section 327C.07, subdivision 3a, must be attached to the notice.

Sec. 179. Minnesota Statutes 2014, section 349.12, subdivision 25, is amended to read:

Subd. 25. Lawful purpose. (a) "Lawful purpose" means one or more of the following:

(1) any expenditure by or contribution to a 501(c)(3) or festival organization, as defined in subdivision 15a, provided that the organization and expenditure or contribution are in conformity with standards prescribed by the board under section 349.154, which standards must apply to both types of organizations in the same manner and to the same extent;

(2) a contribution to or expenditure for goods and services for an individual or family suffering from poverty, homelessness, or disability, which is used to relieve the effects of that suffering;

(3) a contribution to a program recognized by the Minnesota Department of Human Services for the education, prevention, or treatment of problem gambling;
(4) a contribution to or expenditure on a public or private nonprofit educational institution registered with or accredited by this state or any other state;

(5) a contribution to an individual, public or private nonprofit educational institution registered with or accredited by this state or any other state, or to a scholarship fund of a nonprofit organization whose primary mission is to award scholarships, for defraying the cost of education to individuals where the funds are awarded through an open and fair selection process;

(6) activities by an organization or a government entity which recognize military service to the United States, the state of Minnesota, or a community, subject to rules of the board, provided that the rules must not include mileage reimbursements in the computation of the per diem reimbursement limit and must impose no aggregate annual limit on the amount of reasonable and necessary expenditures made to support:

(i) members of a military marching or color guard unit for activities conducted within the state;

(ii) members of an organization solely for services performed by the members at funeral services;

(iii) members of military marching, color guard, or honor guard units may be reimbursed for participating in color guard, honor guard, or marching unit events within the state or states contiguous to Minnesota at a per participant rate of up to $50 per diem; or

(iv) active military personnel and their immediate family members in need of support services;

(7) recreational, community, and athletic facilities and activities intended primarily for persons under age 21, provided that such facilities and activities do not discriminate on the basis of gender and the organization complies with section 349.154, subdivision 3a;

(8) payment of local taxes authorized under this chapter, taxes imposed by the United States on receipts from lawful gambling, the taxes imposed by section 297E.02, subdivisions 1, 5, and 6, and the tax imposed on unrelated business income by section 290.05, subdivision 3;

(9) payment of real estate taxes and assessments on permitted gambling premises owned by the licensed organization paying the taxes, or wholly leased by a licensed veterans organization under a national charter recognized under section 501(c)(19) of the Internal Revenue Code;

(10) a contribution to the United States, this state or any of its political subdivisions, or any agency or instrumentality thereof other than a direct contribution to a law enforcement or prosecutorial agency;
(11) a contribution to or expenditure by a nonprofit organization which is a church
or body of communicants gathered in common membership for mutual support and
edification in piety, worship, or religious observances;
(12) an expenditure for citizen monitoring of surface water quality by individuals
or nongovernmental organizations that is consistent with section 115.06, subdivision 4,
and Minnesota Pollution Control Agency guidance on monitoring procedures, quality
assurance protocols, and data management, provided that the resulting data is submitted
to the Minnesota Pollution Control Agency for review and inclusion in the state water
quality database;
(13) a contribution to or expenditure on projects or activities approved by the
commissioner of natural resources for:
(i) wildlife management projects that benefit the public at large;
(ii) grant-in-aid trail maintenance and grooming established under sections 84.83
and 84.927, and other trails open to public use, including purchase or lease of equipment
for this purpose; and
(iii) supplies and materials for safety training and educational programs coordinated
by the Department of Natural Resources, including the Enforcement Division;
(14) conducting nutritional programs, food shelves, and congregate dining programs
primarily for persons who are age 62 or older or disabled;
(15) a contribution to a community arts organization, or an expenditure to sponsor
arts programs in the community, including but not limited to visual, literary, performing,
or musical arts;
(16) an expenditure by a licensed fraternal organization or a licensed veterans
organization for payment of water, fuel for heating, electricity, and sewer costs for:
(i) up to 100 percent for a building wholly owned or wholly leased by and used as
the primary headquarters of the licensed veteran or fraternal organization; or
(ii) a proportional amount subject to approval by the director and based on the
portion of a building used as the primary headquarters of the licensed veteran or fraternal
organization;
(17) expenditure by a licensed veterans organization of up to $5,000 in a calendar
year in net costs to the organization for meals and other membership events, limited to
members and spouses, held in recognition of military service. No more than $5,000 can be
expended in total per calendar year under this clause by all licensed veterans organizations
sharing the same veterans post home;
(18) payment of fees authorized under this chapter imposed by the state of Minnesota
to conduct lawful gambling in Minnesota;
(19) a contribution or expenditure to honor an individual's humanitarian service as demonstrated through philanthropy or volunteerism to the United States, this state, or local community;

(20) a contribution by a licensed organization to another licensed organization with prior board approval, with the contribution designated to be used for one or more of the following lawful purposes under this section: clauses (1) to (7), (11) to (15), (19), and (25);

(21) an expenditure that is a contribution to a parent organization, if the parent organization: (i) has not provided to the contributing organization within one year of the contribution any money, grants, property, or other thing of value, and (ii) has received prior board approval for the contribution that will be used for a program that meets one or more of the lawful purposes under subdivision 7a;

(22) an expenditure for the repair, maintenance, or improvement of real property and capital assets owned by an organization, or for the replacement of a capital asset that can no longer be repaired, with a fiscal year limit of five percent of gross profits from the previous fiscal year, with no carryforward of unused allowances. The fiscal year is July 1 through June 30. Total expenditures for the fiscal year may not exceed the limit unless the board has specifically approved the expenditures that exceed the limit due to extenuating circumstances beyond the organization's control. An expansion of a building or bar-related expenditures are not allowed under this provision.

(i) The expenditure must be related to the portion of the real property or capital asset that must be made available for use free of any charge to other nonprofit organizations, community groups, or service groups, and is used for the organization's primary mission or headquarters.

(ii) An expenditure may be made to bring an existing building that the organization owns into compliance with the Americans with Disabilities Act.

(iii) An organization may apply the amount that is allowed under item (ii) to the erection or acquisition of a replacement building that is in compliance with the Americans with Disabilities Act if the board has specifically approved the amount. The cost of the erection or acquisition of a replacement building may not be made from gambling proceeds, except for the portion allowed under this item;

(23) an expenditure for the acquisition or improvement of a capital asset with a cost greater than $2,000, excluding real property, that will be used exclusively for lawful purposes under this section if the board has specifically approved the amount;

(24) an expenditure for the acquisition, erection, improvement, or expansion of real property, if the board has first specifically authorized the expenditure after finding that the real property will be used exclusively for lawful purpose under this section;
(25) an expenditure, including a mortgage payment or other debt service payment, for the erection or acquisition of a comparable building to replace an organization-owned building that was destroyed or made uninhabitable by fire or catastrophe or to replace an organization-owned building that was taken or sold under an eminent domain proceeding. The expenditure may be only for that part of the replacement cost not reimbursed by insurance for the fire or catastrophe or compensation not received from a governmental unit under the eminent domain proceeding, if the board has first specifically authorized the expenditure; or

(26) a contribution to a 501(c)(19) organization that does not have an organization license under section 349.16 and is not affiliated with the contributing organization, and whose owned or leased property is not a permitted premises under section 349.165. The 501(c)(19) organization may only use the contribution for lawful purposes under this subdivision or for the organization's primary mission. The 501(c)(19) organization may not use the contribution for expansion of a building or for bar-related expenditures. A contribution may not be made to a statewide organization representing a consortia of 501(c)(19) organizations.

(b) Expenditures authorized by the board under clauses (24) and (25) must be 51 percent completed within two years of the date of board approval; otherwise the organization must reapply to the board for approval of the project. "Fifty-one percent completed" means that the work completed must represent at least 51 percent of the value of the project as documented by the contractor or vendor.

(c) Notwithstanding paragraph (a), "lawful purpose" does not include:

(1) any expenditure made or incurred for the purpose of influencing the nomination or election of a candidate for public office or for the purpose of promoting or defeating a ballot question;

(2) any activity intended to influence an election or a governmental decision-making process;

(3) a contribution to a statutory or home rule charter city, county, or town by a licensed organization with the knowledge that the governmental unit intends to use the contribution for a pension or retirement fund; or

(4) a contribution to a 501(c)(3) organization or other entity with the intent or effect of not complying with lawful purpose restrictions or requirements.

Sec. 180. Minnesota Statutes 2014, section 355.01, subdivision 3e, is amended to read:

Subd. 3e. Judge. "Judge" means a judge as defined in section 490.121, subdivision 21b.
Sec. 181. Minnesota Statutes 2014, section 383B.213, is amended to read:

383B.213 POWERS AND DUTIES.

All powers and duties pertaining to health care and related services now or hereafter exercisable or imposed by law upon Hennepin County shall be vested in the board of commissioners. If, by general statute, provision is made for separate health boards, the board of commissioners may assume the powers and duties of the boards or may create separate health boards and make appointments to them as provided by statute. The board may delegate authority and responsibility to the county administrator, who may designate a person or persons to perform the tasks empowered or assigned. The powers and duties of the board shall include, but not be limited to:

(a) Those provided in chapter 145.
(b) Those created by contract entered into with any other unit of government or the University of Minnesota for health care and related services, or by contract or affiliation agreement under section 383B.217, subdivision 5.
(c) Those relating to mental health in chapter 245.
(d) Those authorized under section 471.59.
(e) Those contained expressly or by necessary implication in special statutes applicable to Hennepin County.

Sec. 182. Minnesota Statutes 2014, section 383D.65, subdivision 3, is amended to read:

Subd. 3. Filed surveys are public; deadline. Any registered licensed land surveyor who shall perform a survey of land for an individual or corporation shall file a true and correct copy of such survey in the office of the county surveyor within 30 days after completion of the survey. The manner of filing, and all incidents thereof, shall be determined by the county surveyor. All surveys so filed shall be public records and shall be available at all reasonable times for inspection by any person.

Sec. 183. Minnesota Statutes 2014, section 389.03, is amended to read:

389.03 COMPENSATION; RECORDS.

(a) Except as otherwise provided by law, the county board shall fix the compensation of county surveyors or their deputies, including their necessary expenses. All records of surveys are public records and must be made available by the county surveyor at all reasonable times to inspection by any person. The county board shall, at the expense of the county, provide to the county surveyor all proper and necessary files for keeping these records. The county survey records must be kept in the office of the county surveyor or of the county recorder of the county. If an office for the county surveyor is maintained
in a building maintained by the county for county purposes on a full-time basis, then the
records shall be kept in the office of the county surveyor.

(b) If a county closes an office of the county surveyor that the county maintained in a
building maintained by the county for county purposes on a full-time basis, the county
shall transfer all certificates of location of corners filed with that office under section
160.15, subdivision 4, or 381.12, subdivisions 1 and 3, to be recorded in the office of
the county recorder.

Sec. 184. Minnesota Statutes 2014, section 412.191, subdivision 1, is amended to read:
Subdivision 1. Composition. The city council in a standard plan city shall consist
of the mayor, the clerk, and the three or five council members. In optional plan cities,
except those cities having a larger council under repealed Minnesota Statutes 1994,
section 412.023, subdivision 4, the council shall consist of the mayor and the four council
members. A majority of all the members shall constitute a quorum although a smaller
number may adjourn from time to time.

Sec. 185. Minnesota Statutes 2014, section 412.581, is amended to read:
412.581 OFFICERS.
In any city operating under Optional Plan A except a city having a larger council
under repealed Minnesota Statutes 1994, section 412.023, subdivision 4, the council shall
be composed of five or seven members consisting, except during the initial period of its
operation as provided in section 412.571, of the mayor and four or six council members
and, except as provided in that section, the clerk and treasurer or clerk-treasurer shall be
appointed by the council for indefinite terms.

Sec. 186. Minnesota Statutes 2014, section 414.0325, subdivision 5, is amended to read:
Subd. 5. Planning in orderly annexation area. (a) An orderly annexation
agreement may provide for the establishment of a board to exercise planning and land use
control authority within any area designated as an orderly annexation area pursuant to this
section, in the manner prescribed by section 471.59. The orderly annexation agreement
may also delegate planning and land use authority to the municipalities or towns or may
establish some other process within the orderly annexation agreement to accomplish
planning and land use control of the designated area.
(b) A board or other planning authority designated or established pursuant to an
orderly annexation agreement shall have all of the powers contained in sections 462.351 to

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462.364, and shall have the authority to adopt and enforce the State Fire Code promulgated pursuant to section 326B.02, subdivision 5.

c) The orderly annexation agreement may provide that joint planning and land use controls shall apply to any or all parts of the area designated for orderly annexation as well as to any adjacent unincorporated or incorporated area, provided that the area to be included shall be described in the joint resolution.

d) If the orderly annexation agreement does not provide for joint planning and land use control, delegate planning and land use control to the municipalities or towns, or establish some other process for planning and land use authority, the following procedures shall govern:

1) if the county and townships agree to exclude the area from their zoning and subdivision ordinances, the municipality may extend its zoning and subdivision regulations to include the entire orderly annexation area as provided in section 462.357, subdivision 1, and section 462.358, subdivision 1a; or

2) if the county and township do not agree to such extraterritorial zoning and subdivision regulation by the municipality, zoning and subdivision regulation within the orderly annexation area shall be controlled by a three-member committee with one member appointed from each of the municipal, town, and county governing bodies.

e) The committee under paragraph (d), clause (2), shall:

1) serve as the "governing body" and "board of appeals and adjustments," for purposes of sections 462.357 and 462.358, within the orderly annexation area; and

2) have all of the powers contained in sections 462.351 to 462.364, and the authority to adopt and enforce the State Fire Code promulgated pursuant to section 326B.02, subdivision 5.

Sec. 187. Minnesota Statutes 2014, section 446A.072, subdivision 14, is amended to read:

Subd. 14. Consistency with land use plans. A governmental unit applying for a project in an unsewered area shall include in its application to the authority a certification from the county in which the project is located that:

1) the project is consistent with the county comprehensive land use plan, if the county has adopted one;

2) the project is consistent with the county water plan, if the county has adopted one; and

3) the county has adopted specific land use ordinances or controls so as to meet or exceed the requirements of Minnesota Rules, parts 7080.0305, 7082.0050.
Sec. 188. Minnesota Statutes 2014, section 469.056, subdivision 1, is amended to read:

Subdivision 1. **Employees, Social Security.** A port authority may employ or contract for the engineering, legal, technical, clerical, stenographic, accounting, and other assistance it considers advisable. An employee of a port authority under this chapter is an "employee" under section 355.01, subdivision 4 2c, and by appropriate action of the port authority is entitled to benefits under that section.

Sec. 189. Minnesota Statutes 2014, section 469.1734, subdivision 5, is amended to read:

Subd. 5. **Border city new industry credit.** (a) To provide a tax incentive for new industry in border cities, a corporation may be allowed a credit against the tax imposed by section 290.02. The commissioner shall prescribe the method in which the credit may be claimed. This may include allowing the credit only as a separately processed claim for refund.

(b) The credit equals one percent of the wages and salaries paid by the taxpayer during the taxable year for employees whose principal place of work is located in a border city but outside of a zone designated under section 469.1731. The credit applies for the first three taxable years of the operation of the corporation in the border city. In the fourth and fifth taxable years of the operation of the corporation in the border city, the credit equals 0.5 percent of the wages and salaries. After the fifth year, no credit is allowed. The city shall determine the amount of wages that qualify for the credit and issue tax credit certificates in the correct amount.

(c) The credit under this subdivision applies only to a corporate enterprise engaged in assembling, fabricating, manufacturing, mixing, or processing of any agricultural, mineral, or manufactured product or combinations of them.

(d) The credit allowed under this subdivision may not exceed the lesser of:

(1) the tax liability of the taxpayer for the taxable year; or

(2) the amount of the tax credit certificates received by the taxpayer from the city, less any tax credit certificates used under subdivisions 4 and subdivision 6, and section 469.1732, subdivision 2.

Sec. 190. Minnesota Statutes 2014, section 469.1734, subdivision 6, is amended to read:

Subd. 6. **Sales tax exemption; equipment; construction materials.** (a) The gross receipts from the sale of machinery and equipment and repair parts are exempt from taxation under chapter 297A, if the machinery and equipment:

(1) are used in connection with a trade or business;
(2) are placed in service in a city that is authorized to designate a zone under section 469.1731, regardless of whether the machinery and equipment are used in a zone; and

(3) have a useful life of 12 months or more.

(b) The gross receipts from the sale of construction materials are exempt, if they are used to construct:

(1) a facility for use in a trade or business located in a city that is authorized to designate a zone under section 469.1731, regardless of whether the facility is located in a zone; or

(2) housing that is located in a zone.

The exemptions under this paragraph apply regardless of whether the purchase is made by the owner, the user, or a contractor.

(c) A purchaser may claim an exemption under this subdivision for tax on the purchases up to, but not exceeding:

(1) the amount of the tax credit certificates received from the city, less

(2) any tax credit certificates used under the provisions of subdivisions 4 and subdivisions 5, and section 469.1732, subdivision 2.

(d) The tax on sales of items exempted under this subdivision shall be imposed and collected as if the applicable rate under section 297A.62 applied. Upon application by the purchaser, on forms prescribed by the commissioner, a refund equal to the tax paid shall be paid to the purchaser. The application must include sufficient information to permit the commissioner to verify the sales tax paid and the eligibility of the claimant to receive the credit. No more than two applications for refunds may be filed under this subdivision in a calendar year. The provisions of section 289A.40 apply to the refunds payable under this subdivision. There is annually appropriated to the commissioner of revenue the amount required to make the refunds, which must be deducted from the amount of the city's allocation under section 469.169, subdivision 12, that remains available and its limitation under section 469.1735.

(e) The amount to be refunded shall bear interest at the rate in section 270C.405 from 90 days after the refund claim is filed with the commissioner.

Sec. 191. Minnesota Statutes 2014, section 469.1734, subdivision 7, is amended to read:

Subd. 7. Notice to competitors. (a) Before an exemption or other concession is granted under subdivision 3 or 4, the procedure under this subdivision applies.

(b) Unless the city council determines that no existing business within the city would be a potential competitor of the project, the project operator shall publish two notices to competitors of the application of the tax exemption or payments in lieu in the

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official newspaper of the city. The city shall prescribe the form of the notice. The two
notices must be published at least one week apart. The publications must be completed
not less than 15 days nor more than 30 days before the city council approves the tax
exemption or payments in lieu of taxes.

Sec. 192. Minnesota Statutes 2014, section 469.1735, subdivision 1, is amended to read:

Subdivision 1. **Businesses must apply.** To claim a tax credit under section
469.1732, subdivision 2, or 469.1734, subdivision 4 or 5, or an exemption from sales tax
under section 469.1734, subdivision 6, a business must apply to the city for a tax credit
certificate. As a condition of its application, the business must agree to furnish information
to the city that is sufficient to verify the eligibility for any credits or other tax reductions
claimed. The total amount of the state tax reductions allowed for the specified period may
not exceed the amount of the tax credit certificates provided by the city to the business. The
city must verify the amount of tax reduction or credits for which each business is eligible.

Sec. 193. Minnesota Statutes 2014, section 469.1763, subdivision 2, is amended to read:

Subd. 2. **Expenditures outside district.** (a) For each tax increment financing
district, an amount equal to at least 75 percent of the total revenue derived from tax
increments paid by properties in the district must be expended on activities in the district
or to pay bonds, to the extent that the proceeds of the bonds were used to finance activities
in the district or to pay, or secure payment of, debt service on credit enhanced bonds.
For districts, other than redevelopment districts for which the request for certification
was made after June 30, 1995, the in-district percentage for purposes of the preceding
sentence is 80 percent. Not more than 25 percent of the total revenue derived from tax
increments paid by properties in the district may be expended, through a development fund
or otherwise, on activities outside of the district but within the defined geographic area of
the project except to pay, or secure payment of, debt service on credit enhanced bonds.
For districts, other than redevelopment districts for which the request for certification was
made after June 30, 1995, the pooling percentage for purposes of the preceding sentence is
20 percent. The revenue derived from tax increments for the district that are expended on
costs under section 469.176, subdivision 4h, paragraph (b), may be deducted first before
calculating the percentages that must be expended within and without the district.
(b) In the case of a housing district, a housing project, as defined in section 469.174,
subdivision 11, is an activity in the district.
(c) All administrative expenses are for activities outside of the district, except that
if the only expenses for activities outside of the district under this subdivision are for
the purposes described in paragraph (d), administrative expenses will be considered as
expenditures for activities in the district.

(d) The authority may elect, in the tax increment financing plan for the district,
to increase by up to ten percentage points the permitted amount of expenditures for
activities located outside the geographic area of the district under paragraph (a). As
permitted by section 469.176, subdivision 4k, the expenditures, including the permitted
expenditures under paragraph (a), need not be made within the geographic area of the
project. Expenditures that meet the requirements of this paragraph are legally permitted
expenditures of the district, notwithstanding section 469.176, subdivisions 4b, 4c, and 4j.

To qualify for the increase under this paragraph, the expenditures must:

1. be used exclusively to assist housing that meets the requirement for a qualified
low-income building, as that term is used in section 42 of the Internal Revenue Code; and

2. not exceed the qualified basis of the housing, as defined under section 42(c) of
the Internal Revenue Code, less the amount of any credit allowed under section 42 of
the Internal Revenue Code; and

3. be used to:

   (i) acquire and prepare the site of the housing;

   (ii) acquire, construct, or rehabilitate the housing; or

   (iii) make public improvements directly related to the housing; or

4. be used to develop housing:

   (i) if the market value of the housing does not exceed the lesser of:

   (A) 150 percent of the average market value of single-family homes in that
municipality; or

   (B) $200,000 for municipalities located in the metropolitan area, as defined in
section 473.121, or $125,000 for all other municipalities; and

   (ii) if the expenditures are used to pay the cost of site acquisition, relocation,
demolition of existing structures, site preparation, and pollution abatement on one or
more parcels, if the parcel contains a residence containing one to four family dwelling
units that has been vacant for six or more months and is in foreclosure as defined in
section 325N.10, subdivision 7, but without regard to whether the residence is the owner's
principal residence, and only after the redemption period has expired.

(e) For a district created within a biotechnology and health sciences industry zone
as defined in Minnesota Statutes 2012, section 469.330, subdivision 6, or for an existing
district located within such a zone, tax increment derived from such a district may be
expended outside of the district but within the zone only for expenditures required for the
construction of public infrastructure necessary to support the activities of the zone, land
acquisition, and other redevelopment costs as defined in section 469.176, subdivision 4:

These expenditures are considered as expenditures for activities within the district. The
authority provided by this paragraph expires for expenditures made after the later of (1)
December 31, 2015, or (2) the end of the five-year period beginning on the date the district
was certified, provided that date was before January 1, 2016.

(4) (e) The authority under paragraph (d), clause (4), expires on December 31, 2016.

Increments may continue to be expended under this authority after that date, if they are
used to pay bonds or binding contracts that would qualify under subdivision 3, paragraph
(a), if December 31, 2016, is considered to be the last date of the five-year period after
certification under that provision.

Sec. 194. Minnesota Statutes 2014, section 473.388, subdivision 4, is amended to read:

Subd. 4. Financial assistance. (a) The council must grant the requested financial
assistance if it determines that the proposed service is intended to replace the service to
the applying city or town or combination thereof by the council and that the proposed
service will meet the needs of the applicant at least as efficiently and effectively as the
existing service.

(b) The amount of assistance which the council must provide to a system under this
section may not be less than the sum of the amounts determined for each municipality
comprising the system as follows:

(1) the transit operating assistance grants received under this subdivision by the
municipality in calendar year 2001 or the tax revenues for transit services levied by the
municipality for taxes payable in 2001, including that portion of the levy derived from
the areawide pool under section 473F.08, subdivision 3, clause (a), plus the portion of
the municipality's aid under Minnesota Statutes 2002, section 273.1398, subdivision 2,
attributable to the transit levy; times

(2) the ratio of (i) an amount equal to 3.74 percent of the state revenues generated
from the taxes imposed under chapter 297B for the current fiscal year to (ii) the total
transit operating assistance grants received under this subdivision in calendar year 2001
or the tax revenues for transit services levied by all replacement service municipalities
under this section for taxes payable in 2001, including that portion of the levy derived
from the areawide pool under section 473F.08, subdivision 3, clause (a), plus the portion
of homestead and agricultural credit aid under Minnesota Statutes 2002, section 273.1398,
subdivision 2, attributable to nondebt transit levies, times

(3) the ratio of (i) the municipality's total taxable market value for taxes payable
in 2006 divided by the municipality's total taxable market value for taxes payable in
2001, to (ii) the total taxable market value of all property located in replacement service municipalities for taxes payable in 2006 divided by the total taxable market value of all property located in replacement service municipalities for taxes payable in 2001.

(c) The council shall pay the amount to be provided to the recipient from the funds the council receives in the metropolitan area transit account under section 16A.88.

Sec. 195. Minnesota Statutes 2014, section 473.39, subdivision 1, is amended to read:

Subdivision 1. General authority. The council may issue general obligation bonds subject to the volume limitations in this section to provide funds to implement the council’s transit capital improvement program and may issue general obligation bonds not subject to the limitations for the refunding of outstanding bonds or certificates of indebtedness of the council, the former regional transit board or the former metropolitan transit commission, and judgments against the former regional transit board or the former metropolitan transit commission or the council. The council may not issue obligations pursuant to this subdivision, other than refunding bonds, in excess of the amount specifically authorized by law. Except as otherwise provided in sections 473.371 to 473.449, the council shall provide for the issuance, sale, and security of the bonds in the manner provided in chapter 475, and has the same powers and duties as a municipality issuing bonds under that law, except that no election is required and the net debt limitations in chapter 475 do not apply to the bonds. The obligations are not a debt of the state or any municipality or political subdivision within the meaning of any debt limitation or requirement pertaining to those entities. Neither the state, nor any municipality or political subdivision except the council, nor any member or officer or employee of the council, is liable on the obligations. The obligations may be secured by taxes levied without limitation of rate or amount upon all taxable property in the transit taxing district and transit area as provided in section 473.446, subdivision 1, clause (e)(a). As part of its levy made under section 473.446, subdivision 1, clause (e)(a), the council shall levy the amounts necessary to provide full and timely payment of the obligations and transfer the proceeds to the appropriate council account for payment of the obligations. The taxes must be levied, certified, and collected in accordance with the terms and conditions of the indebtedness.

Sec. 196. Minnesota Statutes 2014, section 473.8441, subdivision 1, is amended to read:

Subdivision 1. Definitions. "Number of households" has the meaning given in Minnesota Statutes 1992, section 477A.011, subdivision 3a.

Sec. 197. Minnesota Statutes 2014, section 480.35, subdivision 2, is amended to read:
Subd. 2. Duties and responsibilities. (a) The State Guardian Ad Litem Board shall create and administer a statewide, independent guardian ad litem program to advocate for the best interests of children, minor parents, and incompetent adults in juvenile and family court cases as defined in Rule 901.01 of the Rules of Guardian Ad Litem Procedure in Juvenile and Family Court matters.

(b) The board shall:

(1) approve and recommend to the legislature a budget for the board and the guardian ad litem program;

(2) establish procedures for distribution of funding under this section to the guardian ad litem program; and

(3) establish guardian ad litem program standards, administrative policies, procedures, and rules consistent with statute, rules of court, and laws that affect a volunteer or employee guardian ad litem's work, including the Minnesota Indian Family Preservation Act under sections 260.751 to 260.835; the federal Multiethnic Placement Act of 1994 under United States Code, title 42, section 662 and amendments; and the federal Indian Child Welfare Act under United States Code, title 25, section 1901 et seq.

(c) The board may:

(1) adopt standards, policies, or procedures necessary to ensure quality advocacy for the best interests of children; and

(2) propose statutory changes to the legislature and rule changes to the Supreme Court that are in the best interests of children and the operation of the guardian ad litem program; and

(3) appoint an advisory committee to make recommendations to assist the board in its duties and to report to the board on issues related to the guardian ad litem program. The advisory committee shall be subject to the provisions of section 15.059 and shall expire on June 30, 2014.

Sec. 198. Minnesota Statutes 2014, section 484.87, subdivision 5, is amended to read:

Subd. 5. Assistance of attorney general. An attorney for a statutory or home rule charter city in the metropolitan area, as defined in section 473.121, subdivision 2, may request, and the attorney general may provide, assistance in prosecuting nonfelony violations of section 609.66, subdivision 1; 609.666; 624.713, subdivision 2; 624.7131, subdivision 11; 624.7132, subdivision 15; 624.714, subdivision 4 _1a or 10; 624.7162, subdivision 3; or 624.7181, subdivision 2.
Sec. 199. Minnesota Statutes 2015 Supplement, section 501C.0103, is amended to read:

501C.0103 DEFINITIONS.

In this chapter:

(a) "Action" with respect to an act of a trustee includes a failure to act.

(b) "Ascertainable standard" means a standard relating to an individual's health, education, support, or maintenance within the meaning of section 2041(b)(1)(A) or 2514(c)(1) of the Internal Revenue Code of 1986, as in effect on January 1, 2016.

(c) "Beneficiary" means a person that:

(1) has a present or future beneficial interest in a trust, vested or contingent; or

(2) in a capacity other than that of trustee, holds a power of appointment over trust property.

(d) "Charitable trust" means a trust, or portion of a trust, created for a charitable purpose described in section 501B.35.

(e) "Conservator" means a person who is appointed by a court to manage the estate of a protected person under sections 524.5-101 to 524.5-903.

(f) "Environmental law" means a federal, state, or local law, rule, regulation, or ordinance relating to protection of the environment.

(g) "Guardian" means a person who has qualified as a guardian of a minor or incapacitated person pursuant to testamentary or court appointment, but excludes one who is a guardian ad litem, under sections 524.5-101 to 524.5-903.

(h) "Interests of the beneficiaries" means the beneficial interests provided in the terms of the trust.

(i) "Jurisdiction," with respect to a geographic area, includes a state or country.

(j) "Person" means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, government, governmental subdivision, agency, or instrumentality, public corporation, or any other legal or commercial entity.

(k) "Power of withdrawal" means a presently exercisable general power of appointment other than a power:

(1) exercisable by a trustee and limited by an ascertainable standard; or

(2) exercisable by another person only upon consent of the trustee or a person holding an adverse interest.

(l) "Property" means anything that may be the subject of ownership, whether real or personal, legal or equitable, or any interest therein.

(m) "Qualified beneficiary" means a beneficiary who, on the date the beneficiary's qualification is determined:
(1) is a distributee or permissible distributee of trust income or principal;

(2) would be a distributee or permissible distributee of trust income or principal if the interests of the distributees described in clause (1) terminated on that date without causing the trust to terminate; or

(3) would be a distributee or permissible distributee of trust income or principal if the trust terminated on that date.

(n) "Revocable," as applied to a trust, means revocable by the settlor without the consent of the trustee or a person holding an adverse interest.

(o) "Settlor" means a person, including a testator, who creates or contributes property to a trust. If more than one person creates or contributes property to a trust, each person is a settlor of the portion of the trust property attributable to that person's contribution except to the extent another person has the power to revoke or withdraw that portion.

(p) "Spendthrift provision" means a term of a trust which restricts both voluntary and involuntary transfer of a beneficiary's interest.

(q) "State" means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States. The term includes an Indian tribe or band recognized by federal law or formally acknowledged by a state.

(r) "Terms of a trust" means the manifestation of the settlor's intent regarding a trust's provisions as expressed in the trust instrument or as may be established by other evidence that would be admissible in a judicial proceeding.

(s) "Trust instrument" means an instrument executed by the settlor that contains terms of the trust, including any amendments thereto.

(t) "Trustee" includes an original, additional, and successor trustee, and a cotrustee, whether or not appointed or confirmed by a court.

Sec. 200. Minnesota Statutes 2015 Supplement, section 501C.0111, is amended to read:

501C.0111 NONJUDICIAL SETTLEMENT AGREEMENTS.

(a) For purposes of this section, "interested persons" means persons whose consent would be required in order to achieve a binding settlement were the settlement to be approved by the court.

(b) Except as otherwise provided in paragraph (c), interested persons may enter into a binding nonjudicial settlement agreement with respect to any matter involving a trust, including but not limited to:

(1) the interpretation or construction of the terms of the trust;

(2) the approval of a trustee's report or accounting;
3) direction to a trustee to refrain from performing a particular act or the grant to a trustee of any necessary or desirable power;

4) the resignation or appointment of a trustee and the determination of a trustee's compensation;

5) transfer of a trust's principal place of administration; and

6) liability of a trustee for an action relating to the trust.

(c) A nonjudicial settlement agreement is valid only to the extent it does not violate a material purpose of the trust and includes terms and conditions that could be properly approved by the court under this chapter or other applicable law.

(d) Matters that may be resolved by a nonjudicial settlement agreement include:

1) the interpretation or construction of the terms of the trust;

2) the approval of a trustee's report or accounting;

3) direction to a trustee to refrain from performing a particular act or the grant to a trustee of any necessary or desirable power;

4) the resignation or appointment of a trustee and the determination of a trustee's compensation;

5) transfer of a trust's principal place of administration; and

6) liability of a trustee for an action relating to the trust.

(e) (d) Any interested person may request that the court approve a nonjudicial settlement agreement, to determine whether the representation as provided in sections 501C.0301 to 501C.0305 was adequate, and to determine whether the agreement contains terms and conditions the court could have properly approved.

Sec. 201. Minnesota Statutes 2014, section 517.08, subdivision 4, is amended to read:

Subd. 4. Report. The local registrar of each county shall annually report to the Department of Health the number of civil marriage licenses issued in the county for which the fee in subdivision 1b, paragraph (a), was paid and the number for which the fee in subdivision 1b, paragraph (b) (c), was paid.

Sec. 202. Minnesota Statutes 2014, section 557.021, is amended to read:

557.021 LIS PENDENS; NOTICE; LIMIT, TEN YEARS.

On and after January 1, 1948, no lis pendens now of record or hereafter filed shall be notice, either actual or constructive, of the pendency of any action or of any of the matters referred to in the court files and records pertaining to the action noticed by such lis pendens, after such lis pendens has been of record for ten years unless a new notice of lis pendens in the same action is filed within said ten years.
Sec. 203. Minnesota Statutes 2015 Supplement, section 604.175, is amended to read:

604.175 COMPLIANCE WITH DEBT COLLECTION REQUIREMENTS.

(a) Any patient may bring an action to enjoin extraordinary collection actions taken by a nonprofit hospital if the hospital has failed to provide a plain language summary of the financial assistance policy. A prevailing patient is entitled to reasonable attorney fees and costs.

(b) For the purposes of this section:

(1) "extraordinary collection actions" means an action described in Code of Federal Regulations, title 26, section 1.501 (r)-6;

(2) "financial assistance policy" means a written policy that meets the requirements described in Code of Federal Regulations, title 26, section 1.501 (r)-4;

(3) "nonprofit hospital" means a hospital that claims federal tax status under United States Code, title 26, section 501(r); and

(4) "plain language summary" has the meaning given in Code of Federal Regulations, title 26, section 501(r)+1.501(r)-1.

Sec. 204. Minnesota Statutes 2014, section 609.232, subdivision 3, is amended to read:

Subd. 3. Facility. (a) "Facility" means a hospital or other entity required to be licensed under sections 144.50 to 144.58; a nursing home required to be licensed to serve adults under section 144A.02; a home care provider licensed or required to be licensed under section 144A.46 sections 144A.43 to 144A.482; a residential or nonresidential facility required to be licensed to serve adults under sections 245A.01 to 245A.16; or a person or organization that exclusively offers, provides, or arranges for personal care assistance services under the medical assistance program as authorized under sections 256B.0625, subdivision 19a, 256B.0651, 256B.0653, and 256B.0654.

(b) For home care providers and personal care attendants, the term "facility" refers to the provider or person or organization that exclusively offers, provides, or arranges for personal care services, and does not refer to the client's home or other location at which services are rendered.

Sec. 205. Minnesota Statutes 2014, section 609.232, subdivision 11, is amended to read:

Subd. 11. Vulnerable adult. "Vulnerable adult" means any person 18 years of age or older who:

(1) is a resident inpatient of a facility;

(2) receives services at or from a facility required to be licensed to serve adults under sections 245A.01 to 245A.15, except that a person receiving outpatient services for
treatment of chemical dependency or mental illness, or one who is committed as a sexual
psychopathic personality or as a sexually dangerous person under chapter 253B, is not
considered a vulnerable adult unless the person meets the requirements of clause (4);
(3) receives services from a home care provider required to be licensed under
section 144A.46 sections 144A.43 to 144A.482; or from a person or organization that
exclusively offers, provides, or arranges for personal care assistance services under the
medical assistance program as authorized under sections 256B.0625, subdivision 19a,
256B.0651 to 256B.0654, and 256B.0659; or
(4) regardless of residence or whether any type of service is received, possesses a
physical or mental infirmity or other physical, mental, or emotional dysfunction:
(i) that impairs the individual's ability to provide adequately for the individual's
own care without assistance, including the provision of food, shelter, clothing, health
care, or supervision; and
(ii) because of the dysfunction or infirmity and the need for assistance, the individual
has an impaired ability to protect the individual from maltreatment.

Sec. 206. Minnesota Statutes 2014, section 609.495, subdivision 1, is amended to read:

Subdivision 1. Definition of crime. (a) Whoever harbors, conceals, aids, or assists
by word or acts another whom the actor knows or has reason to know has committed
a crime under the laws of this or another state or of the United States with intent that
such offender shall avoid or escape from arrest, trial, conviction, or punishment, may be
sentenced to imprisonment for not more than three years or to payment of a fine of not more
than $5,000, or both if the crime committed or attempted by the other person is a felony.
(b) Whoever knowingly harbors, conceals, or aids a person who is on probation,
parole, or supervised release because of a felony level conviction and for whom an
arrest and detention order has been issued, with intent that the person evade or escape
being taken into custody under the order, may be sentenced to imprisonment for not
more than three years or to payment of a fine of not more than $5,000, or both. As
used in this paragraph, "arrest and detention order" means a written order to take and
detain a probationer, parolee, or supervised releasee that is issued under section 243.05,
subdivision 1; 244.19, subdivision 4 244.195; or 401.02, subdivision 4 401.025.

Sec. 207. Minnesota Statutes 2014, section 609B.127, is amended to read:

609B.127 HOME CARE EMPLOYMENT; DISQUALIFICATION.

Under section 144A.46 144A.476:
(1) no person may be involved in the management, operation, or control of a home care provider if the person has been disqualified under the provisions of chapter 245C; and

(2) employees, contractors, and volunteers of a home care provider or hospice with prior criminal convictions shall be disqualified under the provisions of chapter 245C.

Sec. 208. Minnesota Statutes 2014, section 609B.132, is amended to read:

609B.132 TRANSPORTATION; COLLATERAL SANCTIONS.

Sections 609B.133 to 609B.137 provide references to collateral sanctions related to transportation.

Sec. 209. Minnesota Statutes 2014, section 611A.52, subdivision 8, is amended to read:

Subd. 8. Economic loss. (a) "Economic loss" means actual economic detriment incurred as a direct result of injury or death.

(b) In the case of injury the term is limited to:

(1) reasonable expenses incurred for necessary medical, chiropractic, hospital, rehabilitative, and dental products, services, or accommodations, including ambulance services, drugs, appliances, and prosthetic devices;

(2) reasonable expenses associated with recreational therapy where a claimant has suffered amputation of a limb;

(3) reasonable expenses incurred for psychological or psychiatric products, services, or accommodations, not to exceed an amount to be set by the board, where the nature of the injury or the circumstances of the crime are such that the treatment is necessary to the rehabilitation of the victim;

(4) loss of income that the victim would have earned had the victim not been injured;

(5) reasonable expenses incurred for substitute child care or household services to replace those the victim or claimant would have performed had the victim or the claimant's child not been injured. As used in this clause, "child care services" means services provided by facilities licensed under and in compliance with either Minnesota Rules, parts 9502.0315 to 9502.0445, or 9545.0510 to 9545.0670. 9503.0005 to 9503.0170, or exempted from licensing requirements pursuant to section 245A.03. Licensed facilities must be paid at a rate not to exceed their standard rate of payment. Facilities exempted from licensing requirements must be paid at a rate not to exceed $3 an hour per child for daytime child care or $4 an hour per child for evening child care;

(6) reasonable expenses actually incurred to return a child who was a victim of a crime under section 609.25 or 609.26 to the child's parents or lawful custodian. These
expenses are limited to transportation costs, meals, and lodging from the time the child was located until the child was returned home; and

(7) the claimant's moving expenses, storage fees, and phone and utility installation fees, up to a maximum of $1,000 per claim, if the move is necessary due to a reasonable fear of danger related to the crime for which the claim was filed.

(c) In the case of death the term is limited to:

(1) reasonable expenses actually incurred for funeral, burial, or cremation, not to exceed an amount to be determined by the board on the first day of each fiscal year;

(2) reasonable expenses for medical, chiropractic, hospital, rehabilitative, psychological and psychiatric services, products or accommodations which were incurred prior to the victim's death and for which the victim's survivors or estate are liable;

(3) loss of support, including contributions of money, products or goods, but excluding services which the victim would have supplied to dependents if the victim had lived; and

(4) reasonable expenses incurred for substitute child care and household services to replace those which the victim or claimant would have performed for the benefit of dependents if the victim or the claimant's child had lived.

Claims for loss of support for minor children made under clause (3) must be paid for three years or until the child reaches 18 years old, whichever is the shorter period. After three years, if the child is younger than 18 years old a claim for loss of support may be resubmitted to the board, and the board staff shall evaluate the claim giving consideration to the child's financial need and to the availability of funds to the board. Claims for loss of support for a spouse made under clause (3) shall also be reviewed at least once every three years. The board staff shall evaluate the claim giving consideration to the spouse's financial need and to the availability of funds to the board.

Claims for substitute child care services made under clause (4) must be limited to the actual care that the deceased victim would have provided to enable surviving family members to pursue economic, educational, and other activities other than recreational activities.

Sec. 210. Minnesota Statutes 2015 Supplement, section 624.713, subdivision 1, is amended to read:

Subdivision 1. Ineligible persons. The following persons shall not be entitled to possess ammunition or a pistol or semiautomatic military-style assault weapon or, except for clause (1), any other firearm:
(1) a person under the age of 18 years except that a person under 18 may possess
ammunition designed for use in a firearm that the person may lawfully possess and may
carry or possess a pistol or semiautomatic military-style assault weapon (i) in the actual
presence or under the direct supervision of the person's parent or guardian, (ii) for the
purpose of military drill under the auspices of a legally recognized military organization
and under competent supervision, (iii) for the purpose of instruction, competition, or target
practice on a firing range approved by the chief of police or county sheriff in whose
jurisdiction the range is located and under direct supervision; or (iv) if the person has
successfully completed a course designed to teach marksmanship and safety with a pistol
or semiautomatic military-style assault weapon and approved by the commissioner of
natural resources;

(2) except as otherwise provided in clause (9), a person who has been convicted of,
or adjudicated delinquent or convicted as an extended jurisdiction juvenile for committing,
in this state or elsewhere, a crime of violence. For purposes of this section, crime of
violence includes crimes in other states or jurisdictions which would have been crimes of
violence as herein defined if they had been committed in this state;

(3) a person who is or has ever been committed in Minnesota or elsewhere by
a judicial determination that the person is mentally ill, developmentally disabled, or
mentally ill and dangerous to the public, as defined in section 253B.02, to a treatment
facility, or who has ever been found incompetent to stand trial or not guilty by reason of
mental illness, unless the person's ability to possess a firearm and ammunition has been
restored under subdivision 4;

(4) a person who has been convicted in Minnesota or elsewhere of a misdemeanor or
gross misdemeanor violation of chapter 152, unless three years have elapsed since the
date of conviction and, during that time, the person has not been convicted of any other
such violation of chapter 152 or a similar law of another state; or a person who is or has
ever been committed by a judicial determination for treatment for the habitual use of a
controlled substance or marijuana, as defined in sections 152.01 and 152.02, unless the
person's ability to possess a firearm and ammunition has been restored under subdivision 4;

(5) a person who has been committed to a treatment facility in Minnesota or
elsewhere by a judicial determination that the person is chemically dependent as defined
in section 253B.02, unless the person has completed treatment or the person's ability to
possess a firearm and ammunition has been restored under subdivision 4. Property rights
may not be abated but access may be restricted by the courts;

(6) a peace officer who is informally admitted to a treatment facility pursuant to
section 253B.04 for chemical dependency, unless the officer possesses a certificate from
the head of the treatment facility discharging or provisionally discharging the officer from
the treatment facility. Property rights may not be abated but access may be restricted
by the courts;

(7) a person, including a person under the jurisdiction of the juvenile court, who
has been charged with committing a crime of violence and has been placed in a pretrial
diversion program by the court before disposition, until the person has completed the
diversion program and the charge of committing the crime of violence has been dismissed;

(8) except as otherwise provided in clause (9), a person who has been convicted in
another state of committing an offense similar to the offense described in section 609.224,
subdivision 3, against a family or household member or section 609.2242, subdivision
3, unless three years have elapsed since the date of conviction and, during that time, the
person has not been convicted of any other violation of section 609.224, subdivision 3, or
609.2242, subdivision 3, or a similar law of another state;

(9) a person who has been convicted in this state or elsewhere of assaulting a family
or household member and who was found by the court to have used a firearm in any way
during commission of the assault is prohibited from possessing any type of firearm or
ammunition for the period determined by the sentencing court;

(10) a person who:

(i) has been convicted in any court of a crime punishable by imprisonment for a
term exceeding one year;

(ii) is a fugitive from justice as a result of having fled from any state to avoid
prosecution for a crime or to avoid giving testimony in any criminal proceeding;

(iii) is an unlawful user of any controlled substance as defined in chapter 152;

(iv) has been judicially committed to a treatment facility in Minnesota or elsewhere
as a person who is mentally ill, developmentally disabled, or mentally ill and dangerous to
the public, as defined in section 253B.02;

(v) is an alien who is illegally or unlawfully in the United States;

(vi) has been discharged from the armed forces of the United States under
dishonorable conditions;

(vii) has renounced the person's citizenship having been a citizen of the United
States; or

(viii) is disqualified from possessing a firearm under United States Code, title 18,
section 922(g)(8) or (9), as amended through March 1, 2014;

(11) a person who has been convicted of the following offenses at the gross
misdemeanor level, unless three years have elapsed since the date of conviction and, during
that time, the person has not been convicted of any other violation of these sections: section

Article 1 Sec. 210.
609.229 (crimes committed for the benefit of a gang); 609.2231, subdivision 4 (assaults
motivated by bias); 609.255 (false imprisonment); 609.378 (neglect or endangerment of a
child); 609.582, subdivision 4 (burglary in the fourth degree); 609.665 (setting a spring
gun); 609.71 (riot); or 609.749 (stalking). For purposes of this paragraph, the specified
gross misdemeanor convictions include crimes committed in other states or jurisdictions
which would have been gross misdemeanors if conviction occurred in this state;

(12) a person who has been convicted of a violation of section 609.224 if the court
determined that the assault was against a family or household member in accordance with
section 609.2242, subdivision 3 (domestic assault), unless three years have elapsed since
the date of conviction and, during that time, the person has not been convicted of another
violation of section 609.224 or a violation of a section listed in clause (11); or

(13) a person who is subject to an order for protection as described in section
260C.201, subdivision 3, paragraph (d), or 518B.01, subdivision 6, paragraph (g).

A person who issues a certificate pursuant to this section in good faith is not
liable for damages resulting or arising from the actions or misconduct with a firearm or
ammunition committed by the individual who is the subject of the certificate.

The prohibition in this subdivision relating to the possession of firearms other than
pistols and semiautomatic military-style assault weapons does not apply retroactively
to persons who are prohibited from possessing a pistol or semiautomatic military-style
assault weapon under this subdivision before August 1, 1994.

The lifetime prohibition on possessing, receiving, shipping, or transporting firearms
and ammunition for persons convicted or adjudicated delinquent of a crime of violence
in clause (2), applies only to offenders who are discharged from sentence or court
supervision for a crime of violence on or after August 1, 1993.

For purposes of this section, "judicial determination" means a court proceeding
pursuant to sections 253B.07 to 253B.09 or a comparable law from another state.

Sec. 211. Minnesota Statutes 2015 Supplement, section 626.556, subdivision 3c,
is amended to read:

Subd. 3c. Local welfare agency, Department of Human Services or Department
of Health responsible for assessing or investigating reports of maltreatment. (a)
The county local welfare agency is the agency responsible for assessing or investigating
allegations of maltreatment in child foster care, family child care, legally unlicensed
child care, juvenile correctional facilities licensed under section 241.021 located in the
local welfare agency's county, and reports involving children served by an unlicensed
personal care provider organization under section 256B.0659. Copies of findings related
to personal care provider organizations under section 256B.0659 must be forwarded to
the Department of Human Services provider enrollment.

(b) The Department of Human Services is the agency responsible for assessing or
investigating allegations of maltreatment in facilities licensed under chapters 245A and
245D, except for child foster care and family child care.

(c) The Department of Health is the agency responsible for assessing or investigating
allegations of child maltreatment in facilities licensed under sections 144.50 to 144.58 and
144A.46 144A.43 to 144A.482.

Sec. 212. Minnesota Statutes 2015 Supplement, section 626.5572, subdivision 6,
is amended to read:

Subd. 6. Facility. (a) "Facility" means a hospital or other entity required to be
licensed under sections 144.50 to 144.58; a nursing home required to be licensed to serve
adults under section 144A.02; a facility or service required to be licensed under chapter
245A; a home care provider licensed or required to be licensed under section 144A.46
sections 144A.43 to 144A.482; a hospice provider licensed under sections 144A.75 to
144A.755; or a person or organization that offers, provides, or arranges for personal care
assistance services under the medical assistance program as authorized under section
256B.0625, subdivision 19a, sections 256B.0651 to 256B.0654, section 256B.0659, or
section 256B.85.

(b) For services identified in paragraph (a) that are provided in the vulnerable adult's
own home or in another unlicensed location, the term "facility" refers to the provider,
person, or organization that offers, provides, or arranges for personal care services, and does
not refer to the vulnerable adult's home or other location at which services are rendered.

Sec. 213. Minnesota Statutes 2015 Supplement, section 626.5572, subdivision 21,
is amended to read:

Subd. 21. Vulnerable adult. (a) "Vulnerable adult" means any person 18 years of
age or older who:

(1) is a resident or inpatient of a facility;

(2) receives services required to be licensed under chapter 245A, except that a
person receiving outpatient services for treatment of chemical dependency or mental
illness, or one who is served in the Minnesota sex offender program on a court-hold order
for commitment, or is committed as a sexual psychopathic personality or as a sexually
dangerous person under chapter 253B, is not considered a vulnerable adult unless the
person meets the requirements of clause (4);
(3) receives services from a home care provider required to be licensed under section 144A.46 sections 144A.43 to 144A.482; or from a person or organization that offers, provides, or arranges for personal care assistance services under the medical assistance program as authorized under section 256B.0625, subdivision 19a, 256B.0651, 256B.0653, 256B.0654, 256B.0659, or 256B.85; or

(4) regardless of residence or whether any type of service is received, possesses a physical or mental infirmity or other physical, mental, or emotional dysfunction:

(i) that impairs the individual's ability to provide adequately for the individual's own care without assistance, including the provision of food, shelter, clothing, health care, or supervision; and

(ii) because of the dysfunction or infirmity and the need for care or services, the individual has an impaired ability to protect the individual's self from maltreatment.

(b) For purposes of this subdivision, "care or services" means care or services for the health, safety, welfare, or maintenance of an individual.

Sec. 214. Laws 2015, chapter 77, article 1, section 11, subdivision 4, is amended to read:

Subd. 4. Fiscal Agent

The appropriations under this section are to the commissioner of administration for the purposes specified.

In-Lieu of Rent. $8,158,000 the first year and $8,158,000 the second year are for space costs of the legislature and veterans organizations, ceremonial space, and statutorily free space. In-lieu of rent may be used for rent loss and relocation expenses related to the Capitol restoration in the fiscal year 2014-2015 biennium and fiscal year 2016-2017 biennium.

Relocation Expenses. $1,380,000 the first year and $960,000 the second year are for rent loss and relocation expenses related to the Capitol renovation project. This is a onetime appropriation.
Public Broadcasting. (a) $1,550,000 the first year and $1,550,000 the second year are for matching grants for public television. (b) $550,000 the first year and $250,000 the second year are for public television equipment grants under Minnesota Statutes, section 129D.13. (c) The commissioner of administration must consider the recommendations of the Minnesota Public Television Association before allocating the amount appropriated in paragraphs (a) and (b) for equipment or matching grants. (d) $592,000 the first year and $392,000 the second year are for community service grants to public educational radio stations. This appropriation may be used to disseminate emergency information in foreign languages. (e) $167,000 the first year and $117,000 the second year are for equipment grants to public educational radio stations. This appropriation may be used for the repair, rental, and purchase of equipment including equipment under $500. (f) $560,000 the first year and $310,000 the second year are for equipment grants to Minnesota Public Radio, Inc., including upgrades to Minnesota's Emergency Alert and AMBER Alert Systems. (g) The appropriations in paragraphs (d), (e), and (f), may not be used for indirect costs claimed by an institution or governing body. The commissioner of administration must consider the recommendations of the Minnesota Public Educational Radio
Stations before awarding grants under Minnesota Statutes, section 129D.14, using the appropriations in paragraphs (d) and (e); and (f). No grantee is eligible for a grant of the appropriations in paragraph (d) and (e) unless they are a member of the Association of Minnesota Public Educational Radio Stations on or before July 1, 2015.

(h) Any unencumbered balance remaining the first year for grants to public television or radio stations does not cancel and is available for the second year.

**EFFECTIVE DATE.** This section is effective July 1, 2015.

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Sec. 215. **REVISOR’S INSTRUCTION.**

Subdivision 1. **Terminology.** In Minnesota Statutes, sections 289A.55, subdivision 6; 290A.09; 296A.15, subdivision 3; 297A.84; 297E.14, subdivision 5; 297E.18, subdivision 5; and 297G.17, subdivision 5, the revisor of statutes shall delete the words "the department" and insert the words "the commissioner."

Subd. 2. **Erroneous reference.** In Minnesota Statutes, section 326B.43, the revisor of statutes shall replace references to "Minnesota Rules, part 4715.3130" with "Minnesota Rules, part 1300.0215, subpart 6."

Subd. 3. **Erroneous range reference.** In Minnesota Statutes, sections 245.462, subdivisions 16 and 23; 245.472, subdivision 2; 245.802, subdivision 2a; 245A.095, subdivision 2; 256B.25, subdivision 3; 256L.05, subdivision 2; and 295.50, subdivision 9b, the revisor of statutes shall change the range reference "Minnesota Rules, parts 9520.0500 to 9520.0690" to "Minnesota Rules, parts 9520.0500 to 9520.0670."

Subd. 4. **Erroneous range reference.** In Minnesota Statutes, sections 252.41, subdivision 3; 252.42; 252.44; 252.45; and 252.50, subdivision 5, the revisor of statutes shall replace the range reference to "Minnesota Rules, parts 9525.0015 to 9525.0165" to "Minnesota Rules, parts 9525.0004 to 9525.0036."

Subd. 5. **Erroneous range reference.** In Minnesota Statutes, sections 62N.25, subdivision 5; 62Q.1055; 62Q.47; 256L.03, subdivision 2; and 256L.12, subdivision 8, the revisor of statutes shall replace references to "Minnesota Rules, parts 9530.6600 to 9530.6660" to "Minnesota Rules, parts 9530.6600 to 9530.6655."
Subd. 6. **Erroneous range reference.** In Minnesota Statutes, sections 184.21 and 184.24, the revisor of statutes shall replace references to Minnesota Statutes, section 184.40, with Minnesota Statutes, section 184.41.

Subd. 7. **Erroneous reference.** The revisor of statutes shall change references to "176.101, subdivision 3" to "176.101, subdivision 2a" where it appears in Minnesota Statutes, sections 176.011, subdivision 18, and 176.105, subdivision 2.

Subd. 8. **Erroneous reference.** In Minnesota Rules, part 2955.0090, subpart 3, item A, the revisor of statutes shall change references to "148B.21" to "148E.055."

Subd. 9. **Erroneous reference.** The revisor of statutes shall delete ", has provided a certification under section 326.107, subdivision 5, to the board," where it appears in Minnesota Statutes, section 326.10, subdivisions 8 and 9.

Sec. 216. **REPEALER.**

Subdivision 1. **Obsolete section.** Minnesota Statutes 2014, section 40A.03, is repealed.

Subd. 2. **Obsolete subdivision.** Minnesota Statutes 2014, section 93.223, subdivision 2, is repealed.

Subd. 3. **Obsolete section.** Minnesota Statutes 2014, section 147.031, is repealed.

Subd. 4. **Obsolete section.** Minnesota Statutes 2014, section 148.232, is repealed.

Subd. 5. **Obsolete subdivision.** Minnesota Statutes 2014, section 245.482, subdivision 5, is repealed.

Subd. 6. **Obsolete subdivision.** Minnesota Statutes 2014, section 256.966, subdivision 1, is repealed.

Subd. 7. **Obsolete subdivision.** Minnesota Statutes 2014, section 259.24, subdivision 8, is repealed.

Subd. 8. **Obsolete section.** Minnesota Statutes 2014, section 290.0692, is repealed.

Subd. 9. **Obsolete subdivisions.** Minnesota Statutes 2014, section 290.191, subdivisions 9, 10, 11, and 12, are repealed.

Subd. 10. **Obsolete subdivision.** Minnesota Statutes 2014, section 297A.71, subdivision 42, is repealed.

Subd. 11. **Obsolete subdivision.** Minnesota Statutes 2014, section 297A.71, subdivision 46, is repealed.


Subd. 13. **Obsolete subdivisions.** Minnesota Statutes 2014, section 298.2961, subdivisions 5, 6, and 7, are repealed.

Subd. 15. **Obsolete section.** Minnesota Statutes 2014, section 507.30, is repealed.

Subd. 16. **Obsolete section.** Minnesota Statutes 2014, section 507.37, is repealed.

Subd. 17. **Obsolete section.** Minnesota Statutes 2014, section 557.07, is repealed.

Subd. 18. **Conflict resolution.** Laws 2014, chapter 286, article 6, section 2, is repealed.

Subd. 19. **Conflict resolution.** Laws 2015, chapter 45, section 17, is repealed.

Subd. 20. **Conflict resolution.** Laws 2015, chapter 68, article 14, section 8, is repealed.

Subd. 21. **Obsolete subdivision.** Minnesota Statutes 2014, section 127A.48, subdivision 9, is repealed.

Sec. 217. **SUPERSEDING ACTS.**

Any amendments or repeals enacted in the 2016 session of the legislature to sections also amended or repealed in this act supersede the amendments or repeals in this act, regardless of order of enactment.

**ARTICLE 2**

**GENERAL ASSISTANCE MEDICAL CARE**

Section 1. Minnesota Statutes 2014, section 3.739, subdivision 2a, is amended to read:

Subd. 2a. **Limitations.** Compensation paid under this section is limited to reimbursement for medical expenses and compensation for permanent total disability, permanent partial disability, or death. Reimbursement for medical expenses under this section is limited to the amount which would be payable for the same expenses under the medical assistance program authorized under chapter 256B. No compensation shall be paid under this section for pain and suffering. Payments made under this section shall be reduced by any proceeds received by the claimant or the medical care provider from any insurance policy covering the loss. For the purposes of this section, "insurance policy" does not include the medical assistance program authorized under chapter 256B or the general assistance medical care program authorized under chapter 256D.

Sec. 2. Minnesota Statutes 2014, section 3.7394, subdivision 3, is amended to read:

Subd. 3. **Payments from other sources.** (a) Notwithstanding any statutory or common law or agreement to the contrary, a person who is not a third-party tortfeasor and who is required to make payments, including future payments, to a survivor may eliminate or reduce those payments as a result of compensation paid to the survivor under section
3.7393 or from the emergency relief fund only to the extent those payments represent damages for future losses for which the survivor received compensation under section 3.7393 or from the emergency relief fund. The obligation of any person other than the state to make payments to a survivor is primary as compared to any payment made or to be made under section 3.7393 or from the emergency relief fund. The persons referenced in and covered by this subdivision and subdivision 4 include, without limitation:

1. reparation obligors, as defined in section 65B.43, subdivision 9, whether they are insurers or self-insurers;
2. health plan companies, as defined in section 62Q.01, subdivision 4, including the Minnesota Comprehensive Health Association created under section 62E.10;
3. insurance companies, as defined in section 60A.02, subdivision 4;
4. self-insured pools of political subdivisions organized under section 471.617 or 471.981, including service cooperatives pools organized under section 123A.21;
5. risk retention groups, as defined in section 60E.02, subdivision 12;
6. joint self-insurance plans governed by chapter 60F;
7. workers' compensation insurers and private self-insurers, as defined in section 79.01;
8. the Minnesota Life and Health Guaranty Association governed by chapter 61B;
9. the Minnesota Insurance Guaranty Association governed by chapter 60C;
10. the Minnesota Joint Underwriting Association governed by chapter 62I;
11. all insurers providing credit life, credit accident and health, and credit involuntary unemployment insurance under chapter 62B, but also including those coverages written in connection with real estate mortgage loans and those provided to borrowers at no additional cost;
12. the Minnesota unemployment insurance program provided under chapter 268;
13. coverage offered by the state under medical assistance, general assistance, medical care, and MinnesotaCare; and
14. any other plan providing health, life, disability income, or long-term care coverage.

(b) A third-party tortfeasor who is required to make payments, including future payments, to a survivor may not eliminate or reduce those payments as a result of compensation paid to a survivor under section 3.7393 or from the emergency relief fund or as a result of the survivor's release of claims against the state, a municipality, or their employees under section 3.7393.
Sec. 3. Minnesota Statutes 2014, section 13.46, subdivision 1, is amended to read:

Subdivision 1. Definitions. As used in this section:

(a) "Individual" means an individual according to section 13.02, subdivision 8, but does not include a vendor of services.

(b) "Program" includes all programs for which authority is vested in a component of the welfare system according to statute or federal law, including, but not limited to, the aid to families with dependent children program formerly codified in sections 256.72 to 256.87, Minnesota family investment program, temporary assistance for needy families program, medical assistance, general assistance, general assistance medical care formerly codified in chapter 256D, child care assistance program, and child support collections.

(c) "Welfare system" includes the Department of Human Services, local social services agencies, county welfare agencies, private licensing agencies, the public authority responsible for child support enforcement, human services boards, community mental health center boards, state hospitals, state nursing homes, the ombudsman for mental health and developmental disabilities, and persons, agencies, institutions, organizations, and other entities under contract to any of the above agencies to the extent specified in the contract.

(d) "Mental health data" means data on individual clients and patients of community mental health centers, established under section 245.62, mental health divisions of counties and other providers under contract to deliver mental health services, or the ombudsman for mental health and developmental disabilities.

(e) "Fugitive felon" means a person who has been convicted of a felony and who has escaped from confinement or violated the terms of probation or parole for that offense.

(f) "Private licensing agency" means an agency licensed by the commissioner of human services under chapter 245A to perform the duties under section 245A.16.

Sec. 4. Minnesota Statutes 2015 Supplement, section 13.46, subdivision 2, is amended to read:

Subd. 2. General. (a) Data on individuals collected, maintained, used, or disseminated by the welfare system are private data on individuals, and shall not be disclosed except:

(1) according to section 13.05;
(2) according to court order;
(3) according to a statute specifically authorizing access to the private data;
(4) to an agent of the welfare system and an investigator acting on behalf of a county, the state, or the federal government, including a law enforcement person or attorney in the
investigation or prosecution of a criminal, civil, or administrative proceeding relating to
the administration of a program;
(5) to personnel of the welfare system who require the data to verify an individual's
identity; determine eligibility, amount of assistance, and the need to provide services
to an individual or family across programs; coordinate services for an individual or
family; evaluate the effectiveness of programs; assess parental contribution amounts;
and investigate suspected fraud;
(6) to administer federal funds or programs;
(7) between personnel of the welfare system working in the same program;
(8) to the Department of Revenue to assess parental contribution amounts for
purposes of section 252.27, subdivision 2a, administer and evaluate tax refund or tax credit
programs and to identify individuals who may benefit from these programs. The following
information may be disclosed under this paragraph: an individual's and their dependent's
names, dates of birth, Social Security numbers, income, addresses, and other data as
required, upon request by the Department of Revenue. Disclosures by the commissioner
of revenue to the commissioner of human services for the purposes described in this clause
are governed by section 270B.14, subdivision 1. Tax refund or tax credit programs include,
but are not limited to, the dependent care credit under section 290.067, the Minnesota
working family credit under section 290.0671, the property tax refund and rental credit
under section 290A.04, and the Minnesota education credit under section 290.0674;
(9) between the Department of Human Services, the Department of Employment
and Economic Development, and when applicable, the Department of Education, for
the following purposes:
(i) to monitor the eligibility of the data subject for unemployment benefits, for any
employment or training program administered, supervised, or certified by that agency;
(ii) to administer any rehabilitation program or child care assistance program,
whether alone or in conjunction with the welfare system;
(iii) to monitor and evaluate the Minnesota family investment program or the child
care assistance program by exchanging data on recipients and former recipients of food
support, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance
under chapter 119B, or medical programs under chapter 256B, 256D, or 256L, or a
medical program formerly codified under chapter 256D; and
(iv) to analyze public assistance employment services and program utilization,
cost, effectiveness, and outcomes as implemented under the authority established in Title
II, Sections 201-204 of the Ticket to Work and Work Incentives Improvement Act of
1999. Health records governed by sections 144.291 to 144.298 and "protected health
information" as defined in Code of Federal Regulations, title 45, section 160.103, and
governed by Code of Federal Regulations, title 45, parts 160-164, including health care
claims utilization information, must not be exchanged under this clause;
(10) to appropriate parties in connection with an emergency if knowledge of
the information is necessary to protect the health or safety of the individual or other
individuals or persons;
(11) data maintained by residential programs as defined in section 245A.02 may
be disclosed to the protection and advocacy system established in this state according
to Part C of Public Law 98-527 to protect the legal and human rights of persons with
developmental disabilities or other related conditions who live in residential facilities for
these persons if the protection and advocacy system receives a complaint by or on behalf
of that person and the person does not have a legal guardian or the state or a designee of
the state is the legal guardian of the person;
(12) to the county medical examiner or the county coroner for identifying or locating
relatives or friends of a deceased person;
(13) data on a child support obligor who makes payments to the public agency
may be disclosed to the Minnesota Office of Higher Education to the extent necessary to
determine eligibility under section 136A.121, subdivision 2, clause (5);
(14) participant Social Security numbers and names collected by the telephone
assistance program may be disclosed to the Department of Revenue to conduct an
electronic data match with the property tax refund database to determine eligibility under
section 237.70, subdivision 4a;
(15) the current address of a Minnesota family investment program participant
may be disclosed to law enforcement officers who provide the name of the participant
and notify the agency that:
(i) the participant:
(A) is a fugitive felon fleeing to avoid prosecution, or custody or confinement after
conviction, for a crime or attempt to commit a crime that is a felony under the laws of the
jurisdiction from which the individual is fleeing; or
(B) is violating a condition of probation or parole imposed under state or federal law;
(ii) the location or apprehension of the felon is within the law enforcement officer's
official duties; and
(iii) the request is made in writing and in the proper exercise of those duties;
(16) the current address of a recipient of general assistance or general assistance
medical care may be disclosed to probation officers and corrections agents who are
supervising the recipient and to law enforcement officers who are investigating the
recipient in connection with a felony level offense;

(17) information obtained from food support applicant or recipient households may
be disclosed to local, state, or federal law enforcement officials, upon their written request,
for the purpose of investigating an alleged violation of the Food Stamp Act, according
to Code of Federal Regulations, title 7, section 272.1(c);

(18) the address, Social Security number, and, if available, photograph of any
member of a household receiving food support shall be made available, on request, to a
local, state, or federal law enforcement officer if the officer furnishes the agency with the
name of the member and notifies the agency that:

(i) the member:

(A) is fleeing to avoid prosecution, or custody or confinement after conviction, for a
crime or attempt to commit a crime that is a felony in the jurisdiction the member is fleeing;

(B) is violating a condition of probation or parole imposed under state or federal
law; or

(C) has information that is necessary for the officer to conduct an official duty related
to conduct described in subitem (A) or (B);

(ii) locating or apprehending the member is within the officer's official duties; and

(iii) the request is made in writing and in the proper exercise of the officer's official
duty;

(19) the current address of a recipient of Minnesota family investment program,
general assistance, general assistance medical care, or food support may be disclosed to
law enforcement officers who, in writing, provide the name of the recipient and notify the
agency that the recipient is a person required to register under section 243.166, but is not
residing at the address at which the recipient is registered under section 243.166;

(20) certain information regarding child support obligors who are in arrears may be
made public according to section 518A.74;

(21) data on child support payments made by a child support obligor and data on
the distribution of those payments excluding identifying information on obligees may be
disclosed to all obligees to whom the obligor owes support, and data on the enforcement
actions undertaken by the public authority, the status of those actions, and data on the
income of the obligor or obligee may be disclosed to the other party;

(22) data in the work reporting system may be disclosed under section 256.998,
subdivision 7;

(23) to the Department of Education for the purpose of matching Department of
Education student data with public assistance data to determine students eligible for free
and reduced-price meals, meal supplements, and free milk according to United States
Code, title 42, sections 1758, 1761, 1766, 1766a, 1772, and 1773; to allocate federal and
state funds that are distributed based on income of the student's family; and to verify
receipt of energy assistance for the telephone assistance plan;

(24) the current address and telephone number of program recipients and emergency
contacts may be released to the commissioner of health or a community health board as
defined in section 145A.02, subdivision 5, when the commissioner or community health
board has reason to believe that a program recipient is a disease case, carrier, suspect case,
or at risk of illness, and the data are necessary to locate the person;

(25) to other state agencies, statewide systems, and political subdivisions of this
state, including the attorney general, and agencies of other states, interstate information
networks, federal agencies, and other entities as required by federal regulation or law for
the administration of the child support enforcement program;

(26) to personnel of public assistance programs as defined in section 256.741, for
access to the child support system database for the purpose of administration, including
monitoring and evaluation of those public assistance programs;

(27) to monitor and evaluate the Minnesota family investment program by
exchanging data between the Departments of Human Services and Education, on recipients
and former recipients of food support, cash assistance under chapter 256, 256D, 256J, or
256K, child care assistance under chapter 119B, or medical programs under chapter 256B;
256D, or 256L, or a medical program formerly codified under chapter 256D;

(28) to evaluate child support program performance and to identify and prevent
fraud in the child support program by exchanging data between the Department of Human
Services, Department of Revenue under section 270B.14, subdivision 1, paragraphs (a)
and (b), without regard to the limitation of use in paragraph (c), Department of Health,
Department of Employment and Economic Development, and other state agencies as is
reasonably necessary to perform these functions;

(29) counties operating child care assistance programs under chapter 119B may
disseminate data on program participants, applicants, and providers to the commissioner
of education;

(30) child support data on the child, the parents, and relatives of the child may be
disclosed to agencies administering programs under titles IV-B and IV-E of the Social
Security Act, as authorized by federal law; or

(31) to a health care provider governed by sections 144.291 to 144.298, to the extent
necessary to coordinate services.
Sec. 5. Minnesota Statutes 2014, section 16A.124, subdivision 4a, is amended to read:

Subd. 4a. **Invoice errors; Department of Human Services.** For purposes of Department of Human Services payments to hospitals receiving reimbursement under the medical assistance and general assistance medical care programs program, if an invoice is incorrect, defective, or otherwise improper, the Department of Human Services must notify the hospital of all errors, within 30 days of discovery of the errors.

Sec. 6. Minnesota Statutes 2014, section 16A.124, subdivision 4b, is amended to read:

Subd. 4b. **Health care payments.** (a) The commissioner of human services must pay or deny a valid vendor obligation for health services under the medical assistance; general assistance medical care, or MinnesotaCare program within 30 days after receipt. A "valid vendor obligation" means a clean claim submitted directly to the commissioner by an eligible health care provider for health services provided to an eligible recipient. A "clean claim" means an original paper or electronic claim with correct data elements, prepared in accordance with the commissioner's published specifications for claim preparation, that does not require an attachment or text information to pay or deny the claim. Adjustment claims, claims with attachments and text information, and claims submitted to the commissioner as the secondary or tertiary payer, that have been prepared in accordance with the commissioner's published specifications, must be adjudicated within 90 days after receipt.

For purposes of this subdivision, paragraphs (b) and (c) apply.

(b) The agency is not required to make an interest penalty payment on claims for which payment has been delayed for purposes of reviewing potentially fraudulent or abusive billing practices, if there is an eventual finding by the agency of fraud or abuse.
(c) The agency is not required to make an interest penalty payment of less than $2.

Sec. 7. Minnesota Statutes 2015 Supplement, section 62A.045, is amended to read:

62A.045 PAYMENTS ON BEHALF OF ENROLLEES IN GOVERNMENT HEALTH PROGRAMS.

(a) As a condition of doing business in Minnesota or providing coverage to residents of Minnesota covered by this section, each health insurer shall comply with the requirements of the federal Deficit Reduction Act of 2005, Public Law 109-171, including any federal regulations adopted under that act, to the extent that it imposes a requirement that applies in this state and that is not also required by the laws of this state. This section does not require compliance with any provision of the federal act prior to the effective date provided for that provision in the federal act. The commissioner shall enforce this section.

For the purpose of this section, "health insurer" includes self-insured plans, group health plans (as defined in section 607(1) of the Employee Retirement Income Security Act of 1974), service benefit plans, managed care organizations, pharmacy benefit managers, or other parties that are by contract legally responsible to pay a claim for a health-care item or service for an individual receiving benefits under paragraph (b).

(b) No plan offered by a health insurer issued or renewed to provide coverage to a Minnesota resident shall contain any provision denying or reducing benefits because services are rendered to a person who is eligible for or receiving medical benefits pursuant to title XIX of the Social Security Act (Medicaid) in this or any other state; chapter 256; or 256B; or 256D or services pursuant to section 252.27; 256L.01 to 256L.10; 260B.331, subdivision 2; 260C.331, subdivision 2; or 393.07, subdivision 1 or 2. No health insurer providing benefits under plans covered by this section shall use eligibility for medical programs named in this section as an underwriting guideline or reason for nonacceptance of the risk.

(c) If payment for covered expenses has been made under state medical programs for health care items or services provided to an individual, and a third party has a legal liability to make payments, the rights of payment and appeal of an adverse coverage decision for the individual, or in the case of a child their responsible relative or caretaker, will be subrogated to the state agency. The state agency may assert its rights under this section within three years of the date the service was rendered. For purposes of this section, "state agency" includes prepaid health plans under contract with the commissioner according to sections 256B.69, 256D.02, subdivision 4, paragraph (c), and 256L.12; children's mental health collaboratives under section 245.493; demonstration projects for persons with disabilities.
under section 256B.77; nursing homes under the alternative payment demonstration project
under section 256B.434; and county-based purchasing entities under section 256B.692.

(d) Notwithstanding any law to the contrary, when a person covered by a plan
offered by a health insurer receives medical benefits according to any statute listed in this
section, payment for covered services or notice of denial for services billed by the provider
must be issued directly to the provider. If a person was receiving medical benefits through
the Department of Human Services at the time a service was provided, the provider must
indicate this benefit coverage on any claim forms submitted by the provider to the health
insurer for those services. If the commissioner of human services notifies the health
insurer that the commissioner has made payments to the provider, payment for benefits or
notices of denials issued by the health insurer must be issued directly to the commissioner.
Submission by the department to the health insurer of the claim on a Department of
Human Services claim form is proper notice and shall be considered proof of payment of
the claim to the provider and supersedes any contract requirements of the health insurer
relating to the form of submission. Liability to the insured for coverage is satisfied to the
extent that payments for those benefits are made by the health insurer to the provider or
the commissioner as required by this section.

(e) When a state agency has acquired the rights of an individual eligible for medical
programs named in this section and has health benefits coverage through a health insurer,
the health insurer shall not impose requirements that are different from requirements
applicable to an agent or assignee of any other individual covered.

(f) A health insurer must process a clean claim made by a state agency for covered
expenses paid under state medical programs within 90 business days of the claim's
submission. A health insurer must process all other claims made by a state agency for
covered expenses paid under a state medical program within the timeline set forth in Code

(g) A health insurer may request a refund of a claim paid in error to the Department
of Human Services within two years of the date the payment was made to the department.
A request for a refund shall not be honored by the department if the health insurer makes
the request after the time period has lapsed.

Sec. 8. Minnesota Statutes 2014, section 62A.046, subdivision 4, is amended to read:

Subd. 4. **Deductible provision.** Payments made by an enrollee or by the
commissioner on behalf of an enrollee in the MinnesotaCare program under sections
256L.01 to 256L.10, or a person receiving benefits under chapter 256B or 256D, for
services that are covered by the policy or plan of health insurance shall, for purposes of
the deductible, be treated as if made by the insured.

Sec. 9. Minnesota Statutes 2014, section 62A.095, subdivision 1, is amended to read:

Subdivision 1. Applicability. (a) A health plan may not be offered, sold, or issued to
a resident of this state, or to cover a resident of this state, unless the health plan complies
with subdivision 2.

(b) Health plans providing benefits under health care programs administered by the
commissioner of human services are not subject to the limits described in subdivision
2 but are subject to the right of subrogation provisions under section 256B.37 and the
lien provisions under section 256.015; 256B.042; Minnesota Statutes 2010, 256D.03,
subdivision 8; or 256L.03, subdivision 6.

For purposes of this section, "health plan" includes coverage that is excluded under
section 62A.011, subdivision 3, clauses (4), (6), (7), (8), (9), and (10).

Sec. 10. Minnesota Statutes 2014, section 62D.04, subdivision 5, is amended to read:

Subd. 5. Participation; government programs. Health maintenance organizations
shall, as a condition of receiving and retaining a certificate of authority, participate in
the medical assistance, general assistance medical care, and MinnesotaCare programs.
A health maintenance organization is required to submit proposals in good faith that
meet the requirements of the request for proposal provided that the requirements can
be reasonably met by a health maintenance organization to serve individuals eligible
for the above programs in a geographic region of the state if, at the time of publication
of a request for proposal, the percentage of recipients in the public programs in the
region who are enrolled in the health maintenance organization is less than the health
maintenance organization's percentage of the total number of individuals enrolled in health
maintenance organizations in the same region. Geographic regions shall be defined by the
commissioner of human services in the request for proposals.

Sec. 11. Minnesota Statutes 2014, section 62D.09, subdivision 8, is amended to read:

Subd. 8. Membership cards; summary of complaints. Each health maintenance
organization shall issue a membership card to its enrollees. The membership card must:

(1) identify the health maintenance organization;

(2) include the name, address, and telephone number to call if the enrollee has a
complaint;
(3) include the telephone number to call or the instruction on how to receive
authorization for emergency care; and

(4) include one of the following:

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

(ii) for persons enrolled under section 256B.69, 256B.77, 256D.02, or 256L.12, the
telephone number to call to file a complaint with the ombudsperson designated by the
commissioner of human services under section 256B.69 or the Office of Ombudsman for
Mental Health and Developmental Disabilities under section 256B.77 and the address to
appeal to the commissioner of human services. The ombudsperson shall annually provide
the commissioner of health with a summary of complaints and actions taken.

Sec. 12. Minnesota Statutes 2014, section 62E.02, subdivision 13, is amended to read:

Subd. 13. Eligible person. (a) "Eligible person" means an individual who:

(1) is currently and has been a resident of Minnesota for the six months immediately
preceding the date of receipt by the association or its writing carrier of a completed
certificate of eligibility;

(2) meets the enrollment requirements of section 62E.14; and

(3) is not otherwise ineligible under this subdivision.

For purposes of eligibility under section 62E.14, subdivision 4c, paragraph (b), this
definition is modified as provided in that paragraph.

(b) No individual is eligible for coverage under a qualified or a Medicare supplement
plan issued by the association for whom a premium is paid or reimbursed by the medical
assistance program or general assistance medical care program as of the first day of any
term for which a premium amount is paid or reimbursed.

Sec. 13. Minnesota Statutes 2014, section 62E.11, subdivision 5, is amended to read:

Subd. 5. Allocation of losses. Each contributing member of the association shall
share the losses due to claims expenses of the comprehensive health insurance plan for
plans issued or approved for issuance by the association, and shall share in the operating
and administrative expenses incurred or estimated to be incurred by the association
incident to the conduct of its affairs. Claims expenses of the state plan which exceed
the premium payments allocated to the payment of benefits shall be the liability of the
contributing members. Contributing members shall share in the claims expense of the
state plan and operating and administrative expenses of the association in an amount equal
to the ratio of the contributing member's total accident and health insurance premium,
received from or on behalf of Minnesota residents as divided by the total accident and health insurance premium, received by all contributing members from or on behalf of Minnesota residents, as determined by the commissioner. Payments made by the state to a contributing member for medical assistance, or MinnesotaCare, or general assistance medical care services according to chapters 256; and 256B, and 256D shall be excluded when determining a contributing member's total premium.

Sec. 14. Minnesota Statutes 2014, section 62E.14, subdivision 4e, is amended to read:

Subd. 4e. Waiver of preexisting conditions; persons covered by publicly funded health programs. A person may enroll in the comprehensive plan with a waiver of the preexisting condition limitation in subdivision 3, provided that:

1. the person was formerly enrolled in the medical assistance, general assistance medical care, or MinnesotaCare program;
2. the person is a Minnesota resident; and
3. the person submits an application for coverage that is received by the writing carrier no later than 90 days after termination from medical assistance, general assistance medical care, or MinnesotaCare program.

Sec. 15. Minnesota Statutes 2014, section 62J.60, subdivision 2a, is amended to read:

Subd. 2a. Issuance. A new Minnesota uniform health care identification card must be issued to individuals upon enrollment. Except for the medical assistance, general assistance medical care, and MinnesotaCare programs, a new card must be issued upon any change in an individual's health care coverage that impacts the content or format of the data included on the card or no later than 24 months after adoption of any change in the NCPDP implementation guide or successor document that affects the content or format of the data included on the card. Anytime that a card is issued upon enrollment or replaced by the medical assistance, general assistance medical care, or MinnesotaCare program, the card must conform to the adopted NCPDP standards in effect and to the implementation guide in use at the time of issuance. Newly issued cards must conform to the adopted NCPDP standards in effect at the time of issuance and to the implementation guide in use at the time of issuance. Stickers or other methodologies may be used to update cards temporarily.

Sec. 16. Minnesota Statutes 2014, section 62J.60, subdivision 3, is amended to read:

Subd. 3. Human readable data elements. (a) The following are the minimum human readable data elements that must be present on the front side of the Minnesota uniform health care identification card:
(1) card issuer name or logo, which is the name or logo that identifies the card issuer. The card issuer name or logo may be located at the top of the card. No standard label is required for this data element;

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

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

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

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

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

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

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

(1) claims submission names and addresses, which are the names and addresses of the entity or entities to which claims should be submitted. If different destinations are required for different types of claims, this must be labeled;
(2) telephone numbers and names that pharmacies and other health care providers may call for assistance. These telephone numbers and names are required on the back side of the card only if one of the contacts listed in clause (3) cannot provide pharmacies or other providers with assistance or with the telephone numbers and names of contacts for assistance; and

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

(i) eligibility and benefit information;

(ii) utilization review;

(iii) precertification; or

(iv) customer services.

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

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

(2) one of the following:

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

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

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

Sec. 17. Minnesota Statutes 2015 Supplement, section 62J.692, subdivision 4, is amended to read:

Subd. 4. Distribution of funds. (a) The commissioner shall annually distribute the available medical education funds to all qualifying applicants based on a public program volume factor, which is determined by the total volume of public program revenue received by all training sites in the fund pool.

Public program revenue for the distribution formula includes revenue from medical assistance, and prepaid medical assistance, general assistance medical care, and prepaid general assistance medical care. Training sites that receive no public program revenue
are ineligible for funds available under this subdivision. For purposes of determining training-site level grants to be distributed under this paragraph, total statewide average costs per trainee for medical residents is based on audited clinical training costs per trainee in primary care clinical medical education programs for medical residents. Total statewide average costs per trainee for dental residents is based on audited clinical training costs per trainee in clinical medical education programs for dental students. Total statewide average costs per trainee for pharmacy residents is based on audited clinical training costs per trainee in clinical medical education programs for pharmacy students. Training sites whose training site level grant is less than $5,000, based on the formula described in this paragraph, or that train fewer than 0.1 FTE eligible trainees, are ineligible for funds available under this subdivision. No training sites shall receive a grant per FTE trainee that is in excess of the 95th percentile grant per FTE across all eligible training sites; grants in excess of this amount will be redistributed to other eligible sites based on the formula described in this paragraph.

(b) For funds distributed in fiscal years 2014 and 2015, the distribution formula shall include a supplemental public program volume factor, which is determined by providing a supplemental payment to training sites whose public program revenue accounted for at least 0.98 percent of the total public program revenue received by all eligible training sites. The supplemental public program volume factor shall be equal to ten percent of each training site's grant for funds distributed in fiscal year 2014 and for funds distributed in fiscal year 2015. Grants to training sites whose public program revenue accounted for less than 0.98 percent of the total public program revenue received by all eligible training sites shall be reduced by an amount equal to the total value of the supplemental payment. For fiscal year 2016 and beyond, the distribution of funds shall be based solely on the public program volume factor as described in paragraph (a).

(c) Funds distributed shall not be used to displace current funding appropriations from federal or state sources.

(d) Funds shall be distributed to the sponsoring institutions indicating the amount to be distributed to each of the sponsor's clinical medical education programs based on the criteria in this subdivision and in accordance with the commissioner's approval letter. Each clinical medical education program must distribute funds allocated under paragraphs (a) and (b) to the training sites as specified in the commissioner's approval letter. Sponsoring institutions, which are accredited through an organization recognized by the Department of Education or the Centers for Medicare and Medicaid Services, may contract directly with training sites to provide clinical training. To ensure the quality of clinical training, those accredited sponsoring institutions must:
(1) develop contracts specifying the terms, expectations, and outcomes of the clinical training conducted at sites; and

(2) take necessary action if the contract requirements are not met. Action may include the withholding of payments under this section or the removal of students from the site.

(e) Use of funds is limited to expenses related to clinical training program costs for eligible programs.

(f) Any funds not distributed in accordance with the commissioner's approval letter must be returned to the medical education and research fund within 30 days of receiving notice from the commissioner. The commissioner shall distribute returned funds to the appropriate training sites in accordance with the commissioner's approval letter.

(g) A maximum of $150,000 of the funds dedicated to the commissioner under section 297F.10, subdivision 1, clause (2), may be used by the commissioner for administrative expenses associated with implementing this section.

Sec. 18. Minnesota Statutes 2014, section 62J.70, subdivision 2, is amended to read:

Subd. 2. Health care provider or provider. "Health care provider" or "provider" means:

(1) a physician, nurse, or other provider as defined under section 62J.03;

(2) a hospital as defined under section 144.696, subdivision 3;

(3) an individual or entity that provides health care services under the medical assistance, general assistance medical care, MinnesotaCare, or state employee group insurance program; and

(4) an association, partnership, corporation, limited liability corporation, or other organization of persons or entities described in clause (1) or (2) organized for the purposes of providing, arranging, or administering health care services or treatment.

This section does not apply to trade associations, membership associations of health care professionals, or other organizations that do not directly provide, arrange, or administer health care services or treatment.

Sec. 19. Minnesota Statutes 2014, section 62J.701, is amended to read:

62J.701 GOVERNMENTAL PROGRAMS.

Beginning January 1, 1999, the provisions in paragraphs (a) to (d) apply.

(a) For purposes of sections 62J.695 to 62J.80, the requirements and other provisions that apply to health plan companies also apply to governmental programs.

(b) For purposes of this section, "governmental programs" means the medical assistance program, the MinnesotaCare program,
program, the state employee group insurance program, the public employees insurance
program under section 43A.316, and coverage provided by political subdivisions under
section 471.617.

(c) Notwithstanding paragraph (a), section 62J.72 does not apply to the
fee-for-service programs under medical assistance; and MinnesotaCare; and general
assistance medical care.

(d) If a state commissioner or local unit of government contracts with a health plan
company or a third-party administrator, the contract may assign any obligations under
paragraph (a) to the health plan company or third-party administrator. Nothing in this
paragraph shall be construed to remove or diminish any enforcement responsibilities of
the commissioners of health or commerce provided in sections 62J.695 to 62J.80.

Sec. 20. Minnesota Statutes 2014, section 62J.81, subdivision 2, is amended to read:

Subd. 2. Applicability. For purposes of this section, "consumer" does not include
a medical assistance; or MinnesotaCare; or general assistance medical care enrollee, for
services covered under those programs.

Sec. 21. Minnesota Statutes 2014, section 62L.03, subdivision 3, is amended to read:

Subd. 3. Minimum participation and contribution. (a) A small employer that has
at least 75 percent of its eligible employees who have not waived coverage participating in
a health benefit plan and that contributes at least 50 percent toward the cost of coverage of
each eligible employee must be guaranteed coverage on a guaranteed issue basis from
any health carrier participating in the small employer market. The participation level
of eligible employees must be determined at the initial offering of coverage and at the
renewal date of coverage. A health carrier must not increase the participation requirements
applicable to a small employer at any time after the small employer has been accepted for
coverage. For the purposes of this subdivision, waiver of coverage includes only waivers
due to: (1) coverage under another group health plan; (2) coverage under Medicare
Parts A and B; or (3) coverage under medical assistance under chapter 256B or general
assistance medical care under chapter 256D.

(b) If a small employer does not satisfy the contribution or participation requirements
under this subdivision, a health carrier may voluntarily issue or renew individual health
plans, or a health benefit plan which must fully comply with this chapter. A health carrier
that provides a health benefit plan to a small employer that does not meet the contribution
or participation requirements of this subdivision must maintain this information in its files
for audit by the commissioner. A health carrier may not offer an individual health plan,
purchased through an arrangement between the employer and the health carrier, to any
employee unless the health carrier also offers the individual health plan, on a guaranteed
issue basis, to all other employees of the same employer. An arrangement permitted under
section 62L.12, subdivision 2, paragraph (l), is not an arrangement between the employer
and the health carrier for purposes of this paragraph.

(c) Nothing in this section obligates a health carrier to issue coverage to a small
employer that currently offers coverage through a health benefit plan from another health
carrier, unless the new coverage will replace the existing coverage and not serve as one
of two or more health benefit plans offered by the employer. This paragraph does not
apply if the small employer will meet the required participation level with respect to
the new coverage.

(d) If a small employer cannot meet either the participation or contribution
requirement, the small employer may purchase coverage only during an open enrollment
period each year between November 15 and December 15.

Sec. 22. Minnesota Statutes 2014, section 62M.07, is amended to read:

**62M.07 PRIOR AUTHORIZATION OF SERVICES.**

(a) Utilization review organizations conducting prior authorization of services must
have written standards that meet at a minimum the following requirements:

(1) written procedures and criteria used to determine whether care is appropriate,
reasonable, or medically necessary;

(2) a system for providing prompt notification of its determinations to enrollees
and providers and for notifying the provider, enrollee, or enrollee's designee of appeal
procedures under clause (4);

(3) compliance with section 62M.05, subdivisions 3a and 3b, regarding time frames
for approving and disapproving prior authorization requests;

(4) written procedures for appeals of denials of prior authorization which specify the
responsibilities of the enrollee and provider, and which meet the requirements of sections
62M.06 and 72A.285, regarding release of summary review findings; and

(5) procedures to ensure confidentiality of patient-specific information, consistent
with applicable law.

(b) No utilization review organization, health plan company, or claims administrator
may conduct or require prior authorization of emergency confinement or emergency
treatment. The enrollee or the enrollee's authorized representative may be required to
notify the health plan company, claims administrator, or utilization review organization
as soon after the beginning of the emergency confinement or emergency treatment as reasonably possible.

(c) If prior authorization for a health care service is required, the utilization review organization, health plan company, or claim administrator must allow providers to submit requests for prior authorization of the health care services without unreasonable delay by telephone, facsimile, or voice mail or through an electronic mechanism 24 hours a day, seven days a week. This paragraph does not apply to dental service covered under MinnesotaCare, general assistance medical care, or medical assistance.

Sec. 23. Minnesota Statutes 2014, section 62Q.03, subdivision 5a, is amended to read:

Subd. 5a. Public programs. (a) A separate risk adjustment system must be developed for state-run public programs, including medical assistance, general assistance medical care, and MinnesotaCare. The system must be developed in accordance with the general risk adjustment methodologies described in this section, must include factors in addition to age and sex adjustment, and may include additional demographic factors, different targeted conditions, and/or different payment amounts for conditions. The risk adjustment system for public programs must attempt to reflect the special needs related to poverty, cultural, or language barriers and other needs of the public program population.

(b) The commissioner of human services shall phase in risk adjustment according to the following schedule:

(1) for the first contract year, no more than ten percent of reimbursements shall be risk adjusted; and

(2) for the second contract year, no more than 30 percent of reimbursements shall be risk adjusted.

Sec. 24. Minnesota Statutes 2014, section 62Q.19, subdivision 2a, is amended to read:

Subd. 2a. Definition of health plan company. For purposes of this section, "health plan company" does not include a health plan company as defined in section 62Q.01 with fewer than 50,000 enrollees, all of whose enrollees are covered under medical assistance, general assistance medical care, or MinnesotaCare.

Sec. 25. Minnesota Statutes 2014, section 62Q.22, subdivision 8, is amended to read:

Subd. 8. Public assistance program eligibility. A community health clinic may require an individual or family enrolled in the clinic's prepaid option to apply for medical assistance, general assistance medical care, or the MinnesotaCare program. The clinic must assist the individual or family in filing the application for the appropriate public program.
If, upon the request of the clinic, an individual or family refuses to apply for these programs, the clinic may disenroll the individual or family from the prepaid option at any time.

Sec. 26. Minnesota Statutes 2014, section 62Q.37, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** This section applies only to (i) a nonprofit health service plan corporation operating under chapter 62C; (ii) a health maintenance organization operating under chapter 62D; (iii) a community integrated service network operating under chapter 62N; and (iv) managed care organizations operating under chapter 256B, 256D, or 256L.

Sec. 27. Minnesota Statutes 2015 Supplement, section 62Q.37, subdivision 2, is amended to read:

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

(a) "Commissioner" means the commissioner of health for purposes of regulating health maintenance organizations and community integrated service networks, the commissioner of commerce for purposes of regulating nonprofit health service plan corporations, or the commissioner of human services for the purpose of contracting with managed care organizations serving persons enrolled in programs under chapter 256B, 256D, or 256L.

(b) "Health plan company" means (i) a nonprofit health service plan corporation operating under chapter 62C; (ii) a health maintenance organization operating under chapter 62D; (iii) a community integrated service network operating under chapter 62N; or (iv) a managed care organization operating under chapter 256B, 256D, or 256L.

(c) "Nationally recognized independent organization" means (i) an organization that sets specific national standards governing health care quality assurance processes, utilization review, provider credentialing, marketing, and other topics covered by this chapter and other chapters and audits and provides accreditation to those health plan companies that meet those standards. The American Accreditation Health Care Commission (URAC), the National Committee for Quality Assurance (NCQA), the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), and the Accreditation Association for Ambulatory Health Care (AAAHC) are, at a minimum, defined as nationally recognized independent organizations; and (ii) the Centers for Medicare and Medicaid Services for purposes of reviews or audits conducted of health plan companies under Part C of Title XVIII of the Social Security Act or under section 1876 of the Social Security Act.
(d) "Performance standard" means those standards relating to quality management and improvement, access and availability of service, utilization review, provider selection, provider credentialing, marketing, member rights and responsibilities, complaints, appeals, grievance systems, enrollee information and materials, enrollment and disenrollment, subcontractual relationships and delegation, confidentiality, continuity and coordination of care, assurance of adequate capacity and services, coverage and authorization of services, practice guidelines, health information systems, and financial solvency.

Sec. 28. Minnesota Statutes 2014, section 62Q.73, subdivision 2, is amended to read:
Subd. 2. Exception. (a) This section does not apply to governmental programs except as permitted under paragraph (b). For purposes of this subdivision, "governmental programs" means the prepaid medical assistance program, the MinnesotaCare program, the prepaid general assistance medical care program, the demonstration project for people with disabilities, and the federal Medicare program.
(b) In the course of a recipient's appeal of a medical determination to the commissioner of human services under section 256.045, the recipient may request an expert medical opinion be arranged by the external review entity under contract to provide independent external reviews under this section. If such a request is made, the cost of the review shall be paid by the commissioner of human services. Any medical opinion obtained under this paragraph shall only be used by a state human services judge as evidence in the recipient's appeal to the commissioner of human services under section 256.045.
(c) Nothing in this subdivision shall be construed to limit or restrict the appeal rights provided in section 256.045 for governmental program recipients.

Sec. 29. Minnesota Statutes 2014, section 62Q.80, subdivision 5, is amended to read:
Subd. 5. Qualifying employees. To be eligible for the community-based health care coverage program, an individual must:
(1) reside in or work within the designated community-based geographic area served by the program;
(2) be employed by a qualifying employer, be an employee's dependent, or be self-employed on a full-time basis;
(3) not be enrolled in or have currently available health coverage, except for catastrophic health care coverage; and
(4) not be eligible for or enrolled in medical assistance or general assistance medical care, and not be enrolled in MinnesotaCare or Medicare.
Sec. 30. Minnesota Statutes 2014, section 62U.01, subdivision 12, is amended to read:
Subd. 12. State health care program. "State health care program" means the medical assistance, and MinnesotaCare, and general assistance medical care programs.

Sec. 31. Minnesota Statutes 2014, section 62U.10, subdivision 5, is amended to read:
Subd. 5. Definitions. (a) For purposes of this section, the following definitions apply.
(b) "Public health care spending" means spending for a state-administered health care program.
(c) "State-administered health care program" means medical assistance, MinnesotaCare, general assistance medical care, and the state employee group insurance program.

Sec. 32. Minnesota Statutes 2014, section 144.225, subdivision 2, is amended to read:
Subd. 2. Data about births. (a) Except as otherwise provided in this subdivision, data pertaining to the birth of a child to a woman who was not married to the child's father when the child was conceived nor when the child was born, including the original record of birth and the certified vital record, are confidential data. At the time of the birth of a child to a woman who was not married to the child's father when the child was conceived nor when the child was born, the mother may designate demographic data pertaining to the birth as public. Notwithstanding the designation of the data as confidential, it may be disclosed:
(1) to a parent or guardian of the child;
(2) to the child when the child is 16 years of age or older;
(3) under paragraph (b) or (e); or
(4) pursuant to a court order. For purposes of this section, a subpoena does not constitute a court order.
(b) Unless the child is adopted, data pertaining to the birth of a child that are not accessible to the public become public data if 100 years have elapsed since the birth of the child who is the subject of the data, or as provided under section 13.10, whichever occurs first.
(c) If a child is adopted, data pertaining to the child's birth are governed by the provisions relating to adoption records, including sections 13.10, subdivision 5; 144.218, subdivision 1; 144.225; and 259.89.
(d) The name and address of a mother under paragraph (a) and the child's date of birth may be disclosed to the county social services or public health member of a family services collaborative for purposes of providing services under section 124D.23.
(e) The commissioner of human services shall have access to birth records for:
(1) the purposes of administering medical assistance, general assistance medical care, and the MinnesotaCare program;

(2) child support enforcement purposes; and

(3) other public health purposes as determined by the commissioner of health.

Sec. 33. Minnesota Statutes 2014, section 144.225, subdivision 2a, is amended to read:

Subd. 2a. Health data associated with birth registration. Information from which an identification of risk for disease, disability, or developmental delay in a mother or child can be made, that is collected in conjunction with birth registration or fetal death reporting, is private data as defined in section 13.02, subdivision 12. The commissioner may disclose to a community health board, as defined in section 145A.02, subdivision 5, health data associated with birth registration which identifies a mother or child at high risk for serious disease, disability, or developmental delay in order to assure access to appropriate health, social, or educational services. Notwithstanding the designation of the private data, the commissioner of human services shall have access to health data associated with birth registration for:

(1) purposes of administering medical assistance, general assistance medical care, and the MinnesotaCare program; and

(2) for other public health purposes as determined by the commissioner of health.

Sec. 34. Minnesota Statutes 2014, section 144.4812, is amended to read:

144.4812 COSTS OF CARE.

The costs incurred by the treatment facility and other providers of services to diagnose or treat the carrier for tuberculosis must be borne by the carrier, the carrier's health plan, or public programs. During the period of insurance coverage, a health plan may direct the implementation of the care required by the health order or court order and shall pay at the contracted rate of payment, which shall be considered payment in full. Inpatient hospital services required by the health order or court order and covered by medical assistance or general assistance medical care are not billable to any other governmental entity. If the carrier cannot pay for treatment, and the carrier does not have public or private health insurance coverage, the carrier shall apply for financial assistance with the aid of the county. For persons not otherwise eligible for public assistance, the commissioner of human services shall determine what, if any, costs the carrier shall pay. The commissioner of human services shall make payments at the general assistance medical care medical assistance rate, which will be considered payment in full.
Sec. 35. Minnesota Statutes 2015 Supplement, section 144.551, subdivision 1, is
amended to read:

Subdivision 1. Restricted construction or modification. (a) The following
construction or modification may not be commenced:

(1) any erection, building, alteration, reconstruction, modernization, improvement,
extension, lease, or other acquisition by or on behalf of a hospital that increases the bed
capacity of a hospital, relocates hospital beds from one physical facility, complex, or site
to another, or otherwise results in an increase or redistribution of hospital beds within
the state; and

(2) the establishment of a new hospital.

(b) This section does not apply to:

(1) construction or relocation within a county by a hospital, clinic, or other health
care facility that is a national referral center engaged in substantial programs of patient
care, medical research, and medical education meeting state and national needs that
receives more than 40 percent of its patients from outside the state of Minnesota;

(2) a project for construction or modification for which a health care facility held
an approved certificate of need on May 1, 1984, regardless of the date of expiration of
the certificate;

(3) a project for which a certificate of need was denied before July 1, 1990, if a
timely appeal results in an order reversing the denial;

(4) a project exempted from certificate of need requirements by Laws 1981, chapter
200, section 2;

(5) a project involving consolidation of pediatric specialty hospital services within
the Minneapolis-St. Paul metropolitan area that would not result in a net increase in the
number of pediatric specialty hospital beds among the hospitals being consolidated;

(6) a project involving the temporary relocation of pediatric-orthopedic hospital beds
to an existing licensed hospital that will allow for the reconstruction of a new philanthropic,
pediatric-orthopedic hospital on an existing site and that will not result in a net increase in
the number of hospital beds. Upon completion of the reconstruction, the licenses of both
hospitals must be reinstated at the capacity that existed on each site before the relocation;

(7) the relocation or redistribution of hospital beds within a hospital building or
identifiable complex of buildings provided the relocation or redistribution does not result
in: (i) an increase in the overall bed capacity at that site; (ii) relocation of hospital beds
from one physical site or complex to another; or (iii) redistribution of hospital beds within
the state or a region of the state;
(8) relocation or redistribution of hospital beds within a hospital corporate system
that involves the transfer of beds from a closed facility site or complex to an existing site
or complex provided that: (i) no more than 50 percent of the capacity of the closed facility
is transferred; (ii) the capacity of the site or complex to which the beds are transferred
does not increase by more than 50 percent; (iii) the beds are not transferred outside of a
federal health systems agency boundary in place on July 1, 1983; and (iv) the relocation or
redistribution does not involve the construction of a new hospital building;

(9) a construction project involving up to 35 new beds in a psychiatric hospital in
Rice County that primarily serves adolescents and that receives more than 70 percent of its
patients from outside the state of Minnesota;

(10) a project to replace a hospital or hospitals with a combined licensed capacity
of 130 beds or less if: (i) the new hospital site is located within five miles of the current
site; and (ii) the total licensed capacity of the replacement hospital, either at the time of
construction of the initial building or as the result of future expansion, will not exceed 70
licensed hospital beds, or the combined licensed capacity of the hospitals, whichever is less;

(11) the relocation of licensed hospital beds from an existing state facility operated
by the commissioner of human services to a new or existing facility, building, or complex
operated by the commissioner of human services; from one regional treatment center
site to another; or from one building or site to a new or existing building or site on the
same campus;

(12) the construction or relocation of hospital beds operated by a hospital having a
statutory obligation to provide hospital and medical services for the indigent that does not
result in a net increase in the number of hospital beds, notwithstanding section 144.552, 27
beds, of which 12 serve mental health needs, may be transferred from Hennepin County
Medical Center to Regions Hospital under this clause;

(13) a construction project involving the addition of up to 31 new beds in an existing
nonfederal hospital in Beltrami County;

(14) a construction project involving the addition of up to eight new beds in an
existing nonfederal hospital in Otter Tail County with 100 licensed acute care beds;

(15) a construction project involving the addition of 20 new hospital beds
used for rehabilitation services in an existing hospital in Carver County serving the
southwest suburban metropolitan area. Beds constructed under this clause shall not be
eligible for reimbursement under medical assistance, general assistance medical care,
or MinnesotaCare;
(16) a project for the construction or relocation of up to 20 hospital beds for the
operation of up to two psychiatric facilities or units for children provided that the operation
of the facilities or units have received the approval of the commissioner of human services;
(17) a project involving the addition of 14 new hospital beds to be used for
rehabilitation services in an existing hospital in Itasca County;
(18) a project to add 20 licensed beds in existing space at a hospital in Hennepin
County that closed 20 rehabilitation beds in 2002, provided that the beds are used only
for rehabilitation in the hospital's current rehabilitation building. If the beds are used for
another purpose or moved to another location, the hospital's licensed capacity is reduced
by 20 beds;
(19) a critical access hospital established under section 144.1483, clause (9), and
section 1820 of the federal Social Security Act, United States Code, title 42, section
1395i-4, that delicensed beds since enactment of the Balanced Budget Act of 1997, Public
Law 105-33, to the extent that the critical access hospital does not seek to exceed the
maximum number of beds permitted such hospital under federal law;
(20) notwithstanding section 144.552, a project for the construction of a new hospital
in the city of Maple Grove with a licensed capacity of up to 300 beds provided that:
(i) the project, including each hospital or health system that will own or control the
entity that will hold the new hospital license, is approved by a resolution of the Maple
Grove City Council as of March 1, 2006;
(ii) the entity that will hold the new hospital license will be owned or controlled by
one or more not-for-profit hospitals or health systems that have previously submitted a
plan or plans for a project in Maple Grove as required under section 144.552, and the
plan or plans have been found to be in the public interest by the commissioner of health
as of April 1, 2005;
(iii) the new hospital's initial inpatient services must include, but are not limited
to, medical and surgical services, obstetrical and gynecological services, intensive
care services, orthopedic services, pediatric services, noninvasive cardiac diagnostics,
behavioral health services, and emergency room services;
(iv) the new hospital:
(A) will have the ability to provide and staff sufficient new beds to meet the growing
needs of the Maple Grove service area and the surrounding communities currently being
served by the hospital or health system that will own or control the entity that will hold
the new hospital license;
(B) will provide uncompensated care;
(C) will provide mental health services, including inpatient beds;
(D) will be a site for workforce development for a broad spectrum of health-care-related occupations and have a commitment to providing clinical training programs for physicians and other health care providers;

(E) will demonstrate a commitment to quality care and patient safety;

(F) will have an electronic medical records system, including physician order entry;

(G) will provide a broad range of senior services;

(H) will provide emergency medical services that will coordinate care with regional providers of trauma services and licensed emergency ambulance services in order to enhance the continuity of care for emergency medical patients; and

(I) will be completed by December 31, 2009, unless delayed by circumstances beyond the control of the entity holding the new hospital license; and

(v) as of 30 days following submission of a written plan, the commissioner of health has not determined that the hospitals or health systems that will own or control the entity that will hold the new hospital license are unable to meet the criteria of this clause;

(21) a project approved under section 144.553;

(22) a project for the construction of a hospital with up to 25 beds in Cass County within a 20-mile radius of the state Ah-Gwah-Ching facility, provided the hospital's license holder is approved by the Cass County Board;

(23) a project for an acute care hospital in Fergus Falls that will increase the bed capacity from 108 to 110 beds by increasing the rehabilitation bed capacity from 14 to 16 and closing a separately licensed 13-bed skilled nursing facility;

(24) notwithstanding section 144.552, a project for the construction and expansion of a specialty psychiatric hospital in Hennepin County for up to 50 beds, exclusively for patients who are under 21 years of age on the date of admission. The commissioner conducted a public interest review of the mental health needs of Minnesota and the Twin Cities metropolitan area in 2008. No further public interest review shall be conducted for the construction or expansion project under this clause;

(25) a project for a 16-bed psychiatric hospital in the city of Thief River Falls, if the commissioner finds the project is in the public interest after the public interest review conducted under section 144.552 is complete; or

(26)(i) a project for a 20-bed psychiatric hospital, within an existing facility in the city of Maple Grove, exclusively for patients who are under 21 years of age on the date of admission, if the commissioner finds the project is in the public interest after the public interest review conducted under section 144.552 is complete;
(ii) this project shall serve patients in the continuing care benefit program under section 256.9693. The project may also serve patients not in the continuing care benefit program; and

(iii) if the project ceases to participate in the continuing care benefit program, the commissioner must complete a subsequent public interest review under section 144.552.

If the project is found not to be in the public interest, the license must be terminated six months from the date of that finding. If the commissioner of human services terminates the contract without cause or reduces per diem payment rates for patients under the continuing care benefit program below the rates in effect for services provided on December 31, 2015, the project may cease to participate in the continuing care benefit program and continue to operate without a subsequent public interest review.

Sec. 36. Minnesota Statutes 2014, section 145.4133, is amended to read:

145.4133 REPORTING OUT-OF-STATE ABORTIONS.

The commissioner of human services shall report to the commissioner by April 1 each year the following information regarding abortions paid for with state funds and performed out of state in the previous calendar year:

1. the total number of abortions performed out of state and partially or fully paid for with state funds through the medical assistance, general assistance medical care, or MinnesotaCare program, or any other program;

2. the total amount of state funds used to pay for the abortions and expenses incidental to the abortions; and

3. the gestational age at the time of abortion.

Sec. 37. Minnesota Statutes 2014, section 145.61, subdivision 5, is amended to read:

Subd. 5. Review organization. "Review organization" means a nonprofit organization acting according to clause (l), a committee as defined under section 144E.32, subdivision 2, or a committee whose membership is limited to professionals, administrative staff, and consumer directors, except where otherwise provided for by state or federal law, and which is established by one or more of the following: a hospital, a clinic, a nursing home, an ambulance service or first responder service regulated under chapter 144E, one or more state or local associations of professionals, an organization of professionals from a particular area or medical institution, a health maintenance organization as defined in chapter 62D, a community integrated service network as defined in chapter 62N, a nonprofit health service plan corporation as defined in chapter 62C, a preferred provider organization, a professional standards review organization established pursuant to United...
States Code, title 42, section 1320c-1 et seq., a medical review agent established to meet the requirements of section 256B.04, subdivision 15, or 256D.03, subdivision 7, paragraph (b); the Department of Human Services, or a nonprofit corporation that owns, operates, or is established by one or more of the above referenced entities, to gather and review information relating to the care and treatment of patients for the purposes of:

(a) evaluating and improving the quality of health care;
(b) reducing morbidity or mortality;
(c) obtaining and disseminating statistics and information relative to the treatment and prevention of diseases, illness and injuries;
(d) developing and publishing guidelines showing the norms of health care in the area or medical institution or in the entity or organization that established the review organization;
(e) developing and publishing guidelines designed to keep within reasonable bounds the cost of health care;
(f) developing and publishing guidelines designed to improve the safety of care provided to individuals;
(g) reviewing the safety, quality, or cost of health care services provided to enrollees of health maintenance organizations, community integrated service networks, health service plans, preferred provider organizations, and insurance companies;
(h) acting as a professional standards review organization pursuant to United States Code, title 42, section 1320c-1 et seq.;
(i) determining whether a professional shall be granted staff privileges in a medical institution, membership in a state or local association of professionals, or participating status in a nonprofit health service plan corporation, health maintenance organization, community integrated service network, preferred provider organization, or insurance company, or whether a professional's staff privileges, membership, or participation status should be limited, suspended or revoked;
(j) reviewing, ruling on, or advising on controversies, disputes or questions between:
   (1) health insurance carriers, nonprofit health service plan corporations, health maintenance organizations, community integrated service networks, self-insurers and their insureds, subscribers, enrollees, or other covered persons;
   (2) professional licensing boards and health providers licensed by them;
   (3) professionals and their patients concerning diagnosis, treatment or care, or the charges or fees therefor;
   (4) professionals and health insurance carriers, nonprofit health service plan corporations, health maintenance organizations, community integrated service networks,
or self-insurers concerning a charge or fee for health care services provided to an insured, subscriber, enrollee, or other covered person;

(5) professionals or their patients and the federal, state, or local government, or agencies thereof;

(k) providing underwriting assistance in connection with professional liability insurance coverage applied for or obtained by dentists, or providing assistance to underwriters in evaluating claims against dentists;

(l) acting as a medical review agent under section 256B.04, subdivision 15–or 256D.03, subdivision 7, paragraph (b);

(m) providing recommendations on the medical necessity of a health service, or the relevant prevailing community standard for a health service;

(n) providing quality assurance as required by United States Code, title 42, sections 1396(b)(1)(b) and 1395i-3(b)(1)(b) of the Social Security Act;

(o) providing information to group purchasers of health care services when that information was originally generated within the review organization for a purpose specified by this subdivision;

(p) providing information to other, affiliated or nonaffiliated review organizations, when that information was originally generated within the review organization for a purpose specified by this subdivision, and as long as that information will further the purposes of a review organization as specified by this subdivision; or

(q) participating in a standardized incident reporting system, including Internet-based applications, to share information for the purpose of identifying and analyzing trends in medical error and iatrogenic injury.

Sec. 38. Minnesota Statutes 2014, section 146A.11, subdivision 1, is amended to read:

Subdivision 1. Scope. (a) All unlicensed complementary and alternative health care practitioners shall provide to each complementary and alternative health care client prior to providing treatment a written copy of the complementary and alternative health care client bill of rights. A copy must also be posted in a prominent location in the office of the unlicensed complementary and alternative health care practitioner.

Reasonable accommodations shall be made for those clients who cannot read or who have communication disabilities and those who do not read or speak English. The complementary and alternative health care client bill of rights shall include the following:

(1) the name, complementary and alternative health care title, business address, and telephone number of the unlicensed complementary and alternative health care practitioner;
203.1 (2) the degrees, training, experience, or other qualifications of the practitioner regarding the complementary and alternative health care being provided, followed by the following statement in bold print:

"THE STATE OF MINNESOTA HAS NOT ADOPTED ANY EDUCATIONAL AND TRAINING STANDARDS FOR UNLICENSED COMPLEMENTARY AND ALTERNATIVE HEALTH CARE PRACTITIONERS. THIS STATEMENT OF CREDENTIALS IS FOR INFORMATION PURPOSES ONLY.

Under Minnesota law, an unlicensed complementary and alternative health care practitioner may not provide a medical diagnosis or recommend discontinuance of medically prescribed treatments. If a client desires a diagnosis from a licensed physician, chiropractor, or acupuncture practitioner, or services from a physician, chiropractor, nurse, osteopath, physical therapist, dietitian, nutritionist, acupuncture practitioner, athletic trainer, or any other type of health care provider, the client may seek such services at any time."

(3) the name, business address, and telephone number of the practitioner's supervisor, if any;

(4) notice that a complementary and alternative health care client has the right to file a complaint with the practitioner's supervisor, if any, and the procedure for filing complaints;

(5) the name, address, and telephone number of the office of unlicensed complaints with the office;

(6) the practitioner's fees per unit of service, the practitioner's method of billing for such fees, the names of any insurance companies that have agreed to reimburse the practitioner, or health maintenance organizations with whom the practitioner contracts to provide service, whether the practitioner accepts Medicare, or medical assistance, or general assistance medical care, and whether the practitioner is willing to accept partial payment, or to waive payment, and in what circumstances;

(7) a statement that the client has a right to reasonable notice of changes in services or charges;

(8) a brief summary, in plain language, of the theoretical approach used by the practitioner in providing services to clients;

(9) notice that the client has a right to complete and current information concerning the practitioner's assessment and recommended service that is to be provided, including the expected duration of the service to be provided;

(10) a statement that clients may expect courteous treatment and to be free from verbal, physical, or sexual abuse by the practitioner;
(11) a statement that client records and transactions with the practitioner are confidential, unless release of these records is authorized in writing by the client, or otherwise provided by law;

(12) a statement of the client's right to be allowed access to records and written information from records in accordance with sections 144.291 to 144.298;

(13) a statement that other services may be available in the community, including where information concerning services is available;

(14) a statement that the client has the right to choose freely among available practitioners and to change practitioners after services have begun, within the limits of health insurance, medical assistance, or other health programs;

(15) a statement that the client has a right to coordinated transfer when there will be a change in the provider of services;

(16) a statement that the client may refuse services or treatment, unless otherwise provided by law; and

(17) a statement that the client may assert the client's rights without retaliation.

(b) This section does not apply to an unlicensed complementary and alternative health care practitioner who is employed by or is a volunteer in a hospital or hospice who provides services to a client in a hospital or under an appropriate hospice plan of care.

Patients receiving complementary and alternative health care services in an inpatient hospital or under an appropriate hospice plan of care shall have and be made aware of the right to file a complaint with the hospital or hospice provider through which the practitioner is employed or registered as a volunteer.

(c) This section does not apply to a health care practitioner licensed or registered by the commissioner of health or a health-related licensing board who utilizes complementary and alternative health care practices within the scope of practice of the health care practitioner's professional license.

Sec. 39. Minnesota Statutes 2014, section 150A.06, subdivision 2d, is amended to read:

Subd. 2d. Continuing education and professional development waiver. (a) The board shall grant a waiver to the continuing education requirements under this chapter for a licensed dentist, licensed dental therapist, licensed dental hygienist, or licensed dental assistant who documents to the satisfaction of the board that the dentist, dental therapist, dental hygienist, or licensed dental assistant has retired from active practice in the state and limits the provision of dental care services to those offered without compensation in a public health, community, or tribal clinic or a nonprofit organization that provides
services to the indigent or to recipients of medical assistance, general assistance medical care, or MinnesotaCare programs.

(b) The board may require written documentation from the volunteer and retired dentist, dental therapist, dental hygienist, or licensed dental assistant prior to granting this waiver.

(c) The board shall require the volunteer and retired dentist, dental therapist, dental hygienist, or licensed dental assistant to meet the following requirements:

1. a licensee seeking a waiver under this subdivision must complete and document at least five hours of approved courses in infection control, medical emergencies, and medical management for the continuing education cycle; and

2. provide documentation of current CPR certification from completion of the American Heart Association healthcare provider course or the American Red Cross professional rescuer course.

Sec. 40. Minnesota Statutes 2014, section 151.55, subdivision 6, is amended to read:

Subd. 6. Dispensing requirements. (a) Drugs and supplies must be dispensed by a licensed pharmacist pursuant to a prescription by a practitioner or may be dispensed or administered by a practitioner according to the requirements of chapter 151 and within the practitioner's scope of practice.

(b) Cancer drugs and supplies shall be visually inspected by the pharmacist or practitioner before being dispensed or administered for adulteration, misbranding, and date of expiration. Drugs or supplies that have expired or appear upon visual inspection to be adulterated, misbranded, or tampered with in any way may not be dispensed or administered.

(c) Before a cancer drug or supply may be dispensed or administered to an individual, the individual must sign a cancer drug repository recipient form provided by the board acknowledging that the individual understands the information stated on the form. The form shall include the following information:

1. that the drug or supply being dispensed or administered has been donated and may have been previously dispensed;

2. that a visual inspection has been conducted by the pharmacist or practitioner to ensure that the drug has not expired, has not been adulterated or misbranded, and is in its original, unopened packaging; and

3. that the dispensing pharmacist, the dispensing or administering practitioner, the cancer drug repository, the Board of Pharmacy, and any other participant of the cancer drug repository program cannot guarantee the safety of the drug or supply being...
dispensed or administered and that the pharmacist or practitioner has determined that the
drug or supply is safe to dispense or administer based on the accuracy of the donor's
form submitted with the donated drug or supply and the visual inspection required to be
performed by the pharmacist or practitioner before dispensing or administering.

The board shall make the cancer drug repository form available on the Board of
Pharmacy's Web site.

(d) Drugs and supplies shall only be dispensed or administered to individuals who
meet the eligibility requirements in subdivision 4 and in the following order of priority:

1. individuals who are uninsured;
2. individuals who are enrolled in medical assistance, general assistance medical
care, MinnesotaCare, Medicare, or other public assistance health care; and
3. all other individuals who are otherwise eligible under subdivision 4 to receive
drugs or supplies from a cancer drug repository.

Sec. 41. Minnesota Statutes 2014, section 168B.07, subdivision 3, is amended to read:

Subd. 3. Retrieval of contents. (a) For purposes of this subdivision:

1. "contents" does not include any permanently affixed mechanical or
nonmechanical automobile parts; automobile body parts; or automobile accessories,
including audio or video players; and

2. "relief based on need" includes, but is not limited to, receipt of MFIP and
Diversionary Work Program, medical assistance, general assistance, general assistance
medical care, emergency general assistance, Minnesota supplemental aid, MSA-emergency
assistance, MinnesotaCare, Supplemental Security Income, energy assistance, emergency
assistance, food stamps, earned income tax credit, or Minnesota working family tax credit.

(b) A unit of government or impound lot operator shall establish reasonable
procedures for retrieval of vehicle contents, and may establish reasonable procedures to
protect the safety and security of the impound lot and its personnel.

(c) At any time before the expiration of the waiting periods provided in section
168B.051, a registered owner who provides documentation from a government or
nonprofit agency or legal aid office that the registered owner is homeless, receives relief
based on need, or is eligible for legal aid services, has the unencumbered right to retrieve
any and all contents without charge and regardless of whether the registered owner pays
incurred charges or fees, transfers title, or reclaims the vehicle.

Sec. 42. Minnesota Statutes 2014, section 244.05, subdivision 8, is amended to read:
Subd. 8. **Conditional medical release.** Notwithstanding subdivisions 4 and 5, the commissioner may order that any offender be placed on conditional medical release before the offender's scheduled supervised release date or target release date if the offender suffers from a grave illness or medical condition and the release poses no threat to the public. In making the decision to release an offender on this status, the commissioner must consider the offender's age and medical condition, the health care needs of the offender, the offender's custody classification and level of risk of violence, the appropriate level of community supervision, and alternative placements that may be available for the offender. An inmate may not be released under this provision unless the commissioner has determined that the inmate's health costs are likely to be borne by medical assistance, Medicaid, general assistance medical care, veteran's benefits, or by any other federal or state medical assistance programs or by the inmate. Conditional medical release is governed by provisions relating to supervised release except that it may be rescinded without hearing by the commissioner if the offender's medical condition improves to the extent that the continuation of the conditional medical release presents a more serious risk to the public.

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Sec. 43. Minnesota Statutes 2014, section 244.054, subdivision 2, is amended to read:

Subd. 2. **Content of plan.** If an offender chooses to have a discharge plan developed, the commissioner of human services shall develop and implement a discharge plan, which must include at least the following:

1. at least 90 days before the offender is due to be discharged, the commissioner of human services shall designate an agent of the Department of Human Services with mental health training to serve as the primary person responsible for carrying out discharge planning activities;

2. at least 75 days before the offender is due to be discharged, the offender's designated agent shall:
   a. obtain informed consent and releases of information from the offender that are needed for transition services;
   b. contact the county human services department in the community where the offender expects to reside following discharge, and inform the department of the offender's impending discharge and the planned date of the offender's return to the community; determine whether the county or a designated contracted provider will provide case management services to the offender; refer the offender to the case management services provider; and confirm that the case management services provider will have opened the offender's case prior to the offender's discharge; and
208.1 (iii) refer the offender to appropriate staff in the county human services department in the community where the offender expects to reside following discharge, for enrollment of the offender if eligible in medical assistance or general assistance medical care, using special procedures established by process and Department of Human Services bulletin;

208.5 (3) at least 2-1/2 months before discharge, the offender's designated agent shall secure timely appointments for the offender with a psychiatrist no later than 30 days following discharge, and with other program staff at a community mental health provider that is able to serve former offenders with serious and persistent mental illness;

208.9 (4) at least 30 days before discharge, the offender's designated agent shall convene a predischarge assessment and planning meeting of key staff from the programs in which the offender has participated while in the correctional facility, the offender, the supervising agent, and the mental health case management services provider assigned to the offender.

208.13 At the meeting, attendees shall provide background information and continuing care recommendations for the offender, including information on the offender's risk for relapse; current medications, including dosage and frequency; therapy and behavioral goals; diagnostic and assessment information, including results of a chemical dependency evaluation; confirmation of appointments with a psychiatrist and other program staff in the community; a relapse prevention plan; continuing care needs; needs for housing, employment, and finance support and assistance; and recommendations for successful community integration, including chemical dependency treatment or support if chemical dependency is a risk factor. Immediately following this meeting, the offender's designated agent shall summarize this background information and continuing care recommendations in a written report;

208.24 (5) immediately following the predischarge assessment and planning meeting, the provider of mental health case management services who will serve the offender following discharge shall offer to make arrangements and referrals for housing, financial support, benefits assistance, employment counseling, and other services required in sections 245.461 to 245.486;

208.29 (6) at least ten days before the offender's first scheduled postdischarge appointment with a mental health provider, the offender's designated agent shall transfer the following records to the offender's case management services provider and psychiatrist: the predischarge assessment and planning report, medical records, and pharmacy records. These records may be transferred only if the offender provides informed consent for their release;
(7) upon discharge, the offender's designated agent shall ensure that the offender leaves the correctional facility with at least a ten-day supply of all necessary medications; and

(8) upon discharge, the prescribing authority at the offender's correctional facility shall telephone in prescriptions for all necessary medications to a pharmacy in the community where the offender plans to reside. The prescriptions must provide at least a 30-day supply of all necessary medications, and must be able to be refilled once for one additional 30-day supply.

Sec. 44. Minnesota Statutes 2014, section 245.466, subdivision 7, is amended to read:

Subd. 7. IMD downsizing flexibility. (a) If a county presents a budget-neutral plan for a net reduction in the number of institution for mental disease (IMD) beds funded under group residential housing, the commissioner may transfer the net savings from group residential housing and general assistance medical care to medical assistance and mental health grants to provide appropriate services in non-IMD settings. For the purposes of this subdivision, "a budget neutral plan" means a plan that does not increase the state share of costs.

(b) The provisions of paragraph (a) do not apply to a facility that has its reimbursement rate established under section 256B.431, subdivision 4, paragraph (c).

Sec. 45. Minnesota Statutes 2015 Supplement, section 245.4661, subdivision 6, is amended to read:

Subd. 6. Duties of commissioner. (a) For purposes of the pilot projects, the commissioner shall facilitate integration of funds or other resources as needed and requested by each project. These resources may include:

(1) community support services funds administered under Minnesota Rules, parts 9535.1700 to 9535.1760;

(2) other mental health special project funds;

(3) medical assistance, general assistance medical care, MinnesotaCare, and group residential housing if requested by the project's managing entity, and if the commissioner determines this would be consistent with the state's overall health care reform efforts; and

(4) regional treatment center resources consistent with section 246.0136, subdivision 1.

(b) The commissioner shall consider the following criteria in awarding start-up and implementation grants for the pilot projects:
(1) the ability of the proposed projects to accomplish the objectives described in
subdivision 2;

(2) the size of the target population to be served; and

(3) geographical distribution.

(c) The commissioner shall review overall status of the projects initiatives at least
every two years and recommend any legislative changes needed by January 15 of each
odd-numbered year.

(d) The commissioner may waive administrative rule requirements which are
incompatible with the implementation of the pilot project.

(e) The commissioner may exempt the participating counties from fiscal sanctions
for noncompliance with requirements in laws and rules which are incompatible with the
implementation of the pilot project.

(f) The commissioner may award grants to an entity designated by a county board or
group of county boards to pay for start-up and implementation costs of the pilot project.

Sec. 46. Minnesota Statutes 2014, section 245.467, subdivision 2, is amended to read:

Subd. 2. Diagnostic assessment. All providers of residential, acute care hospital
inpatient, and regional treatment centers must complete a diagnostic assessment for each
of their clients within five days of admission. Providers of outpatient and day treatment
services must complete a diagnostic assessment within five days after the adult's second
visit or within 30 days after intake, whichever occurs first. In cases where a diagnostic
assessment is available and has been completed within three years preceding admission,
only an adult diagnostic assessment update is necessary. An "adult diagnostic assessment
update" means a written summary by a mental health professional of the adult's current
mental health status and service needs and includes a face-to-face interview with the adult.
If the adult's mental health status has changed markedly since the adult's most recent
diagnostic assessment, a new diagnostic assessment is required. Compliance with the
provisions of this subdivision does not ensure eligibility for medical assistance or general
assistance medical care reimbursement under chapters chapter 256B and 256D.

Sec. 47. Minnesota Statutes 2014, section 245.4682, subdivision 3, is amended to read:

Subd. 3. Projects for coordination of care. (a) Consistent with section 256B.69
and chapters 256D and chapter 256L, the commissioner is authorized to solicit, approve,
and implement up to three projects to demonstrate the integration of physical and mental
health services within prepaid health plans and their coordination with social services.
The commissioner shall require that each project be based on locally defined partnerships
that include at least one health maintenance organization, community integrated service network, or accountable provider network authorized and operating under chapter 62D, 62N, or 62T, or county-based purchasing entity under section 256B.692 that is eligible to contract with the commissioner as a prepaid health plan, and the county or counties within the service area. Counties shall retain responsibility and authority for social services in these locally defined partnerships.

(b) The commissioner, in consultation with consumers, families, and their representatives, shall:

(1) determine criteria for approving the projects and use those criteria to solicit proposals for preferred integrated networks. The commissioner must develop criteria to evaluate the partnership proposed by the county and prepaid health plan to coordinate access and delivery of services. The proposal must at a minimum address how the partnership will coordinate the provision of:

(i) client outreach and identification of health and social service needs paired with expedited access to appropriate resources;

(ii) activities to maintain continuity of health care coverage;

(iii) children's residential mental health treatment and treatment foster care;

(iv) court-ordered assessments and treatments;

(v) prepetition screening and commitments under chapter 253B;

(vi) assessment and treatment of children identified through mental health screening of child welfare and juvenile corrections cases;

(vii) home and community-based waiver services;

(viii) assistance with finding and maintaining employment;

(ix) housing; and

(x) transportation;

(2) determine specifications for contracts with prepaid health plans to improve the plan's ability to serve persons with mental health conditions, including specifications addressing:

(i) early identification and intervention of physical and behavioral health problems;

(ii) communication between the enrollee and the health plan;

(iii) facilitation of enrollment for persons who are also eligible for a Medicare special needs plan offered by the health plan;

(iv) risk screening procedures;

(v) health care coordination;

(vi) member services and access to applicable protections and appeal processes;

(vii) specialty provider networks;
(viii) transportation services;
(ix) treatment planning; and
(x) administrative simplification for providers;
(3) begin implementation of the projects no earlier than January 1, 2009, with not
more than 40 percent of the statewide population included during calendar year 2009 and
additional counties included in subsequent years;
(4) waive any administrative rule not consistent with the implementation of the
projects;
(5) allow potential bidders at least 90 days to respond to the request for proposals; and
(6) conduct an independent evaluation to determine if mental health outcomes have
improved in that county or counties according to measurable standards designed in
consultation with the advisory body established under this subdivision and reviewed by
the State Advisory Council on Mental Health.
(c) Notwithstanding any statute or administrative rule to the contrary, the
commissioner may enroll all persons eligible for medical assistance with serious mental
illness or emotional disturbance in the prepaid plan of their choice within the project
service area unless:
(1) the individual is eligible for home and community-based services for persons
with developmental disabilities and related conditions under section 256B.092; or
(2) the individual has a basis for exclusion from the prepaid plan under section
256B.69, subdivision 4, other than disability, mental illness, or emotional disturbance.
(d) The commissioner shall involve organizations representing persons with mental
illness and their families in the development and distribution of information used to
educate potential enrollees regarding their options for health care and mental health
service delivery under this subdivision.
(e) If the person described in paragraph (c) does not elect to remain in fee-for-service
medical assistance, or declines to choose a plan, the commissioner may preferentially
assign that person to the prepaid plan participating in the preferred integrated network.
The commissioner shall implement the enrollment changes within a project's service area
on the timeline specified in that project's approved application.
(f) A person enrolled in a prepaid health plan under paragraphs (c) and (d) may
disenroll from the plan at any time.
(g) The commissioner, in consultation with consumers, families, and their
representatives, shall evaluate the projects begun in 2009, and shall refine the design of the
service integration projects before expanding the projects. The commissioner shall report
to the chairs of the legislative committees with jurisdiction over mental health services
by March 1, 2008, on plans for evaluation of preferred integrated networks established
under this subdivision.

(h) The commissioner shall apply for any federal waivers necessary to implement
these changes.

(i) Payment for Medicaid service providers under this subdivision for the months of
May and June will be made no earlier than July 1 of the same calendar year.

Sec. 48. Minnesota Statutes 2014, section 245.4712, subdivision 3, is amended to read:

Subd. 3. Benefits assistance. The county board must offer to help adults with
serious and persistent mental illness in applying for state and federal benefits, including
Supplemental Security Income, medical assistance, Medicare, general assistance, general
assistance medical care, and Minnesota supplemental aid. The help must be offered as
part of the community support program available to adults with serious and persistent
mental illness for whom the county is financially responsible and who may qualify for
these benefits.

Sec. 49. Minnesota Statutes 2014, section 245.4876, subdivision 2, is amended to read:

Subd. 2. Diagnostic assessment. All residential treatment facilities and acute care
hospital inpatient treatment facilities that provide mental health services for children
must complete a diagnostic assessment for each of their child clients within five working
days of admission. Providers of outpatient and day treatment services for children must
complete a diagnostic assessment within five days after the child's second visit or 30 days
after intake, whichever occurs first. In cases where a diagnostic assessment is available
and has been completed within 180 days preceding admission, only updating is necessary.
"Updating" means a written summary by a mental health professional of the child's current
mental health status and service needs. If the child's mental health status has changed
markedly since the child's most recent diagnostic assessment, a new diagnostic assessment
is required. Compliance with the provisions of this subdivision does not ensure eligibility
for medical assistance or general assistance medical care reimbursement under chapters
256B and 256D.

Sec. 50. Minnesota Statutes 2014, section 253B.03, subdivision 10, is amended to read:

Subd. 10. Notification. All persons admitted or committed to a treatment facility
shall be notified in writing of their rights regarding hospitalization and other treatment
at the time of admission. This notification must include:
(1) patient rights specified in this section and section 144.651, including nursing home discharge rights;
(2) the right to obtain treatment and services voluntarily under this chapter;
(3) the right to voluntary admission and release under section 253B.04;
(4) rights in case of an emergency admission under section 253B.05, including the right to documentation in support of an emergency hold and the right to a summary hearing before a judge if the patient believes an emergency hold is improper;
(5) the right to request expedited review under section 62M.05 if additional days of inpatient stay are denied;
(6) the right to continuing benefits pending appeal and to an expedited administrative hearing under section 256.045 if the patient is a recipient of medical assistance—general assistance medical care, or MinnesotaCare; and
(7) the right to an external appeal process under section 62Q.73, including the right to a second opinion.

Sec. 51. Minnesota Statutes 2014, section 254B.03, subdivision 4, is amended to read:

Subd. 4. Division of costs. Except for services provided by a county under section 254B.09, subdivision 1, or services provided under section 256B.69 or 256D.02—subdivision 4, paragraph (b), the county shall, out of local money, pay the state for 22.95 percent of the cost of chemical dependency services, including those services provided to persons eligible for medical assistance under chapter 256B and general assistance medical care under chapter 256D. Counties may use the indigent hospitalization levy for treatment and hospital payments made under this section. 22.95 percent of any state collections from private or third-party pay, less 15 percent for the cost of payment and collections, must be distributed to the county that paid for a portion of the treatment under this section.

Sec. 52. Minnesota Statutes 2014, section 254B.04, subdivision 1, is amended to read:

Subdivision 1. Eligibility. (a) Persons eligible for benefits under Code of Federal Regulations, title 25, part 20, and persons eligible for medical assistance benefits under sections 256B.055, 256B.056, and 256B.057, subdivisions 1, 5, and 6, or who meet the income standards of section 256B.056, subdivision 4, and persons eligible for general assistance medical care under section 256D.03—subdivision 3, are entitled to chemical dependency fund services. State money appropriated for this paragraph must be placed in a separate account established for this purpose.

Persons with dependent children who are determined to be in need of chemical dependency treatment pursuant to an assessment under section 626.556, subdivision 10, or...
a case plan under section 260C.201, subdivision 6, or 260C.212, shall be assisted by the 
local agency to access needed treatment services. Treatment services must be appropriate 
for the individual or family, which may include long-term care treatment or treatment in a 
facility that allows the dependent children to stay in the treatment facility. The county 
shall pay for out-of-home placement costs, if applicable.

(b) A person not entitled to services under paragraph (a), but with family income 
that is less than 215 percent of the federal poverty guidelines for the applicable family 
size, shall be eligible to receive chemical dependency fund services within the limit 
of funds appropriated for this group for the fiscal year. If notified by the state agency 
of limited funds, a county must give preferential treatment to persons with dependent 
children who are in need of chemical dependency treatment pursuant to an assessment 
under section 626.556, subdivision 10, or a case plan under section 260C.201, subdivision 
6, or 260C.212. A county may spend money from its own sources to serve persons under 
this paragraph. State money appropriated for this paragraph must be placed in a separate 
account established for this purpose.

c) Persons whose income is between 215 percent and 412 percent of the federal 
poverty guidelines for the applicable family size shall be eligible for chemical dependency 
services on a sliding fee basis, within the limit of funds appropriated for this group for the 
fiscal year. Persons eligible under this paragraph must contribute to the cost of services 
according to the sliding fee scale established under subdivision 3. A county may spend 
money from its own sources to provide services to persons under this paragraph. State 
money appropriated for this paragraph must be placed in a separate account established 
for this purpose.

Sec. 53. Minnesota Statutes 2014, section 256.01, subdivision 2b, is amended to read:

Subd. 2b. Performance payments. The commissioner shall develop and implement 
a pay-for-performance system to provide performance payments to eligible medical 
groups and clinics that demonstrate optimum care in serving individuals with chronic 
diseases who are enrolled in health care programs administered by the commissioner under 
chapters 256B, 256D, and 256L. The commissioner may receive any federal matching 
money that is made available through the medical assistance program for managed care 
oversight contracted through vendors, including consumer surveys, studies, and external 
quality reviews as required by the federal Balanced Budget Act of 1997, Code of Federal 
Regulations, title 42, part 438-managed care, subpart E-external quality review. Any 
federal money received for managed care oversight is appropriated to the commissioner
for this purpose. The commissioner may expend the federal money received in either
year of the biennium.

Sec. 54. Minnesota Statutes 2014, section 256.01, subdivision 18, is amended to read:
Subd. 18. Immigration status verifications. (a) Notwithstanding any waiver of
this requirement by the secretary of the United States Department of Health and Human
Services, effective July 1, 2001, the commissioner shall utilize the Systematic Alien
Verification for Entitlements (SAVE) program to conduct immigration status verifications:
(1) as required under United States Code, title 8, section 1642;
(2) for all applicants for food assistance benefits, whether under the federal food stamp
program, the MFIP or work first program, or the Minnesota food assistance program; and
(3) for all applicants for general assistance medical care, except assistance for an
emergency medical condition, for immunization with respect to an immunizable disease,
or for testing and treatment of symptoms of a communicable disease; and
(4) (3) for all applicants for general assistance, Minnesota supplemental aid,
MinnesotaCare, or group residential housing, when the benefits provided by these
programs would fall under the definition of "federal public benefit" under United States
Code, title 8, section 1642, if federal funds were used to pay for all or part of the benefits.
(b) The commissioner shall comply with the reporting requirements under United
States Code, title 42, section 611a, and any federal regulation or guidance adopted under
that law.

Sec. 55. Minnesota Statutes 2014, section 256.01, subdivision 18a, is amended to read:
Subd. 18a. Public Assistance Reporting Information System. (a) Effective
October 1, 2009, the commissioner shall comply with the federal requirements in Public
Law 110-379 in implementing the Public Assistance Reporting Information System
(PARIS) to determine eligibility for all individuals applying for:
(1) health care benefits under chapters 256B, 256D, and 256L; and
(2) public benefits under chapters 119B, 256D, and 256I, and the supplemental
nutrition assistance program.
(b) The commissioner shall determine eligibility under paragraph (a) by performing
data matches, including matching with medical assistance, cash, child care, and
supplemental assistance programs operated by other states.

Sec. 56. Minnesota Statutes 2014, section 256.014, subdivision 1, is amended to read:
Subdivision 1. Establishment of systems. (a) The commissioner of human services shall establish and enhance computer systems necessary for the efficient operation of the programs the commissioner supervises, including:

(1) management and administration of the food stamp, food support, and income maintenance programs, including the electronic distribution of benefits;

(2) management and administration of the child support enforcement program; and

(3) administration of medical assistance and general assistance medical care.

(b) The commissioner's development costs incurred by computer systems for statewide programs administered by that computer system and mandated by state or federal law must not be assessed against county agencies. The commissioner may charge a county for development and operating costs incurred by computer systems for functions requested by the county and not mandated by state or federal law for programs administered by the computer system incurring the cost.

(c) The commissioner shall distribute the nonfederal share of the costs of operating and maintaining the systems to the commissioner and to the counties participating in the system in a manner that reflects actual system usage, except that the nonfederal share of the costs of the MAXIS computer system and child support enforcement systems for statewide programs administered by those systems and mandated by state or federal law shall be borne entirely by the commissioner.

The commissioner may enter into contractual agreements with federally recognized Indian tribes with a reservation in Minnesota to participate in state-operated computer systems related to the management and administration of the food stamp, food support, income maintenance, child support enforcement, and medical assistance and general assistance medical care programs to the extent necessary for the tribe to operate a federally approved family assistance program or any other program under the supervision of the commissioner.

Sec. 57. Minnesota Statutes 2014, section 256.015, subdivision 1, is amended to read:

Subdivision 1. State agency has lien. When the state agency provides, pays for, or becomes liable for medical care or furnishes subsistence or other payments to a person, the agency shall have a lien for the cost of the care and payments on any and all causes of action or recovery rights under any policy, plan, or contract providing benefits for health care or injury which accrue to the person to whom the care or payments were furnished, or to the person's legal representatives, as a result of the occurrence that necessitated the medical care, subsistence, or other payments. For purposes of this section, "state agency" includes prepaid health plans under contract with the commissioner according
to sections 256B.69, 256D.03, subdivision 4, paragraph (c), 256L.01, subdivision 7, 256L.03, subdivision 6, and 256L.12 and Minnesota Statutes 2009 Supplement, section 256D.03, subdivision 4, paragraph (c); children's mental health collaboratives under section 245.493; demonstration projects for persons with disabilities under section 256B.77; nursing homes under the alternative payment demonstration project under section 256B.434; and county-based purchasing entities under section 256B.692.

Sec. 58. Minnesota Statutes 2014, section 256.015, subdivision 3, is amended to read:

Subd. 3. **Prosecutor.** The attorney general shall represent the commissioner to enforce the lien created under this section or, if no action has been brought, may initiate and prosecute an independent action on behalf of the commissioner against a person, firm, or corporation that may be liable to the person to whom the care or payment was furnished.

Any prepaid health plan providing services under sections 256B.69, 256D.03, subdivision 4, paragraph (c), and 256L.12 and Minnesota Statutes 2009 Supplement, section 256D.03, subdivision 4, paragraph (c); children's mental health collaboratives under section 245.493; demonstration projects for persons with disabilities under section 256B.77; nursing homes under the alternative payment demonstration project under section 256B.434; or the county-based purchasing entity providing services under section 256B.692 may retain legal representation to enforce their lien created under this section or, if no action has been brought, may initiate and prosecute an independent action on their behalf against a person, firm, or corporation that may be liable to the person to whom the care or payment was furnished.

Sec. 59. Minnesota Statutes 2014, section 256.019, subdivision 1, is amended to read:

Subdivision 1. **Retention rates.** When an assistance recovery amount is collected and posted by a county agency under the provisions governing public assistance programs including general assistance medical care formerly codified in chapter 256D, general assistance, and Minnesota supplemental aid, the county may keep one-half of the recovery made by the county agency using any method other than recoupment. For medical assistance, if the recovery is made by a county agency using any method other than recoupment, the county may keep one-half of the nonfederal share of the recovery. For MinnesotaCare, if the recovery is collected and posted by the county agency, the county may keep one-half of the nonfederal share of the recovery.

This does not apply to recoveries from medical providers or to recoveries begun by the Department of Human Services' Surveillance and Utilization Review Division, State Hospital Collections Unit, and the Benefit Recoveries Division or, by the attorney
general's office, or child support collections. In the food stamp or food support program, 
the nonfederal share of recoveries in the federal tax offset program only will be divided 
equally between the state agency and the involved county agency.

Sec. 60. Minnesota Statutes 2014, section 256.029, is amended to read:

**256.029 DOMESTIC VIOLENCE INFORMATIONAL BROCHURE.**

(a) The commissioner shall provide a domestic violence informational brochure that 
provides information about the existence of domestic violence waivers for eligible public 
assistance applicants to all applicants of general assistance, medical assistance, family 
investment program, medical assistance, and MinnesotaCare. The 
brochure must explain that eligible applicants may be temporarily waived from certain 
program requirements due to domestic violence. The brochure must provide information 
about services and other programs to help victims of domestic violence.

(b) The brochure must be funded with TANF funds.

Sec. 61. Minnesota Statutes 2014, section 256.045, subdivision 3a, is amended to read:

**Subd. 3a. Prepaid health plan appeals.** (a) All prepaid health plans under contract 
to the commissioner under chapter 256B or 256D must provide for a complaint system 
according to section 62D.11. When a prepaid health plan denies, reduces, or terminates a 
health service or denies a request to authorize a previously authorized health service, the 
prepaid health plan must notify the recipient of the right to file a complaint or an appeal. 
The notice must include the name and telephone number of the ombudsman and notice of 
the recipient's right to request a hearing under paragraph (b). Recipients may request the 
assistance of the ombudsman in the complaint system process. The prepaid health plan 
must issue a written resolution of the complaint to the recipient within 30 days after the 
complaint is filed with the prepaid health plan. A recipient is not required to exhaust the 
complaint system procedures in order to request a hearing under paragraph (b).

(b) Recipients enrolled in a prepaid health plan under chapter 256B or 256D may 
contest a prepaid health plan's denial, reduction, or termination of health services, a 
prepaid health plan's denial of a request to authorize a previously authorized health 
service, or the prepaid health plan's written resolution of a complaint by submitting a 
written request for a hearing according to subdivision 3. A state human services judge 
shall conduct a hearing on the matter and shall recommend an order to the commissioner 
of human services. The commissioner need not grant a hearing if the sole issue raised 
by a recipient is the commissioner's authority to require mandatory enrollment in a 
prepaid health plan in a county where prepaid health plans are under contract with the
commissioner. The state human services judge may order a second medical opinion
from the prepaid health plan or may order a second medical opinion from a nonprepaid
health plan provider at the expense of the prepaid health plan. Recipients may request
the assistance of the ombudsman in the appeal process.

(c) In the written request for a hearing to appeal from a prepaid health plan's denial,
reduction, or termination of a health service, a prepaid health plan's denial of a request to
authorize a previously authorized service, or the prepaid health plan's written resolution
to a complaint, a recipient may request an expedited hearing. If an expedited appeal is
warranted, the state human services judge shall hear the appeal and render a decision
within a time commensurate with the level of urgency involved, based on the individual
circumstances of the case.

Sec. 62. Minnesota Statutes 2014, section 256.045, subdivision 10, is amended to read:

Subd. 10. Payments pending appeal. If the commissioner of human services
or district court orders monthly assistance or aid or services paid or provided in any
proceeding under this section, it shall be paid or provided pending appeal to the
commissioner of human services, district court, Court of Appeals, or Supreme Court. The
human services judge may order the local human services agency to reduce or terminate
medical assistance or general assistance medical care to a recipient before a final order is
issued under this section if: (1) the human services judge determines at the hearing that the
sole issue on appeal is one of a change in state or federal law; and (2) the commissioner or
the local agency notifies the recipient before the action. The state or county agency has a
claim for food stamps, food support, cash payments, medical assistance, general assistance
medical care; and MinnesotaCare program payments made to or on behalf of a recipient or
former recipient while an appeal is pending if the recipient or former recipient is determined
ineligible for the food stamps, food support, cash payments, medical assistance, general
assistance medical care; or MinnesotaCare as a result of the appeal, except for medical
assistance and general assistance medical care made on behalf of a recipient pursuant to a
court order. In enforcing a claim on MinnesotaCare program payments, the state or county
agency shall reduce the claim amount by the value of any premium payments made by a
recipient or former recipient during the period for which the recipient or former recipient
has been determined to be ineligible. Provision of a health care service by the state agency
under medical assistance, general assistance medical care, or MinnesotaCare pending
appeal shall not render moot the state agency's position in a court of law.

Sec. 63. Minnesota Statutes 2014, section 256.046, subdivision 1, is amended to read:
Subdivision 1. Hearing authority. A local agency must initiate an administrative
fraud disqualification hearing for individuals, including child care providers caring for
children receiving child care assistance, accused of wrongfully obtaining assistance or
intentional program violations, in lieu of a criminal action when it has not been pursued,
in the Minnesota family investment program and any affiliated program to include the
diversionary work program and the work participation cash benefit program, child care
assistance programs, general assistance, family general assistance program formerly
codified in section 256D.05, subdivision 1, clause (15), Minnesota supplemental aid,
food stamp programs, general assistance medical care, MinnesotaCare for adults without
children, and upon federal approval, all categories of medical assistance and remaining
categories of MinnesotaCare except for children through age 18. The Department
of Human Services, in lieu of a local agency, may initiate an administrative fraud
disqualification hearing when the state agency is directly responsible for administration or
investigation of the program for which benefits were wrongfully obtained. The hearing is
subject to the requirements of section 256.045 and the requirements in Code of Federal
Regulations, title 7, section 273.16.

Sec. 64. Minnesota Statutes 2014, section 256.9365, subdivision 3, is amended to read:

Subd. 3. Cost-effective coverage. Requirements for the payment of individual
plan premiums under subdivision 2, clause (5), must be designed to ensure that the state
cost of paying an individual plan premium does not exceed the estimated state cost that
would otherwise be incurred in the medical assistance or general assistance medical care
program. The commissioner shall purchase the most cost-effective coverage available
for eligible individuals.

Sec. 65. Minnesota Statutes 2014, section 256.962, subdivision 1, is amended to read:

Subdivision 1. Public awareness and education. The commissioner, in consultation
with community organizations, health plans, and other public entities experienced in
outreach to the uninsured, shall design and implement a statewide campaign to raise public
awareness on the availability of health coverage through medical assistance, general
assistance medical care, and MinnesotaCare and to educate the public on the importance of
obtaining and maintaining health care coverage. The campaign shall include multimedia
messages directed to the general population.

Sec. 66. Minnesota Statutes 2014, section 256.962, subdivision 5, is amended to read:
Subd. 5. Incentive program. Beginning January 1, 2008, the commissioner shall establish an incentive program for organizations and licensed insurance producers under chapter 60K that directly identify and assist potential enrollees in filling out and submitting an application. For each applicant who is successfully enrolled in MinnesotaCare; or medical assistance, or general assistance medical care, the commissioner, within the available appropriation, shall pay the organization or licensed insurance producer a $25 application assistance bonus. The organization or licensed insurance producer may provide an applicant a gift certificate or other incentive upon enrollment.

Sec. 67. Minnesota Statutes 2014, section 256.9655, subdivision 1, is amended to read:

Subdivision 1. Duties of commissioner. The commissioner shall establish procedures to analyze and correct problems associated with medical care claims preparation and processing under the medical assistance, general assistance medical care, and MinnesotaCare programs. At a minimum, the commissioner shall:

1. designate a full-time position as a liaison between the Department of Human Services and providers;
2. analyze impediments to timely processing of claims, provide information and consultation to providers, and develop methods to resolve or reduce problems;
3. provide to each acute care hospital a quarterly listing of claims received and identify claims that have been suspended and the reason the claims were suspended;
4. provide education and information on reasons for rejecting and suspending claims and identify methods that would avoid multiple submissions of claims; and
5. for each acute care hospital, identify and prioritize claims that are in jeopardy of exceeding time factors that eliminate payment.

Sec. 68. Minnesota Statutes 2014, section 256.9686, subdivision 7, is amended to read:

Subd. 7. Medical assistance. "Medical assistance" means the program established under chapter 256B and Title XIX of the Social Security Act. Medical assistance includes general assistance medical care established under chapter 256D, unless otherwise specifically stated.

Sec. 69. Minnesota Statutes 2014, section 256.98, subdivision 3, is amended to read:

Subd. 3. Amount of assistance incorrectly paid. The amount of the assistance incorrectly paid under this section is:

1. the difference between the amount of assistance actually received on the basis of misrepresented or concealed facts and the amount to which the recipient would have
been entitled had the specific concealment or misrepresentation not occurred. Unless
required by law, rule, or regulation, earned income disregards shall not be applied to
earnings not reported by the recipient; or
(2) equal to all payments for health care services, including capitation payments
made to a health plan, made on behalf of a person enrolled in MinnesotaCare, medical
assistance, or general assistance medical care [former codified in chapter 256D, for which]
the person was not entitled due to the concealment or misrepresentation of facts.

Sec. 70. Minnesota Statutes 2014, section 256.98, subdivision 8, is amended to read:

Subd. 8. Disqualification from program. (a) Any person found to be guilty of
wrongfully obtaining assistance by a federal or state court or by an administrative hearing
determination, or waiver thereof, through a disqualification consent agreement, or as part
of any approved diversion plan under section 401.065, or any court-ordered stay which
carries with it any probationary or other conditions, in the Minnesota family investment
program and any affiliated program to include the diversionary work program and the
work participation cash benefit program, the food stamp or food support program, the
general assistance program, the group residential housing program, or the Minnesota
supplemental aid program shall be disqualified from that program. In addition, any person
disqualified from the Minnesota family investment program shall also be disqualified from
the food stamp or food support program. The needs of that individual shall not be taken
into consideration in determining the grant level for that assistance unit:

(1) for one year after the first offense;
(2) for two years after the second offense; and
(3) permanently after the third or subsequent offense.

The period of program disqualification shall begin on the date stipulated on the
advance notice of disqualification without possibility of postponement for administrative
stay or administrative hearing and shall continue through completion unless and until the
findings upon which the sanctions were imposed are reversed by a court of competent
jurisdiction. The period for which sanctions are imposed is not subject to review. The
sanctions provided under this subdivision are in addition to, and not in substitution
for, any other sanctions that may be provided for by law for the offense involved. A
disqualification established through hearing or waiver shall result in the disqualification
period beginning immediately unless the person has become otherwise ineligible for
assistance. If the person is ineligible for assistance, the disqualification period begins
when the person again meets the eligibility criteria of the program from which they were
disqualified and makes application for that program.
(b) A family receiving assistance through child care assistance programs under chapter 119B with a family member who is found to be guilty of wrongfully obtaining child care assistance by a federal court, state court, or an administrative hearing determination or waiver, through a disqualification consent agreement, as part of an approved diversion plan under section 401.065, or a court-ordered stay with probationary or other conditions, is disqualified from child care assistance programs. The disqualifications must be for periods of one year and two years for the first and second offenses, respectively. Subsequent violations must result in permanent disqualification. During the disqualification period, disqualification from any child care program must extend to all child care programs and must be immediately applied.

(c) A provider caring for children receiving assistance through child care assistance programs under chapter 119B is disqualified from receiving payment for child care services from the child care assistance program under chapter 119B when the provider is found to have wrongfully obtained child care assistance by a federal court, state court, or an administrative hearing determination or waiver under section 256.046, through a disqualification consent agreement, as part of an approved diversion plan under section 401.065, or a court-ordered stay with probationary or other conditions. The disqualification must be for a period of one year for the first offense and two years for the second offense. Any subsequent violation must result in permanent disqualification. The disqualification period must be imposed immediately after a determination is made under this paragraph. During the disqualification period, the provider is disqualified from receiving payment from any child care program under chapter 119B.

(d) Any person found to be guilty of wrongfully obtaining general assistance medical care, MinnesotaCare for adults without children; and upon federal approval, all categories of medical assistance and remaining categories of MinnesotaCare, except for children through age 18, by a federal or state court or by an administrative hearing determination, or waiver thereof, through a disqualification consent agreement, or as part of any approved diversion plan under section 401.065, or any court-ordered stay which carries with it any probationary or other conditions, is disqualified from that program. The period of disqualification is one year after the first offense, two years after the second offense, and permanently after the third or subsequent offense. The period of program disqualification shall begin on the date stipulated on the advance notice of disqualification without possibility of postponement for administrative stay or administrative hearing and shall continue through completion unless and until the findings upon which the sanctions were imposed are reversed by a court of competent jurisdiction. The period for which sanctions are imposed is not subject to review. The sanctions provided under this
225.1 subdivision are in addition to, and not in substitution for, any other sanctions that may be
225.2 provided for by law for the offense involved.

225.3 Sec. 71. Minnesota Statutes 2014, section 256.99, is amended to read:

256.99 REVERSE MORTGAGE PROCEEDS DISREGARDED.
225.4 All reverse mortgage loan proceeds received, including interest or earnings thereon,
225.5 shall be disregarded and shall not be considered available to the borrower for purposes
225.6 of determining initial or continuing eligibility for, or amount of, medical assistance,
225.7 Minnesota supplemental assistance, general assistance, general assistance medical care, or
225.8 a federal or state low interest loan or grant. This section applies regardless of the time
225.9 elapsed since the loan was made or the disposition of the proceeds.
225.10 For purposes of medical assistance eligibility provided under sections 256B.055,
225.11 256B.056, and 256B.06, proceeds from a reverse mortgage must be disregarded as income
225.12 in the month of receipt but are a resource if retained after the month of receipt.

225.14 Sec. 72. Minnesota Statutes 2014, section 256.991, is amended to read:

256.991 RULES.
225.15 The commissioner of human services may promulgate rules as necessary to
225.16 implement sections 256.01, subdivision 2; 256.82, subdivision 3; 256.966, subdivision 1;
225.17 256D.03, subdivisions 3, 4, 6, and 7; and 261.23. The commissioner shall promulgate
225.18 rules to establish standards and criteria for deciding which medical assistance services
225.19 require prior authorization and for deciding whether a second medical opinion is required
225.20 for an elective surgery. The commissioner shall promulgate rules as necessary to establish
225.21 the methods and standards for determining inappropriate utilization of medical assistance
225.22 services.

225.24 Sec. 73. Minnesota Statutes 2014, section 256.997, subdivision 4, is amended to read:

256.997 Subd. 4. Injury protection for work experience participants. (a) This subdivision
225.26 applies to payment of any claims resulting from an alleged injury or death of a child
225.27 support obligor participating in a community work experience program established and
225.28 operated by a county or a judicial district department of corrections under this section.
225.29 (b) Claims that are subject to this section must be investigated by the county agency
225.30 responsible for supervising the work to determine whether the claimed injury occurred,
225.31 whether the claimed medical expenses are reasonable, and whether the loss is covered
225.32 by the claimant's insurance. If insurance coverage is established, the county agency shall
225.33 submit the claim to the appropriate insurance entity for payment. The investigating county
agency shall submit all valid claims, in the amount net of any insurance payments, to the commissioner of human services.

(c) The commissioner of human services shall submit all claims for impairment compensation to the commissioner of labor and industry. The commissioner of labor and industry shall review all submitted claims and recommend to the commissioner of human services an amount of compensation comparable to what would be provided under the impairment compensation schedule of section 176.101, subdivision 3b.

(d) The commissioner of human services shall approve a claim of $1,000 or less for payment if appropriated funds are available, if the county agency responsible for supervising the work has made the determinations required by this section, and if the work program was operated in compliance with the safety provisions of this section.

The commissioner shall pay the portion of an approved claim of $1,000 or less that is not covered by the claimant's insurance within three months of the date of submission.

On or before February 1 of each year, the commissioner shall submit to the appropriate committees of the senate and the house of representatives a list of claims of $1,000 or less paid during the preceding calendar year and shall be reimbursed by legislative appropriation for any claims that exceed the original appropriation provided to the commissioner to operate this program. Unspent money from this appropriation carries over to the second year of the biennium, and any unspent money remaining at the end of the second year must be returned to the general fund. On or before February 1 of each year, the commissioner shall submit to the appropriate committees of the senate and the house of representatives a list of claims in excess of $1,000 and a list of claims of $1,000 or less that were submitted to but not paid by the commissioner of human services, together with any recommendations of appropriate compensation. These claims shall be heard and determined by the appropriate committees of the senate and house of representatives and, if approved, paid under the legislative claims procedure.

(e) Compensation paid under this section is limited to reimbursement for reasonable medical expenses and impairment compensation for disability in like amounts as allowed in section 176.101, subdivision 3b. Compensation for injuries resulting in death shall include reasonable medical expenses and burial expenses in addition to payment to the participant's estate in an amount not to exceed the limits set forth in section 466.04. Compensation may not be paid under this section for pain and suffering, lost wages, or other benefits provided in chapter 176. Payments made under this section must be reduced by any proceeds received by the claimant from any insurance policy covering the loss. For the purposes of this section, "insurance policy" does not include the medical assistance
program authorized under chapter 256B or the general assistance medical care program

authorized under chapter 256D.

(f) The procedure established by this section is exclusive of all other legal, equitable, and statutory remedies against the state, its political subdivisions, or employees of the state or its political subdivisions. The claimant may not seek damages from any state or county insurance policy or self-insurance program.

(g) A claim is not valid for purposes of this subdivision if the local agency responsible for supervising the work cannot verify to the commissioner of human services:

1. that appropriate safety training and information is provided to all persons being supervised by the agency under this subdivision; and

2. that all programs involving work by those persons comply with federal Occupational Safety and Health Administration and state Department of Labor and Industry safety standards.

A claim that is not valid because of failure to verify safety training or compliance with safety standards may not be paid by the commissioner of human services or through the legislative claims process and must be heard, decided, and paid, if appropriate, by the local government unit responsible for supervising the work of the claimant.

Sec. 74. Minnesota Statutes 2014, section 256B.02, subdivision 9, is amended to read:

Subd. 9. Private health care coverage. "Private health care coverage" means any plan regulated by chapter 62A, 62C or 64B. Private health care coverage also includes any self-insured plan providing health care benefits, pharmacy benefit manager, service benefit plan, managed care organization, and other parties that are by contract legally responsible for payment of a claim for a health care item or service for an individual receiving medical benefits under chapter 256B, 256D, or 256L.

Sec. 75. Minnesota Statutes 2014, section 256B.03, subdivision 3, is amended to read:

Subd. 3. Tribal purchasing model. (a) Notwithstanding subdivision 1 and sections 256B.0625 and 256D.03, subdivision 4, paragraph (l), the commissioner may make payments to federally recognized Indian tribes with a reservation in the state to provide medical assistance and general assistance medical care to Indians, as defined under federal law, who reside on or near the reservation. The payments may be made in the form of a block grant or other payment mechanism determined in consultation with the tribe. Any alternative payment mechanism agreed upon by the tribes and the commissioner under this subdivision is not dependent upon county or health plan agreement but is intended to create a direct payment mechanism between the state and the tribe for the administration
of the medical assistance and general assistance medical care programs, and
for covered services.

(b) A tribe that implements a purchasing model under this subdivision shall report to
the commissioner at least annually on the operation of the model. The commissioner and the
tribe shall cooperatively determine the data elements, format, and timetable for the report.

(c) For purposes of this subdivision, "Indian tribe" means a tribe, band, or nation,
or other organized group or community of Indians that is recognized as eligible for the
special programs and services provided by the United States to Indians because of their
status as Indians and for which a reservation exists as is consistent with Public Law
100-485, as amended.

(d) Payments under this subdivision may not result in an increase in expenditures
that would not otherwise occur in the medical assistance program under this chapter or the
general assistance medical care program under chapter 256D.

Sec. 76. Minnesota Statutes 2014, section 256B.035, is amended to read:

256B.035 MANAGED CARE.

The commissioner of human services may contract with public or private entities or
operate a preferred provider program to deliver health care services to medical assistance;
general assistance medical care, and MinnesotaCare program recipients. The commissioner
may enter into risk-based and non-risk-based contracts. Contracts may be for the full
range of health services, or a portion thereof, for medical assistance and general assistance
medical care populations to determine the effectiveness of various provider reimbursement
and care delivery mechanisms. The commissioner may seek necessary federal waivers and
implement projects when approval of the waivers is obtained from the Centers for Medicare
and Medicaid Services of the United States Department of Health and Human Services.

Sec. 77. Minnesota Statutes 2014, section 256B.037, subdivision 1, is amended to read:

Subdivision 1. Contract for dental services. The commissioner may conduct a
demonstration project to contract, on a prospective per capita payment basis, with an
organization or organizations licensed under chapter 62C, 62D, or 62N for the provision
of all dental care services beginning July 1, 1994, under the medical assistance, general
assistance medical care, and MinnesotaCare programs, or when necessary waivers
are granted by the secretary of health and human services, whichever occurs later.
The commissioner shall identify a geographic area or areas, including both urban and
rural areas, where access to dental services has been inadequate, in which to conduct
demonstration projects. The commissioner shall seek any federal waivers or approvals necessary to implement this section from the secretary of health and human services.

The commissioner may exclude from participation in the demonstration project any or all groups currently excluded from participation in the prepaid medical assistance program under section 256B.69. Except for persons excluded from participation in the demonstration project, all persons who have been determined eligible for medical assistance, general assistance medical care and, if applicable, MinnesotaCare and reside in the designated geographic areas are required to enroll in a dental plan to receive their dental care services. Except for emergency services or out-of-plan services authorized by the dental plan, recipients must receive their dental services from dental care providers who are part of the dental plan provider network.

The commissioner shall select either multiple dental plans or a single dental plan in a designated area. A dental plan under contract with the department must serve both medical assistance recipients and general assistance medical care recipients in a designated geographic area and may serve MinnesotaCare recipients. The commissioner may limit the number of dental plans with which the department contracts within a designated geographic area, taking into consideration the number of recipients within the designated geographic area; the number of potential dental plan contractors; the size of the provider network offered by dental plans; the dental care services offered by a dental plan; qualifications of dental plan personnel; accessibility of services to recipients; dental plan assurances of recipient confidentiality; dental plan marketing and enrollment activities; dental plan compliance with this section; dental plan performance under other contracts with the department to serve medical assistance, general assistance medical care, or MinnesotaCare recipients; or any other factors necessary to provide the most economical care consistent with high standards of dental care.

For purposes of this section, "dental plan" means an organization licensed under chapter 62C, 62D, or 62N that contracts with the department to provide covered dental care services to recipients on a prepaid capitation basis. "Emergency services" has the meaning given in section 256B.0625, subdivision 4. "Multiple dental plan area" means a designated area in which more than one dental plan is offered. "Participating provider" means a dentist or dental clinic who is employed by or under contract with a dental plan to provide dental care services to recipients. "Single dental plan area" means a designated area in which only one dental plan is available.

Sec. 78. Minnesota Statutes 2014, section 256B.037, subdivision 5, is amended to read:
Subd. 5. Other contracts permitted. Nothing in this section prohibits the commissioner from contracting with an organization for comprehensive health services, including dental services, under section 256B.03, or 256B.09, subdivision 4.

256B.038 PROVIDER RATE INCREASES AFTER JUNE 30, 1999.

(a) For fiscal years beginning on or after July 1, 1998, the commissioner of Health shall increase the rates for the services listed in paragraph (b) by an amount equal to each:

(1) the ratio of the increase in the Consumer Price Index-All Items (United States city average) (CPI-U) as forecasted by the Department of Employment and Economic Development for the services listed in paragraph (b) to be included in the budget for the year following the calendar year during which the Consumer Price Index-All Items (United States city average) (CPI-U) is computed; and

(2) the ratio of the total expenditures of the state of Minnesota reported in the last full fiscal year to the total number of days that services were provided to the population of Minnesota.

(b) The commissioner shall submit to the legislature a report including the results of the calculations required for paragraphs (a) and (b).
9535.1760; and semi-independent living services under section 252.275, including SILS funding under county social services grants formerly funded under chapter 256I.

(c) The commissioner shall increase prepaid medical assistance program capitation rates as appropriate to reflect the rate increases in this section.

(d) In implementing this section, the commissioner shall consider proposing a schedule to equalize rates paid by different programs for the same service.

Sec. 80. Minnesota Statutes 2014, section 256B.04, subdivision 14, is amended to read:

Subd. 14. Competitive bidding. (a) When determined to be effective, economical, and feasible, the commissioner may utilize volume purchase through competitive bidding and negotiation under the provisions of chapter 16C, to provide items under the medical assistance program including but not limited to the following:

(1) eyeglasses;
(2) oxygen. The commissioner shall provide for oxygen needed in an emergency situation on a short-term basis, until the vendor can obtain the necessary supply from the contract dealer;
(3) hearing aids and supplies; and
(4) durable medical equipment, including but not limited to:
(i) hospital beds;
(ii) commodes;
(iii) glide-about chairs;
(iv) patient lift apparatus;
(v) wheelchairs and accessories;
(vi) oxygen administration equipment;
(vii) respiratory therapy equipment;
(viii) electronic diagnostic, therapeutic and life-support systems;
(5) nonemergency medical transportation level of need determinations, disbursement of public transportation passes and tokens, and volunteer and recipient mileage and parking reimbursements; and
(6) drugs.

(b) Rate changes and recipient cost-sharing under this chapter and chapters 256D and 256L do not affect contract payments under this subdivision unless specifically identified.

(c) The commissioner may not utilize volume purchase through competitive bidding and negotiation for special transportation services under the provisions of chapter 16C.
Sec. 81. Minnesota Statutes 2014, section 256B.042, subdivision 1, is amended to read:

Subdivision 1. **Lien for cost of care.** When the state agency provides, pays for, or becomes liable for medical care, it shall have a lien for the cost of the care upon any and all causes of action or recovery rights under any policy, plan, or contract providing benefits for health care or injury, which accrue to the person to whom the care was furnished, or to the person's legal representatives, as a result of the illness or injuries which necessitated the medical care. For purposes of this section, "state agency" includes prepaid health plans under contract with the commissioner according to sections 256B.69, 256D.03, subdivision 4, paragraph (c), and 256L.12 and Minnesota Statutes 2009 Supplement, section 256D.03, subdivision 4, paragraph (c); children's mental health collaboratives under section 245.493; demonstration projects for persons with disabilities under section 256B.77; nursing facilities under the alternative payment demonstration project under section 256B.434; and county-based purchasing entities under section 256B.692.

Sec. 82. Minnesota Statutes 2014, section 256B.042, subdivision 3, is amended to read:

**Subd. 3. Attorney general representation.** The attorney general shall represent the commissioner to enforce the lien created under this section or, if no action has been brought, may initiate and prosecute an independent action on behalf of the commissioner against a person, firm, or corporation that may be liable to the person to whom the care was furnished.

Any prepaid health plan providing services under sections 256B.69, 256D.03, subdivision 4, paragraph (c), and 256L.12 and Minnesota Statutes 2009 Supplement, section 256D.03, subdivision 4, paragraph (c); children's mental health collaboratives under section 245.493; demonstration projects for persons with disabilities under section 256B.77; nursing homes under the alternative payment demonstration project under section 256B.434; or the county-based purchasing entity providing services under section 256B.692 may retain legal representation to enforce their lien created under this section or, if no action has been brought, may initiate and prosecute an independent action on their behalf against a person, firm, or corporation that may be liable to the person to whom the care or payment was furnished.

Sec. 83. Minnesota Statutes 2014, section 256B.043, subdivision 1, is amended to read:

Subdivision 1. **Alternative and complementary health care.** The commissioner of human services, through the medical director and in consultation with the Health Services Policy Committee established under section 256B.0625, subdivision 3c, as part of the commissioner's ongoing duties, shall consider the potential for improving
quality and obtaining cost savings through greater use of alternative and complementary
treatment methods and clinical practice; shall incorporate these methods into the medical
assistance; and MinnesotaCare, and general assistance medical care programs; and shall
make related legislative recommendations as appropriate. The commissioner shall post
the recommendations required under this subdivision on agency Web sites.

Sec. 84. Minnesota Statutes 2014, section 256B.056, subdivision 6, is amended to read:

Subd. 6. Assignment of benefits. To be eligible for medical assistance a person
must have applied or must agree to apply all proceeds received or receivable by the person
or the person's legal representative from any third party liable for the costs of medical care.
By accepting or receiving assistance, the person is deemed to have assigned the person's
rights to medical support and third-party payments as required by title 19 of the Social
Security Act. Persons must cooperate with the state in establishing paternity and obtaining
third-party payments. By accepting medical assistance, a person assigns to the Department
of Human Services all rights the person may have to medical support or payments for
medical expenses from any other person or entity on their own or their dependent's behalf
and agrees to cooperate with the state in establishing paternity and obtaining third-party
payments. Any rights or amounts so assigned shall be applied against the cost of medical
care paid for under this chapter. Any assignment takes effect upon the determination that
the applicant is eligible for medical assistance and up to three months prior to the date
of application if the applicant is determined eligible for and receives medical assistance
benefits. The application must contain a statement explaining this assignment. For the
purposes of this section, "the Department of Human Services or the state" includes prepaid
health plans under contract with the commissioner according to sections 256B.69, 256D.03,
subdivision 4, paragraph (c), and 256L.12 and Minnesota Statutes 2009 Supplement,
section 256D.03, subdivision 4, paragraph (c); children's mental health collaboratives
under section 245.493; demonstration projects for persons with disabilities under section
256B.77; nursing facilities under the alternative payment demonstration project under
section 256B.434; and the county-based purchasing entities under section 256B.692.

Sec. 85. Minnesota Statutes 2014, section 256B.0625, subdivision 3, is amended to read:

Subd. 3. Physicians' services. (a) Medical assistance covers physicians' services.
(b) Rates paid for anesthesiology services provided by physicians shall be according
to the formula utilized in the Medicare program and shall use a conversion factor "at
percentile of calendar year set by legislature, "except that rates paid to physicians for the
medical direction of a certified registered nurse anesthetist shall be the same as the rate
paid to the certified registered nurse anesthetist under medical direction.

(c) Medical assistance does not cover physicians' services related to the provision of
care related to a treatment reportable under section 144.7065, subdivision 2, clauses (1),
(2), (3), and (5), and subdivision 7, clause (1).

(d) Medical assistance does not cover physicians' services related to the provision of
care (1) for which hospital reimbursement is prohibited under section 256.969, subdivision
3b, paragraph (c), or (2) reportable under section 144.7065, subdivisions 2 to 7, if the
physicians' services are billed by a physician who delivered care that contributed to or
caused the adverse health care event or hospital-acquired condition.

(e) The payment limitations in this subdivision shall also apply to MinnesotaCare
and general assistance medical care.

(f) A physician shall not bill a recipient of services for any payment disallowed
under this subdivision.

Sec. 86. Minnesota Statutes 2014, section 256B.0625, subdivision 3c, is amended to
read:

Subd. 3c. Health Services Policy Committee. (a) The commissioner, after
receiving recommendations from professional physician associations, professional
associations representing licensed nonphysician health care professionals, and consumer
groups, shall establish a 13-member Health Services Policy Committee, which consists of
12 voting members and one nonvoting member. The Health Services Policy Committee
shall advise the commissioner regarding health services pertaining to the administration
of health care benefits covered under the medical assistance, general assistance medical
care, and MinnesotaCare programs. The Health Services Policy Committee shall meet at
least quarterly. The Health Services Policy Committee shall annually elect a physician
chair from among its members, who shall work directly with the commissioner's medical
director, to establish the agenda for each meeting. The Health Services Policy Committee
shall also recommend criteria for verifying centers of excellence for specific aspects of
medical care where a specific set of combined services, a volume of patients necessary to
maintain a high level of competency, or a specific level of technical capacity is associated
with improved health outcomes.

(b) The commissioner shall establish a dental subcommittee to operate under the
Health Services Policy Committee. The dental subcommittee consists of general dentists,
dental specialists, safety net providers, dental hygienists, health plan company and county
235.1 and public health representatives, health researchers, consumers, and a designee of the
commissioner of health. The dental subcommittee shall advise the commissioner regarding:
235.2 (1) the critical access dental program under section 256B.76, subdivision 4, including
but not limited to criteria for designating and terminating critical access dental providers;
235.3 (2) any changes to the critical access dental provider program necessary to comply
with program expenditure limits;
235.4 (3) dental coverage policy based on evidence, quality, continuity of care, and best
practices;
235.5 (4) the development of dental delivery models; and
235.6 (5) dental services to be added or eliminated from subdivision 9, paragraph (b).
235.7 (c) The Health Services Policy Committee shall study approaches to making
provider reimbursement under the medical assistance, and MinnesotaCare, and general
assistance medical care programs contingent on patient participation in a patient-centered
decision-making process, and shall evaluate the impact of these approaches on health
care quality, patient satisfaction, and health care costs. The committee shall present
findings and recommendations to the commissioner and the legislative committees with
235.8 (d) The Health Services Policy Committee shall monitor and track the practice
patterns of physicians providing services to medical assistance, and MinnesotaCare,
and general assistance medical care enrollees under fee-for-service, managed care, and
county-based purchasing. The committee shall focus on services or specialties for
which there is a high variation in utilization across physicians, or which are associated
with high medical costs. The commissioner, based upon the findings of the committee,
shall regularly notify physicians whose practice patterns indicate higher than average
utilization or costs. Managed care and county-based purchasing plans shall provide the
commissioner with utilization and cost data necessary to implement this paragraph, and
the commissioner shall make this data available to the committee.
235.9 (e) The Health Services Policy Committee shall review caesarean section rates
for the fee-for-service medical assistance population. The committee may develop best
practices policies related to the minimization of caesarean sections, including but not
limited to standards and guidelines for health care providers and health care facilities.

Sec. 87. Minnesota Statutes 2015 Supplement, section 256B.0625, subdivision 20,
is amended to read:
235.10 Subd. 20. Mental health case management. (a) To the extent authorized by rule
of the state agency, medical assistance covers case management services to persons with
serious and persistent mental illness and children with severe emotional disturbance.

Services provided under this section must meet the relevant standards in sections 245.461 to 245.4887, the Comprehensive Adult and Children's Mental Health Acts, Minnesota Rules, parts 9520.0900 to 9520.0926, and 9505.0322, excluding subpart 10.

(b) Entities meeting program standards set out in rules governing family community support services as defined in section 245.4871, subdivision 17, are eligible for medical assistance reimbursement for case management services for children with severe emotional disturbance when these services meet the program standards in Minnesota Rules, parts 9520.0900 to 9520.0926 and 9505.0322, excluding subparts 6 and 10.

(c) Medical assistance and MinnesotaCare payment for mental health case management shall be made on a monthly basis. In order to receive payment for an eligible child, the provider must document at least a face-to-face contact with the child, the child's parents, or the child's legal representative. To receive payment for an eligible adult, the provider must document:

1. at least a face-to-face contact with the adult or the adult's legal representative; or
2. at least a telephone contact with the adult or the adult's legal representative and document a face-to-face contact with the adult or the adult's legal representative within the preceding two months.

(d) Payment for mental health case management provided by county or state staff shall be based on the monthly rate methodology under section 256B.094, subdivision 6, paragraph (b), with separate rates calculated for child welfare and mental health, and within mental health, separate rates for children and adults.

(e) Payment for mental health case management provided by Indian health services or by agencies operated by Indian tribes may be made according to this section or other relevant federally approved rate setting methodology.

(f) Payment for mental health case management provided by vendors who contract with a county or Indian tribe shall be based on a monthly rate negotiated by the host county or tribe. The negotiated rate must not exceed the rate charged by the vendor for the same service to other payers. If the service is provided by a team of contracted vendors, the county or tribe may negotiate a team rate with a vendor who is a member of the team. The team shall determine how to distribute the rate among its members. No reimbursement received by contracted vendors shall be returned to the county or tribe, except to reimburse the county or tribe for advance funding provided by the county or tribe to the vendor.

(g) If the service is provided by a team which includes contracted vendors, tribal staff, and county or state staff, the costs for county or state staff participation in the team shall be included in the rate for county-provided services. In this case, the contracted
vendor, the tribal agency, and the county may each receive separate payment for services
provided by each entity in the same month. In order to prevent duplication of services,
each entity must document, in the recipient's file, the need for team case management and
a description of the roles of the team members.

(h) Notwithstanding section 256B.19, subdivision 1, the nonfederal share of costs
for mental health case management shall be provided by the recipient's county of
responsibility, as defined in sections 256G.01 to 256G.12, from sources other than federal
funds or funds used to match other federal funds. If the service is provided by a tribal
agency, the nonfederal share, if any, shall be provided by the recipient's tribe. When this
service is paid by the state without a federal share through fee-for-service, 50 percent of
the cost shall be provided by the recipient's county of responsibility.

(i) Notwithstanding any administrative rule to the contrary, prepaid medical
assistance, general assistance medical care, and MinnesotaCare include mental health case
management. When the service is provided through prepaid capitation, the nonfederal
share is paid by the state and the county pays no share.

(j) The commissioner may suspend, reduce, or terminate the reimbursement to a
provider that does not meet the reporting or other requirements of this section. The county
of responsibility, as defined in sections 256G.01 to 256G.12, or, if applicable, the tribal
agency, is responsible for any federal disallowances. The county or tribe may share this
responsibility with its contracted vendors.

(k) The commissioner shall set aside a portion of the federal funds earned for county
expenditures under this section to repay the special revenue maximization account under
section 256.01, subdivision 2, paragraph (o). The repayment is limited to:

(1) the costs of developing and implementing this section; and

(2) programming the information systems.

(l) Payments to counties and tribal agencies for case management expenditures
under this section shall only be made from federal earnings from services provided
under this section. When this service is paid by the state without a federal share through
fee-for-service, 50 percent of the cost shall be provided by the state. Payments to
county-contracted vendors shall include the federal earnings, the state share, and the
county share.

(m) Case management services under this subdivision do not include therapy,
treatment, legal, or outreach services.

(n) If the recipient is a resident of a nursing facility, intermediate care facility, or
hospital, and the recipient's institutional care is paid by medical assistance, payment for
case management services under this subdivision is limited to the lesser of:
(1) the last 180 days of the recipient's residency in that facility and may not exceed
more than six months in a calendar year; or
(2) the limits and conditions which apply to federal Medicaid funding for this service.
(o) Payment for case management services under this subdivision shall not duplicate
payments made under other program authorities for the same purpose.

Sec. 88. Minnesota Statutes 2014, section 256B.0625, subdivision 25a, is amended to
read:

Subd. 25a. Prior authorization of diagnostic imaging services. (a) Effective
January 1, 2010, the commissioner shall require prior authorization or decision support
for the ordering providers at the time the service is ordered for the following outpatient
diagnostic imaging services: computerized tomography (CT), magnetic resonance
imaging (MRI), magnetic resonance angiography (MRA), positive emission tomography
(PET), cardiac imaging, and ultrasound diagnostic imaging.
(b) Prior authorization under this subdivision is not required for diagnostic imaging
services performed as part of a hospital emergency room visit, inpatient hospitalization, or
if concurrent with or on the same day as an urgent care facility visit.
(c) This subdivision does not apply to services provided to recipients who are
enrolled in Medicare, the prepaid medical assistance program, the prepaid general
assistance medical care program, or the MinnesotaCare program.
(d) The commissioner may contract with a private entity to provide the prior
authorization or decision support required under this subdivision. The contracting entity
must incorporate clinical guidelines that are based on evidence-based medical literature, if
available. By January 1, 2012, the contracting entity shall report to the commissioner the
results of prior authorization or decision support.

Sec. 89. Minnesota Statutes 2014, section 256B.0625, subdivision 34, is amended to
read:

Subd. 34. Indian health services facilities. Medical assistance payments and
MinnesotaCare payments to facilities of the Indian health service and facilities operated
by a tribe or tribal organization under funding authorized by United States Code, title
25, sections 450f to 450n, or title III of the Indian Self-Determination and Education
Assistance Act, Public Law 93-638, for enrollees who are eligible for federal financial
participation, shall be at the option of the facility in accordance with the rate published by
the United States Assistant Secretary for Health under the authority of United States Code,
title 42, sections 248(a) and 249(b). General assistance medical care payments to facilities
of the Indian health services and facilities operated by a tribe or tribal organization for
the provision of outpatient medical care services billed after June 30, 1990, must be in
accordance with the general assistance medical care rates paid for the same services
when provided in a facility other than a facility of the Indian health service or a facility
operated by a tribe or tribal organization. MinnesotaCare payments for enrollees who are
not eligible for federal financial participation at facilities of the Indian health service and
facilities operated by a tribe or tribal organization for the provision of outpatient medical
services must be in accordance with the medical assistance rates paid for the same services
when provided in a facility other than a facility of the Indian health service or a facility
operated by a tribe or tribal organization.

Sec. 90. Minnesota Statutes 2014, section 256B.0636, is amended to read:

**256B.0636 CONTROLLED SUBSTANCE PRESCRIPTIONS; ABUSE PREVENTION.**

The commissioner of human services shall develop and implement a plan to:

1. review utilization patterns of Minnesota health care program enrollees for
controlled substances listed in section 152.02, subdivisions 3 and 4, and those substances
defined by the Board of Pharmacy under section 152.02, subdivisions 8 and 12;

2. develop a mechanism to address abuses both for fee-for-service Minnesota health
care program enrollees and those enrolled in managed care plans; and

3. provide education to Minnesota health care program enrollees on the proper use
of controlled substances.

For purposes of this section, "Minnesota health care program" means medical assistance or MinnesotaCare, or general assistance medical care.

Sec. 91. Minnesota Statutes 2014, section 256B.075, subdivision 2, is amended to read:

**Subd. 2. Fee-for-service. (a) The commissioner shall develop and implement**
a disease management program for medical assistance and general assistance medical
care recipients who are not enrolled in the prepaid medical assistance or prepaid
general assistance medical care programs and who are receiving services on
a fee-for-service basis. The commissioner may contract with an outside organization
to provide these services.

(b) The commissioner shall seek any federal approval necessary to implement this
section and to obtain federal matching funds.

(c) The commissioner shall develop and implement a pilot intensive care management
program for medical assistance children with complex and chronic medical issues.
Sec. 92. Minnesota Statutes 2014, section 256B.075, subdivision 3, is amended to read:

Subd. 3. **Prepaid managed care programs.** For the prepaid medical assistance, prepaid general assistance medical care, and MinnesotaCare programs, the commissioner shall ensure that contracting health plans implement disease management programs that are appropriate for Minnesota health care program recipients and have been designed by the health plan to improve patient care and health outcomes and reduce health care costs by managing the care provided to recipients with chronic conditions.

Sec. 93. Minnesota Statutes 2014, section 256B.0751, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of sections 256B.0751 to 256B.0753, the following definitions apply.

(b) "Commissioner" means the commissioner of human services.

(c) "Commissioners" means the commissioner of human services and the commissioner of health, acting jointly.

(d) "Health plan company" has the meaning provided in section 62Q.01, subdivision 4.

(e) "Personal clinician" means a physician licensed under chapter 147, a physician assistant licensed and practicing under chapter 147A, or an advanced practice nurse licensed and registered to practice under chapter 148.

(f) "State health care program" means the medical assistance; and MinnesotaCare; and general assistance medical care programs.

Sec. 94. Minnesota Statutes 2014, section 256B.15, subdivision 1, is amended to read:

Subdivision 1. **Policy and applicability.** (a) It is the policy of this state that individuals or couples, either or both of whom participate in the medical assistance program, use their own assets to pay their share of the total cost of their care during or after their enrollment in the program according to applicable federal law and the laws of this state. The following provisions apply:

(1) subdivisions 1c to 1k shall not apply to claims arising under this section which are presented under section 525.313;

(2) the provisions of subdivisions 1c to 1k expanding the interests included in an estate for purposes of recovery under this section give effect to the provisions of United States Code, title 42, section 1396p, governing recoveries, but do not give rise to any express or implied liens in favor of any other parties not named in these provisions;

(3) the continuation of a recipient's life estate or joint tenancy interest in real property after the recipient's death for the purpose of recovering medical assistance under
241.1 this section modifies common law principles holding that these interests terminate on
241.2 the death of the holder;
241.3 (4) all laws, rules, and regulations governing or involved with a recovery of medical
241.4 assistance shall be liberally construed to accomplish their intended purposes;
241.5 (5) a deceased recipient's life estate and joint tenancy interests continued under
241.6 this section shall be owned by the remainderpersons or surviving joint tenants as their
241.7 interests may appear on the date of the recipient's death. They shall not be merged into the
241.8 remainder interest or the interests of the surviving joint tenants by reason of ownership.
241.9 They shall be subject to the provisions of this section. Any conveyance, transfer, sale,
241.10 assignment, or encumbrance by a remainderperson, a surviving joint tenant, or their heirs,
241.11 successors, and assigns shall be deemed to include all of their interest in the deceased
241.12 recipient's life estate or joint tenancy interest continued under this section; and
241.13 (6) the provisions of subdivisions 1c to 1k continuing a recipient's joint tenancy
241.14 interests in real property after the recipient's death do not apply to a homestead owned of
241.15 record, on the date the recipient dies, by the recipient and the recipient's spouse as joint
241.16 tenants with a right of survivorship. Homestead means the real property occupied by the
241.17 surviving joint tenant spouse as their sole residence on the date the recipient dies and
241.18 classified and taxed to the recipient and surviving joint tenant spouse as homestead property
241.19 for property tax purposes in the calendar year in which the recipient dies. For purposes of
241.20 this exemption, real property the recipient and their surviving joint tenant spouse purchase
241.21 solely with the proceeds from the sale of their prior homestead, own of record as joint
241.22 tenants, and qualify as homestead property under section 273.124 in the calendar year
241.23 in which the recipient dies and prior to the recipient's death shall be deemed to be real
241.24 property classified and taxed to the recipient and their surviving joint tenant spouse as
241.25 homestead property in the calendar year in which the recipient dies. The surviving spouse,
241.26 or any person with personal knowledge of the facts, may provide an affidavit describing
241.27 the homestead property affected by this clause and stating facts showing compliance with
241.28 this clause. The affidavit shall be prima facie evidence of the facts it states.
241.29 (b) For purposes of this section, "medical assistance" includes the medical assistance
241.30 program under this chapter and the general assistance medical care program formerly
241.31 codified under chapter 256D, and alternative care for nonmedical assistance recipients
241.32 under section 256B.0913.
241.33 (c) For purposes of this section, beginning January 1, 2010, "medical assistance"
241.34 does not include Medicare cost-sharing benefits in accordance with United States Code,
241.35 title 42, section 1396p.
(d) All provisions in this subdivision, and subdivisions 1d, 1f, 1g, 1h, 1i, and 1j, related to the continuation of a recipient's life estate or joint tenancy interests in real property after the recipient's death for the purpose of recovering medical assistance, are effective only for life estates and joint tenancy interests established on or after August 1, 2003. For purposes of this paragraph, medical assistance does not include alternative care.

Sec. 95. Minnesota Statutes 2014, section 256B.15, subdivision 1a, is amended to read:

Subd. 1a. Estates subject to claims. (a) If a person receives any medical assistance hereunder, on the person's death, if single, or on the death of the survivor of a married couple, either or both of whom received medical assistance, or as otherwise provided for in this section, the total amount paid for medical assistance rendered for the person and spouse shall be filed as a claim against the estate of the person or the estate of the surviving spouse in the court having jurisdiction to probate the estate or to issue a decree of descent according to sections 525.31 to 525.313.

(b) For the purposes of this section, the person's estate must consist of:

(1) the person's probate estate;

(2) all of the person's interests or proceeds of those interests in real property the person owned as a life tenant or as a joint tenant with a right of survivorship at the time of the person's death;

(3) all of the person's interests or proceeds of those interests in securities the person owned in beneficiary form as provided under sections 524.6-301 to 524.6-311 at the time of the person's death, to the extent the interests or proceeds of those interests become part of the probate estate under section 524.6-307;

(4) all of the person's interests in joint accounts, multiple-party accounts, and pay-on-death accounts, brokerage accounts, investment accounts, or the proceeds of those accounts, as provided under sections 524.6-201 to 524.6-214 at the time of the person's death to the extent the interests become part of the probate estate under section 524.6-207; and

(5) assets conveyed to a survivor, heir, or assign of the person through survivorship, living trust, or other arrangements.

(c) For the purpose of this section and recovery in a surviving spouse's estate for medical assistance paid for a predeceased spouse, the estate must consist of all of the legal title and interests the deceased individual's predeceased spouse had in jointly owned or marital property at the time of the spouse's death, as defined in subdivision 2b, and the proceeds of those interests, that passed to the deceased individual or another individual, a survivor, an heir, or an assign of the predeceased spouse through a joint tenancy, tenancy
in common, survivorship, life estate, living trust, or other arrangement. A deceased
recipient who, at death, owned the property jointly with the surviving spouse shall have
an interest in the entire property.
(d) For the purpose of recovery in a single person's estate or the estate of a survivor
of a married couple, "other arrangement" includes any other means by which title to all or
any part of the jointly owned or marital property or interest passed from the predeceased
spouse to another including, but not limited to, transfers between spouses which are
permitted, prohibited, or penalized for purposes of medical assistance.
(e) A claim shall be filed if medical assistance was rendered for either or both
persons under one of the following circumstances:
(1) the person was over 55 years of age, and received services under this chapter;
(2) the person resided in a medical institution for six months or longer, received
services under this chapter, and, at the time of institutionalization or application for
medical assistance, whichever is later, the person could not have reasonably been expected
to be discharged and returned home, as certified in writing by the person's treating
physician. For purposes of this section only, a "medical institution" means a skilled
nursing facility, intermediate care facility, intermediate care facility for persons with
developmental disabilities, nursing facility, or inpatient hospital; or
(3) the person received general assistance medical care services _under the program_
formerly codified under chapter 256D.
(f) The claim shall be considered an expense of the last illness of the decedent for
the purpose of section 524.3-805. Notwithstanding any law or rule to the contrary, a
state or county agency with a claim under this section must be a creditor under section
524.6-307. Any statute of limitations that purports to limit any county agency or the state
agency, or both, to recover for medical assistance granted hereunder shall not apply to any
claim made hereunder for reimbursement for any medical assistance granted hereunder.
Notice of the claim shall be given to all heirs and devisees of the decedent, and to other
persons with an ownership interest in the real property owned by the decedent at the time
of the decedent's death, whose identity can be ascertained with reasonable diligence. The
notice must include procedures and instructions for making an application for a hardship
waiver under subdivision 5; time frames for submitting an application and determination;
and information regarding appeal rights and procedures. Counties are entitled to one-half
of the nonfederal share of medical assistance collections from estates that are directly
attributable to county effort. Counties are entitled to ten percent of the collections for
alternative care directly attributable to county effort.
Sec. 96. Minnesota Statutes 2014, section 256B.15, subdivision 2, is amended to read:

Subd. 2. Limitations on claims. The claim shall include only the total amount of medical assistance rendered after age 55 or during a period of institutionalization described in subdivision 1a, paragraph (e), and the total amount of general assistance medical care rendered under the program formerly codified under chapter 256D, and shall not include interest. Claims that have been allowed but not paid shall bear interest according to section 524.3-806, paragraph (d). A claim against the estate of a surviving spouse who did not receive medical assistance, for medical assistance rendered for the predeceased spouse, shall be payable from the full value of all of the predeceased spouse's assets and interests which are part of the surviving spouse's estate under subdivisions 1a and 2b. Recovery of medical assistance expenses in the nonrecipient surviving spouse's estate is limited to the value of the assets of the estate that were marital property or jointly owned property at any time during the marriage. The claim is not payable from the value of assets or proceeds of assets in the estate attributable to a predeceased spouse whom the individual married after the death of the predeceased recipient spouse for whom the claim is filed or from assets and the proceeds of assets in the estate which the nonrecipient decedent spouse acquired with assets which were not marital property or jointly owned property after the death of the predeceased recipient spouse. Claims for alternative care shall be net of all premiums paid under section 256B.0913, subdivision 12, on or after July 1, 2003, and shall be limited to services provided on or after July 1, 2003. Claims against marital property shall be limited to claims against recipients who died on or after July 1, 2009.

Sec. 97. Minnesota Statutes 2014, section 256B.19, subdivision 2c, is amended to read:

Subd. 2c. Obligation of local agency to investigate eligibility for medical assistance. (a) When the commissioner receives information that indicates that a general assistance medical care recipient or MinnesotaCare program enrollee may be eligible for medical assistance, the commissioner may notify the appropriate local agency of that fact. The local agency must investigate eligibility for medical assistance and take appropriate action and notify the commissioner of that action within 90 days from the date notice is issued. If the person is eligible for medical assistance, the local agency must find eligibility retroactively to the date on which the person met all eligibility requirements.

(b) When a prepaid health plan under a contract with the state to provide medical assistance services notifies the commissioner that an infant has been or will be born to an enrollee under the contract, the commissioner may notify the appropriate local agency of that fact. The local agency must investigate eligibility for medical assistance for the infant, take appropriate action, and notify the commissioner of that action within 90 days.
from the date notice is issued. If the infant would have been eligible on the date of birth, the local agency must establish eligibility retroactively to that month.

(c) For general assistance medical care recipients and MinnesotaCare program enrollees, if the local agency fails to comply with paragraph (a), the local agency is responsible for the entire cost of general assistance medical care or MinnesotaCare program services provided from the date the commissioner issues the notice until the date the local agency takes appropriate action on the case and notifies the commissioner of the action. For infants, if the local agency fails to comply with paragraph (b), the commissioner may determine eligibility for medical assistance for the infant for a period of two months, and the local agency shall be responsible for the entire cost of medical assistance services provided for that infant, in addition to a fee of $100 for processing the case. The commissioner shall deduct any obligation incurred under this paragraph from the amount due to the local agency under subdivision 1.

Sec. 98. Minnesota Statutes 2014, section 256B.37, subdivision 2, is amended to read:

Subd. 2. Civil action for recovery. To recover under this section, the attorney general may institute or join a civil action to enforce the subrogation rights of the commissioner established under this section.

Any prepaid health plan providing services under sections 256B.69, 256D.03, subdivision 4, paragraph (c), and 256L.12; and Minnesota Statutes 2009 Supplement, section 256D.03, subdivision 4, paragraph (c); children's mental health collaboratives under section 245.493; demonstration projects for persons with disabilities under section 256B.77; nursing homes under the alternative payment demonstration project under section 256B.434; or the county-based purchasing entity providing services under section 256B.692 may retain legal representation to enforce the subrogation rights created under this section or, if no action has been brought, may initiate and prosecute an independent action on their behalf against a person, firm, or corporation that may be liable to the person to whom the care or payment was furnished.

Sec. 99. Minnesota Statutes 2014, section 256B.691, is amended to read:

256B.691 RISK-BASED TRANSPORTATION PAYMENTS.

Any contract with a prepaid health plan under the medical assistance—general assistance medical care, or MinnesotaCare program that requires the health plan to cover transportation services for obtaining medical care for eligible individuals who are ambulatory must provide for payment for those services on a risk basis.
Sec. 100. Minnesota Statutes 2014, section 256B.73, subdivision 4, is amended to read:

Subd. 4. **Enrollee eligibility requirements.** To be eligible for participation in the demonstration project, an enrollee must:

1. not be eligible for Medicare, or medical assistance, or general assistance medical care; and
2. have no medical insurance or health benefits plan available through employment or other means that would provide coverage for the same medical services as provided by this demonstration.

Sec. 101. Minnesota Statutes 2014, section 256B.73, subdivision 8, is amended to read:

Subd. 8. **Medical assistance and general assistance medical care coordination.**

To assure enrollees of uninterrupted delivery of health care services, the commissioner may pay the premium to the demonstration provider for persons who become eligible for medical assistance or general assistance medical care. To determine eligibility for medical assistance, any medical expenses for eligible services incurred by the demonstration provider shall be considered as evidence of satisfying the medical expense requirements of section 256B.056, subdivisions 4 and 5. To determine eligibility for general assistance medical care, any medical expenses for eligible services incurred by the demonstration provider shall be considered as evidence of satisfying the medical expense requirements of section 256D.03, subdivision 3.

Sec. 102. Minnesota Statutes 2015 Supplement, section 256B.765, is amended to read:

**256B.765 PROVIDER RATE INCREASES.**

(a) Effective July 1, 2001, within the limits of appropriations specifically for this purpose, the commissioner shall provide an annual inflation adjustment for the providers listed in paragraph (c). The index for the inflation adjustment must be based on the change in the Employment Cost Index for Private Industry Workers - Total Compensation forecasted by Data Resources, Inc., as forecasted in the fourth quarter of the calendar year preceding the fiscal year. The commissioner shall increase reimbursement or allocation rates by the percentage of this adjustment, and county boards shall adjust provider contracts as needed.

(b) The commissioner of management and budget shall include an annual inflationary adjustment in reimbursement rates for the providers listed in paragraph (c) using the inflation factor specified in paragraph (a) as a budget change request in each biennial detailed expenditure budget submitted to the legislature under section 16A.11.
(c) The annual adjustment under paragraph (a) shall be provided for home and
community-based waiver services for persons with developmental disabilities under
section 256B.501; home and community-based waiver services for the elderly under
section 256B.0915; waivered services under community access for disability inclusion
under section 256B.49; community alternative care waivered services under section
256B.49; brain injury waivered services under section 256B.49; nursing services and
home health services under section 256B.0625, subdivision 6a; personal care services and
nursing supervision of personal care services under section 256B.0625, subdivision 19a;
home care nursing services under section 256B.0625, subdivision 7; day training and
habilitation services for adults with developmental disabilities under sections 252.41 to
252.46; physical therapy services under sections section 256B.0625, subdivision 8, and
256D.03, subdivision 4; occupational therapy services under sections section 256B.0625,
subdivision 8a, and 256D.03, subdivision 4; speech-language therapy services under
section 256D.03, subdivision 4, and Minnesota Rules, part 9505.0390; respiratory therapy
services under section 256D.03, subdivision 4, and Minnesota Rules, part 9505.0295;
alternative care services under section 256B.0913; adult residential program grants under
Minnesota Rules, parts 9535.2000 to 9535.3000; adult and family community support
grants under Minnesota Rules, parts 9535.1700 to 9535.1760; semi-independent living
services under section 252.275 including SILS funding under county social services
grants formerly funded under chapter 256L; and community support services for deaf
and hard-of-hearing adults with mental illness who use or wish to use sign language as
their primary means of communication.

Sec. 103. Minnesota Statutes 2014, section 256B.77, subdivision 26, is amended to read:

Subd. 26. **Southern Minnesota health initiative pilot project.** When the
commissioner contracts under subdivisions 1 and 6, paragraph (a), with the joint
powers board for the southern Minnesota health initiative (SMHI) to participate in the
demonstration project for persons with disabilities under subdivision 5, the commissioner
shall also require health plans serving counties participating in the southern Minnesota
health initiative under this section to contract with the southern Minnesota Health
Initiative Joint Powers Board to provide covered mental health and chemical dependency
services for the nonelderly/nondisabled persons who reside in one of the counties and
who are required or elect to participate in the prepaid medical assistance **and general
assistance medical care programs program.** Enrollees may obtain covered mental health
and chemical dependency services through the SMHI or through other health plan
contractors. Participation of the nonelderly/nondisabled with the SMHI is voluntary. The
Sec. 104. Minnesota Statutes 2014, section 256G.01, subdivision 4, is amended to read:

Subd. 4. **Additional coverage.** The provisions in sections 256G.02, subdivision 4, paragraphs (a) to (d); 256G.02, subdivisions 5 to 8; 256G.03; 256G.04; 256G.05; and 256G.07, subdivisions 1 to 3, apply to the following programs: the aid to families with dependent children program formerly codified in sections 256.72 to 256.87, Minnesota family investment program; medical assistance; general assistance; the family general assistance program formerly codified in sections 256D.01 to 256D.23; general assistance medical care formerly codified in chapter 256D; and Minnesota supplemental aid.

Sec. 105. Minnesota Statutes 2014, section 256J.01, subdivision 5, is amended to read:

Subd. 5. **Compliance system.** The commissioner shall administer a compliance system for the state's temporary assistance for needy families (TANF) program, the food stamp or food support program, general assistance, medical assistance, general assistance medical care; emergency general assistance, Minnesota supplemental aid, preadmission medical care, child support program, and alternative care grants under the powers and authorities named in section 256.01, subdivision 2. The purpose of the compliance system is to permit the commissioner to supervise the administration of public assistance programs and to enforce timely and accurate distribution of benefits, completeness of service and efficient and effective program management and operations, to increase uniformity and consistency in the administration and delivery of public assistance programs throughout the state, and to reduce the possibility of sanction and fiscal disallowances for noncompliance with federal regulations and state statutes.

Sec. 106. Minnesota Statutes 2014, section 256J.396, subdivision 1, is amended to read:

Subdivision 1. **General provisions.** A minor caregiver and the minor's dependent child living outside of the home of the adult parent must meet the criteria in section 256J.14, to be eligible for assistance in the MFIP program. A parent who lives outside the home of a minor child who is an unemancipated minor caregiver of an assistance unit is financially responsible for that minor caregiver unless the parent is a recipient of public assistance, SSI, MSA, medical assistance, or general assistance, or general assistance medical care, and a court order does not otherwise provide a support obligation.
Sec. 107. Minnesota Statutes 2014, section 256J.68, subdivision 6, is amended to read:

Subd. 6. **Compensation for certain costs.** Compensation paid under this section is limited to reimbursement for reasonable medical expenses and permanent partial disability compensation for disability in like amounts as allowed in section 176.101, subdivision 2a. Compensation for injuries resulting in death shall include reasonable medical expenses and burial expenses in addition to payment to the participant's estate in an amount up to $200,000. No compensation shall be paid under this section for pain and suffering, lost wages, or other benefits provided in chapter 176. Payments made under this section shall be reduced by any proceeds received by the claimant from any insurance policy covering the loss. For the purposes of this section, "insurance policy" does not include the medical assistance program authorized under chapter 256B or the general assistance medical care program authorized under chapter 256D.

Sec. 108. Minnesota Statutes 2014, section 256L.09, subdivision 1, is amended to read:

Subdivision 1. **Findings and purpose.** The legislature finds that the enactment of a comprehensive health plan for uninsured Minnesotans creates a risk that persons needing medical care will migrate to the state for the primary purpose of obtaining medical care subsidized by the state. The risk of migration undermines the state's ability to provide to legitimate state residents a valuable and necessary health care program which is an important component of the state's comprehensive cost containment and health care system reform plan. Intent-based residency requirements, which are expressly authorized under decisions of the United States Supreme Court, are an unenforceable and ineffective method of denying benefits to those persons the Supreme Court has stated may legitimately be denied eligibility for state programs. If the state is unable to limit eligibility to legitimate permanent residents of the state, the state faces a significant risk that it will be forced to reduce the eligibility and benefits it would otherwise provide to Minnesotans. The legislature finds that a durational residence requirement is a legitimate, objective, enforceable standard for determining whether a person is a permanent resident of the state. The legislature also finds low-income persons who have not lived in the state for the required time period will have access to necessary health care services through the general assistance medical care program, the medical assistance program; and public and private charity care programs.

Sec. 109. Minnesota Statutes 2014, section 256L.12, subdivision 4, is amended to read:

Subd. 4. **Exemptions to limitations on choice.** All contracts between the Department of Human Services and prepaid health plans to serve medical assistance;
general assistance medical care; and MinnesotaCare recipients must comply with the
requirements of United States Code, title 42, section 1396a (a)(23)(B), notwithstanding
any waivers authorized by the United States Department of Health and Human Services
pursuant to United States Code, title 42, section 1315.

Sec. 110. Minnesota Statutes 2014, section 256L.12, subdivision 5, is amended to read:
Subd. 5. Eligibility for other state programs. MinnesotaCare enrollees who
become eligible for medical assistance will remain in the same managed care plan if
the managed care plan has a contract for that population. MinnesotaCare enrollees who
were formerly eligible for general assistance medical care pursuant to section 256D.03,
subdivision 3, within six months of MinnesotaCare enrollment and were enrolled in a
prepaid health plan pursuant to section 256D.03, subdivision 4, paragraph (c), must
remain in the same managed care plan if the managed care plan has a contract for that
population. Managed care plans must participate in the MinnesotaCare program under a
contract with the Department of Human Services in service areas where they participate in
the medical assistance program.

Sec. 111. Minnesota Statutes 2014, section 256M.10, subdivision 2, is amended to read:
Subd. 2. Vulnerable children and adults services. (a) "Vulnerable children and
adults services" means services provided or arranged for by county boards for vulnerable
children under chapter 260C, and sections 626.556 and 626.5561, and adults under section
626.557 who experience dependency, abuse, or neglect, as well as services for family
members to support those individuals. These services may be provided by professionals
or nonprofessionals, including the person's natural supports in the community. For the
purpose of this chapter, "vulnerable children" means children and adolescents.
(b) Vulnerable children and adults services do not include services under the public
assistance programs known as the Minnesota family investment program, Minnesota
supplemental aid, medical assistance, general assistance, general assistance medical care,
MinnesotaCare, or community health services.

Sec. 112. Minnesota Statutes 2014, section 260.795, subdivision 2, is amended to read:
Subd. 2. Inappropriate expenditures. Indian child welfare grant money must
not be used for:
(1) child day care necessary solely because of employment or training for
employment of a parent or other relative with whom the child is living;
(2) foster care maintenance or difficulty of care payments;
(3) residential facility payments;

(4) adoption assistance payments;

(5) public assistance payments for Minnesota family investment program assistance, supplemental aid, medical assistance, general assistance, general assistance medical care, or community health services authorized by sections 145A.01 to 145A.14; or

(6) administrative costs for income maintenance staff.

Sec. 113. Minnesota Statutes 2014, section 260B.188, subdivision 1, is amended to read:

Subdivision 1. Medical aid. If a child is taken into custody as provided in section 260B.175 and detained in a local juvenile secure detention facility or shelter care facility, or if a child is sentenced by the juvenile court to a local correctional facility as defined in section 241.021, subdivision 1, paragraph (f), the child's county of residence shall pay the costs of medical services provided to the child during the period of time the child is residing in the facility. The county of residence is entitled to reimbursement from the child or the child's family for payment of medical bills to the extent that the child or the child's family has the ability to pay for the medical services. If there is a disagreement between the county and the child or the child's family concerning the ability to pay or whether the medical services were necessary, the court with jurisdiction over the child shall determine the extent, if any, of the child's or the family's ability to pay for the medical services or whether the services are necessary. If the child is covered by health or medical insurance or a health plan when medical services are provided, the county paying the costs of medical services has a right of subrogation to be reimbursed by the insurance carrier or health plan for all amounts spent by it for medical services to the child that are covered by the insurance policy or health plan, in accordance with the benefits, limitations, exclusions, provider restrictions, and other provisions of the policy or health plan. The county may maintain an action to enforce this subrogation right. The county does not have a right of subrogation against the medical assistance program, or the MinnesotaCare program, or the general assistance medical care program.

Sec. 114. Minnesota Statutes 2014, section 260C.188, subdivision 1, is amended to read:

Subdivision 1. Medical aid. If a child is taken into custody as provided in section 260C.175 and detained in a local juvenile secure detention facility or a shelter care facility, the child's county of residence shall pay the costs of medical services provided to the child during the period of time the child is residing in the facility. The county of residence is entitled to reimbursement from the child or the child's family for payment of medical bills to the extent that the child or the child's family has the ability to pay for the
medical services. If there is a disagreement between the county and the child or the child's
family concerning the ability to pay or whether the medical services were necessary, the
court with jurisdiction over the child shall determine the extent, if any, of the child's or the
family's ability to pay for the medical services or whether the services are necessary. If the
child is covered by health or medical insurance or a health plan when medical services are
provided, the county paying the costs of medical services has a right of subrogation to be
reimbursed by the insurance carrier or health plan for all amounts spent by it for medical
services to the child that are covered by the insurance policy or health plan, in accordance
with the benefits, limitations, exclusions, provider restrictions, and other provisions of the
policy or health plan. The county may maintain an action to enforce this subrogation right.
The county does not have a right of subrogation against the medical assistance program;
or the MinnesotaCare program, or the general assistance medical care program.

Sec. 115. Minnesota Statutes 2015 Supplement, section 261.23, is amended to read:

261.23 COSTS OF HOSPITALIZATION.
The costs of hospitalization of such indigent persons exclusive of medical and
surgical care and treatment shall not exceed in amount the full rates fixed and charged
by the Minnesota general hospital for the hospitalization of such indigent patients. For
indigent persons hospitalized pursuant to sections 261.21 to 261.232, the state shall pay 90
percent of the cost allowable under the general assistance medical care program and ten percent of the allowable cost of hospitalization shall be paid by the
county of the residence of the indigent persons at the times provided for in the contract;
and in case of an injury or emergency requiring immediate surgical or medical treatment,
for a period not to exceed 72 hours, 90 percent of the cost allowable under the general
assistance medical care program shall be paid by the state and ten percent of the cost shall be paid by the county from which the patient, if indigent, is
certified. State payments for services rendered pursuant to this section shall be ratably
reduced to the same extent and during the same time period as payments are reduced
under section 256D.03, subdivision 4, paragraph (e) medical assistance. If the county of
residence of the patient is not the county in which the patient has legal settlement for the
purposes of poor relief, then the county of residence may seek reimbursement from the
county in which the patient has settlement for the purposes of poor relief for all costs it has
necessarily incurred and paid in connection with the hospitalization of said patient.

Sec. 116. Minnesota Statutes 2014, section 268.19, subdivision 1, is amended to read:
Subdivision 1. **Use of data.** (a) Except as provided by this section, data gathered from any person under the administration of the Minnesota Unemployment Insurance Law are private data on individuals or nonpublic data not on individuals as defined in section 13.02, subdivisions 9 and 12, and may not be disclosed except according to a district court order or section 13.05. A subpoena is not considered a district court order. These data may be disseminated to and used by the following agencies without the consent of the subject of the data:

1. state and federal agencies specifically authorized access to the data by state or federal law;
2. any agency of any other state or any federal agency charged with the administration of an unemployment insurance program;
3. any agency responsible for the maintenance of a system of public employment offices for the purpose of assisting individuals in obtaining employment;
4. the public authority responsible for child support in Minnesota or any other state in accordance with section 256.978;
5. human rights agencies within Minnesota that have enforcement powers;
6. the Department of Revenue to the extent necessary for its duties under Minnesota laws;
7. public and private agencies responsible for administering publicly financed assistance programs for the purpose of monitoring the eligibility of the program's recipients;
8. the Department of Labor and Industry and the Commerce Fraud Bureau in the Department of Commerce for uses consistent with the administration of their duties under Minnesota law;
9. the Department of Human Services and the Office of Inspector General and its agents within the Department of Human Services, including county fraud investigators, for investigations related to recipient or provider fraud and employees of providers when the provider is suspected of committing public assistance fraud;
10. local and state welfare agencies for monitoring the eligibility of the data subject for assistance programs, or for any employment or training program administered by those agencies, whether alone, in combination with another welfare agency, or in conjunction with the department or to monitor and evaluate the statewide Minnesota family investment program by providing data on recipients and former recipients of food stamps or food support, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, or medical programs under chapter 256B, 256D, or 256L, or formerly codified under chapter 256D;
(11) local and state welfare agencies for the purpose of identifying employment, wages, and other information to assist in the collection of an overpayment debt in an assistance program;

(12) local, state, and federal law enforcement agencies for the purpose of ascertaining the last known address and employment location of an individual who is the subject of a criminal investigation;

(13) the United States Immigration and Customs Enforcement has access to data on specific individuals and specific employers provided the specific individual or specific employer is the subject of an investigation by that agency;

(14) the Department of Health for the purposes of epidemiologic investigations;

(15) the Department of Corrections for the purpose of case planning for preprobation and postprobation employment tracking of offenders sentenced to probation and preconfinement and postconfinement employment tracking of committed offenders;

(16) the state auditor to the extent necessary to conduct audits of job opportunity building zones as required under section 469.3201; and

(17) the Office of Higher Education for purposes of supporting program improvement, system evaluation, and research initiatives including the Statewide Longitudinal Education Data System.

(b) Data on individuals and employers that are collected, maintained, or used by the department in an investigation under section 268.182 are confidential as to data on individuals and protected nonpublic data not on individuals as defined in section 13.02, subdivisions 3 and 13, and must not be disclosed except under statute or district court order or to a party named in a criminal proceeding, administrative or judicial, for preparation of a defense.

(c) Data gathered by the department in the administration of the Minnesota unemployment insurance program must not be made the subject or the basis for any suit in any civil proceedings, administrative or judicial, unless the action is initiated by the department.

Sec. 117. Minnesota Statutes 2014, section 290A.03, subdivision 8, is amended to read:

Subd. 8. Claimant. (a) "Claimant" means a person, other than a dependent, as defined under sections 151 and 152 of the Internal Revenue Code disregarding section 152(b)(3) of the Internal Revenue Code, who filed a claim authorized by this chapter and who was a resident of this state as provided in chapter 290 during the calendar year for which the claim for relief was filed.
(b) In the case of a claim relating to rent constituting property taxes, the claimant shall have resided in a rented or leased unit on which ad valorem taxes or payments made in lieu of ad valorem taxes, including payments of special assessments imposed in lieu of ad valorem taxes, are payable at some time during the calendar year covered by the claim.

(c) "Claimant" shall not include a resident of a nursing home, intermediate care facility, long-term residential facility, or a facility that accepts group residential housing payments whose rent constituting property taxes is paid pursuant to the Supplemental Security Income program under title XVI of the Social Security Act, the Minnesota supplemental aid program under sections 256D.35 to 256D.54, the medical assistance program pursuant to title XIX of the Social Security Act, the general assistance medical care program pursuant to section 256D.03, subdivision 3, or the group residential housing program under chapter 256I.

If only a portion of the rent constituting property taxes is paid by these programs, the resident shall be a claimant for purposes of this chapter, but the refund calculated pursuant to section 290A.04 shall be multiplied by a fraction, the numerator of which is income as defined in subdivision 3, paragraphs (1) and (2), reduced by the total amount of income from the above sources other than vendor payments under the medical assistance program or the general assistance medical care program and the denominator of which is income as defined in subdivision 3, paragraphs (1) and (2), plus vendor payments under the medical assistance program or the general assistance medical care program, to determine the allowable refund pursuant to this chapter.

(d) Notwithstanding paragraph (c), if the claimant was a resident of the nursing home, intermediate care facility, long-term residential facility, or facility for which the rent was paid for the claimant by the group residential housing program for only a portion of the calendar year covered by the claim, the claimant may compute rent constituting property taxes by disregarding the rent constituting property taxes from the nursing home or facility and use only that amount of rent constituting property taxes or property taxes payable relating to that portion of the year when the claimant was not in the facility. The claimant's household income is the income for the entire calendar year covered by the claim.

(e) In the case of a claim for rent constituting property taxes of a part-year Minnesota resident, the income and rental reflected in this computation shall be for the period of Minnesota residency only. Any rental expenses paid which may be reflected in arriving at federal adjusted gross income cannot be utilized for this computation. When two individuals of a household are able to meet the qualifications for a claimant, they may determine among them as to who the claimant shall be. If they are unable to agree, the matter shall be referred to the commissioner of revenue whose decision shall be final. If a
homestead property owner was a part-year Minnesota resident, the income reflected in
the computation made pursuant to section 290A.04 shall be for the entire calendar year,
including income not assignable to Minnesota.

(f) If a homestead is occupied by two or more renters, who are not husband and
wife, the rent shall be deemed to be paid equally by each, and separate claims shall be
filed by each. The income of each shall be each renter's household income for purposes of
computing the amount of credit to be allowed.

Sec. 118. Minnesota Statutes 2014, section 295.53, subdivision 1, is amended to read:

Subdivision 1. Exemptions. (a) The following payments are excluded from the
gross revenues subject to the hospital, surgical center, or health care provider taxes under
sections 295.50 to 295.59:

(1) payments received for services provided under the Medicare program, including
payments received from the government, and organizations governed by sections 1833
and 1876 of title XVIII of the federal Social Security Act, United States Code, title 42,
section 1395, and enrollee deductibles, coinsurance, and co-payments, whether paid by the
Medicare enrollee or by a Medicare supplemental coverage as defined in section 62A.011,
subdivision 3, clause (10), or by Medicaid payments under title XIX of the federal Social
Security Act. Payments for services not covered by Medicare are taxable;

(2) payments received for home health care services;

(3) payments received from hospitals or surgical centers for goods and services on
which liability for tax is imposed under section 295.52 or the source of funds for the
payment is exempt under clause (1), (7), (10), or (14);

(4) payments received from health care providers for goods and services on which
liability for tax is imposed under this chapter or the source of funds for the payment is
exempt under clause (1), (7), (10), or (14);

(5) amounts paid for legend drugs, other than nutritional products and blood and
blood components, to a wholesale drug distributor who is subject to tax under section
295.52, subdivision 3, reduced by reimbursements received for legend drugs otherwise
exempt under this chapter;

(6) payments received by a health care provider or the wholly owned subsidiary of a
health care provider for care provided outside Minnesota;

(7) payments received from the chemical dependency fund under chapter 254B;

(8) payments received in the nature of charitable donations that are not designated
for providing patient services to a specific individual or group;
(9) payments received for providing patient services incurred through a formal program of health care research conducted in conformity with federal regulations governing research on human subjects. Payments received from patients or from other persons paying on behalf of the patients are subject to tax;

(10) payments received from any governmental agency for services benefiting the public, not including payments made by the government in its capacity as an employer or insurer or payments made by the government for services provided under general assistance-medical care, the MinnesotaCare program; or the medical assistance program governed by title XIX of the federal Social Security Act, United States Code, title 42, sections 1396 to 1396v;

(11) government payments received by the commissioner of human services for state-operated services;

(12) payments received by a health care provider for hearing aids and related equipment or prescription eyewear delivered outside of Minnesota;

(13) payments received by an educational institution from student tuition, student activity fees, health care service fees, government appropriations, donations, or grants, and for services identified in and provided under an individualized education program as defined in section 256B.0625 or Code of Federal Regulations, chapter 34, section 300.340(a). Fee for service payments and payments for extended coverage are taxable;

(14) payments received under the federal Employees Health Benefits Act, United States Code, title 5, section 8909(f), as amended by the Omnibus Reconciliation Act of 1990. Enrollee deductibles, coinsurance, and co-payments are subject to tax; and

(15) payments received under the federal Tricare program, Code of Federal Regulations, title 32, section 199.17(a)(7). Enrollee deductibles, coinsurance, and co-payments are subject to tax.

(b) Payments received by wholesale drug distributors for legend drugs sold directly to veterinarians or veterinary bulk purchasing organizations are excluded from the gross revenues subject to the wholesale drug distributor tax under sections 295.50 to 295.59.

Sec. 119. Minnesota Statutes 2014, section 297l.15, subdivision 4, is amended to read:

Subd. 4. **Premiums paid to health carriers by state.** A health carrier as defined in section 62A.011 is exempt from the taxes imposed under this chapter on premiums paid to it by the state. Premiums paid by the state under medical assistance, general assistance medical care, and the MinnesotaCare program are not exempt under this subdivision.
Sec. 120. Minnesota Statutes 2014, section 524.2-215, is amended to read:

524.2-215 SURVIVING SPOUSE RECEIVING MEDICAL ASSISTANCE.

(a) Notwithstanding any law to the contrary, if a surviving spouse is receiving medical assistance under chapter 256B, or general assistance medical care under chapter 256D, when the person's spouse dies, then the provisions in paragraphs (b) to (f) apply.

(b) Any time before an order or decree is entered under section 524.3-1001 or 524.3-1002 or a closing statement is filed under section 524.3-1003 the surviving spouse may:

(1) exercise the right to take an elective share amount of the decedent's estate under section 524.2-211, in which case the decedent's nonprobate transfers to others shall be included in the augmented estate for purposes of computing the elective share and supplemental elective share amounts;

(2) petition the court for an extension of time for exercising the right to an elective share amount under section 524.2-211, in which case the decedent's nonprobate transfers to others shall be included in the augmented estate for purposes of computing the elective share and supplemental elective share amounts; or

(3) elect statutory rights in the homestead or petition the court for an extension of time to make the election as provided in section 524.2-211, paragraph (f).

(c) Notwithstanding any law or rule to the contrary, the personal representative of the estate of the surviving spouse may exercise the surviving spouse's right of election and statutory right to the homestead in the manner provided for making those elections or petition for an extension of time as provided for in this section.

(d) If choosing the elective share will result in the surviving spouse receiving a share of the decedent's estate greater in value than the share of the estate under the will or intestate succession, then the guardian or conservator for the surviving spouse shall exercise the surviving spouse's right to an elective share amount and a court order is not required.

(e) A party petitioning to establish a guardianship or conservatorship for the surviving spouse may file a certified copy of the petition in the decedent's estate proceedings and serve a copy of the petition on the personal representative or the personal representative's attorney. The filing of the petition shall toll all of the limitations provided in this section until the entry of a final order granting or denying the petition. The decedent's estate may not close until the entry of a final order granting or denying the petition.

(1) Distributees of the decedent's estate shall be personally liable to account for and turn over to the ward, the conservatee, or the estate of the ward or conservatee any and all amounts which the ward or conservatee is entitled to receive from the decedent's estate.
259.1 (2) No distributee shall be liable for an amount in excess of the value of the
distributee's distribution as of the time of the distribution.
259.2 (3) The ward, conservatee, guardian, conservator, or personal representative may
bring proceedings in district court to enforce the rights in this section.
259.3 (f) Notwithstanding any oral or written contract, agreement, or waiver made by the
surviving spouse to waive in whole or in part the surviving spouse's right of election
against the decedent's will, statutory right to the homestead, exempt property, or family
allowance, the surviving spouse or the surviving spouse's guardian or conservator may
exercise these rights to the full extent permitted by law. The surviving spouse's rights
under this paragraph do not apply to the extent there is a valid antenuptial agreement
between the surviving spouse and the decedent under which the surviving spouse has
waived some or all of these rights.

259.13 Sec. 121. Minnesota Statutes 2014, section 525.313, is amended to read:

525.313 CLEARANCE FOR MEDICAL ASSISTANCE CLAIMS.
259.14 (a) The court shall not enter a decree of descent until the petitioner has filed a
259.15 clearance for medical assistance claims under this section, and until any medical assistance
259.16 claims filed under this section have been paid, settled, or otherwise finally disposed of.
259.17 (b) After filing the petition, the petitioner or the petitioner's attorney shall apply to
259.18 the county agency in the county in which the petition is pending for a clearance of medical
259.19 assistance claims. The application must state the decedent's name, date of birth, and Social
259.20 Security number; the name, date of birth, and Social Security number of any predeceased
259.21 spouse of the decedent; the names and addresses of the devisees and heirs; and the name,
259.22 address, and telephone number of the petitioner or the attorney making the application on
259.23 behalf of the petitioner, and include a copy of the notice of hearing.
259.24 (c) The county agency shall determine whether the decedent or any of the decedent's
259.25 predeceased spouses received medical assistance under chapter 256B or general assistance
259.26 medical care formerly codified under chapter 256D giving rise to a claim under section
259.27 256B.15. If there are no claims, the county agency shall issue the petitioner a clearance for
259.28 medical assistance claims stating no medical assistance claims exist. If there is a claim,
259.29 the county agency shall issue the petitioner a clearance for medical assistance claims
259.30 stating that a claim exists and the total amount of the claim. The county agency shall mail
259.31 the completed clearance for medical assistance claims to the applicant within 15 working
259.32 days after receiving the application without cost to the applicant or others.
259.33 (d) The petitioner or attorney shall file the certificate in the proceedings for the
decree of descent as soon as practicable after it is received. Notwithstanding any rule
or law to the contrary, if a medical assistance claim appears in a clearance for medical
assistance claims, then:

(1) the claim shall be a claim against the decedent's property which is the subject of
the petition. The county agency issuing the certificate shall be the claimant. The filing
of the clearance for medical assistance claims in the proceeding for a decree of descent
constitutes presentation of the claim;

(2) the claim shall be an unbarred and undischarged claim and shall be payable, in
whole or in part, from the decedent's property which is the subject of the petition, including
the net sale proceeds from any sale of property free and clear of the claim under this section;

(3) the claim may be allowed, denied, appealed, and bear interest as provided for
claims in estates under chapter 524; and

(4) the county agency may collect, compromise, or otherwise settle the claim with
the estate, the petitioner, or the assignees of the property on whatever terms and conditions
are deemed appropriate.

(e) Any of the decedent's devisees, heirs, successors, assigns, or their successors
and assigns, may apply for a partial decree of descent to facilitate the good faith sale
of their interest in any real or personal property described in the petition free and clear
of any medical assistance claim any time before the entry of a decree of descent under
section 525.312. The applicant must prove an interest in the property as provided under
section 525.312. The court may enter a partial decree of descent any time after it could
hear and decide the petition for a decree of descent. A partial decree of descent shall
assign the interests in the real and personal property described in the application to the
parties entitled to the property free and clear of any and all medical assistance claims. The
net sale proceeds from the sale shall be:

(1) substituted in the estate according to this section for the property sold;

(2) paid over to and held by the petitioner pending the entry of a decree of descent;

(3) used for payment of medical assistance claims; and

(4) distributed according to the decree of descent after any medical assistance claims
are paid.

(f) The clearance for medical assistance claims must:

(1) include the case name, case number, and district court in which the proceeding
for a decree of descent is pending;

(2) include the name, date of birth, and Social Security number of the decedent and
any of the decedent's predeceased spouses;

(3) state whether there are medical assistance claims against the decedent, or a
predeceased spouse, and the total amount of each claim; and
(4) include the name, address, and telephone number of the county agency giving the
clearance for medical assistance claims. The certificate shall be signed by the director of
the county agency or the director's designee. The signature of the director or the director's
designee does not require an acknowledgment.

(g) All recoveries under this section are recoveries under section 256B.15.

(h) For purposes of this section and chapter 256B, all property identified in the
petition and all subsequent amendments to the petition shall constitute an estate.

(i) No clearance for medical assistance claims is required under this section and
section 525.312 in an action for a decree of descent proceeding in which all of the
following apply to the decedent whose property is the subject of the proceeding:

1. the decedent's estate was previously probated in this state;

2. the previous probate was not a special administration or summary proceeding; and

3. the decedent's property, which is the subject of the petition for a decree of
descent, was omitted from the previous probate.

Sec. 122. Minnesota Statutes 2014, section 550.37, subdivision 14, is amended to read:

Subd. 14. Public assistance. All government assistance based on need, and
the earnings or salary of a person who is a recipient of government assistance based
on need, shall be exempt from all claims of creditors including any contractual setoff
or security interest asserted by a financial institution. For the purposes of this chapter,
government assistance based on need includes but is not limited to Minnesota family
investment program, general assistance medical care, Supplemental Security Income,
medical assistance, MinnesotaCare, payment of Medicare part B premiums or receipt of
part D extra help, MFIP diversionary work program, work participation cash benefit,
Minnesota supplemental assistance, emergency Minnesota supplemental assistance,
general assistance, emergency general assistance, emergency assistance or county crisis
funds, energy or fuel assistance, and food support. The salary or earnings of any debtor
who is or has been an eligible recipient of government assistance based on need, or an
inmate of a correctional institution shall, upon the debtor's return to private employment or
farming after having been an eligible recipient of government assistance based on need, or
an inmate of a correctional institution, be exempt from attachment, garnishment, or levy
of execution for a period of six months after the debtor's return to employment or farming
and after all public assistance for which eligibility existed has been terminated. The
exemption provisions contained in this subdivision also apply for 60 days after deposit
in any financial institution, whether in a single or joint account. In tracing the funds, the
first-in first-out method of accounting shall be used. The burden of establishing that funds
are exempt rests upon the debtor. Agencies distributing government assistance and the
 correctional institutions shall, at the request of creditors, inform them whether or not any
debtor has been an eligible recipient of government assistance based on need, or an inmate
of a correctional institution, within the preceding six months.

Sec. 123. Minnesota Statutes 2014, section 609B.425, subdivision 2, is amended to read:

Subd. 2. Benefit eligibility. (a) A person convicted of a drug offense after July 1,
1997, is ineligible for general assistance benefits, general assistance medical care, and
Supplemental Security Income under chapter 256D until:

(1) five years after completing the terms of a court-ordered sentence; or
(2) unless the person is participating in a drug treatment program, has successfully
completed a program, or has been determined not to be in need of a drug treatment program.
(b) A person who becomes eligible for assistance under chapter 256D is subject to
random drug testing and shall lose eligibility for benefits for five years beginning the
month following:

(1) any positive test for an illegal controlled substance; or
(2) discharge of sentence for conviction of another drug felony.
(c) Parole violators and fleeing felons are ineligible for benefits and persons
fraudulently misrepresenting eligibility are also ineligible to receive benefits for ten years.

Sec. 124. Minnesota Statutes 2014, section 641.15, subdivision 2, is amended to read:

Subd. 2. Medical aid. Except as provided in section 466.101, the county board
shall pay the costs of medical services provided to prisoners pursuant to this section.
The amount paid by the county board for a medical service shall not exceed the
maximum allowed medical assistance payment rate for the service, as determined by the
commissioner of human services. In the absence of a health or medical insurance or
health plan that has a contractual obligation with the provider or the prisoner, medical
providers shall charge no higher than the rate negotiated between the county and the
provider. In the absence of an agreement between the county and the provider, the
provider may not charge an amount that exceeds the maximum allowed medical assistance
payment rate for the service, as determined by the commissioner of human services. The
county is entitled to reimbursement from the prisoner for payment of medical bills to the
extent that the prisoner to whom the medical aid was provided has the ability to pay the
bills. The prisoner shall, at a minimum, incur co-payment obligations for health care
services provided by a county correctional facility. The county board shall determine the
co-payment amount. Notwithstanding any law to the contrary, the co-payment shall be
Sec. 125. Minnesota Statutes 2014, section 641.155, is amended to read:

641.155 DISCHARGE PLANS; OFFENDERS WITH SERIOUS AND PERSISTENT MENTAL ILLNESS.

The commissioner of corrections shall develop a model discharge planning process for every offender with a serious and persistent mental illness, as defined in section 245.462, subdivision 20, paragraph (c), who has been convicted and sentenced to serve three or more months and is being released from a county jail or county regional jail.

An offender with a serious and persistent mental illness, as defined in section 245.462, subdivision 20, paragraph (c), who has been convicted and sentenced to serve three or more months and is being released from a county jail or county regional jail shall be referred to the appropriate staff in the county human services department at least 60 days before being released. The county human services department may carry out provisions of the model discharge planning process such as:

1. providing assistance in filling out an application for medical assistance, general assistance medical care, or MinnesotaCare;
2. making a referral for case management as outlined under section 245.467, subdivision 4;
3. providing assistance in obtaining a state photo identification;
4. securing a timely appointment with a psychiatrist or other appropriate community mental health providers; and
5. providing prescriptions for a 30-day supply of all necessary medications.
Sec. 126. **REPEALER.**

Minnesota Statutes 2014, sections 256B.0645; and 383B.926, are repealed.

**ARTICLE 3**

**REPEAL AND REENACTMENT; RENUMBERING; CROSS-REFERENCE AND CONFORMING CHANGES: ADDITIONS AND SUBTRACTIONS TO FEDERAL TAXABLE INCOME**

Section 1. **PURPOSE.**

This article simplifies Minnesota's income tax laws by consolidating, recodifying, and renumbering the individual and corporate additions and subtractions to federal taxable income now contained in Minnesota Statutes, section 290.01, subdivisions 19a to 19d, 19f, and 19h. Due to the complexity of the recodification, prior provisions are repealed on the effective date of the new provisions. The repealed provisions, however, remain in effect until superseded by the analogous provision in the new law.

Sec. 2. Minnesota Statutes 2014, section 289A.08, subdivision 1, is amended to read:

Subdivision 1. **Generally; individuals.** (a) A taxpayer must file a return for each taxable year the taxpayer is required to file a return under section 6012 of the Internal Revenue Code, except that:

(1) an individual who is not a Minnesota resident for any part of the year is not required to file a Minnesota income tax return if the individual's gross income derived from Minnesota sources as determined under sections 290.081, paragraph (a), and 290.17, is less than the filing requirements for a single individual who is a full year resident of Minnesota; and

(2) an individual who is a Minnesota resident is not required to file a Minnesota income tax return if the individual's gross income derived from Minnesota sources as determined under section 290.17, less the subtraction of subtractions allowed under section 290.01, subdivision 19b, clauses (11) and (14) 290.0132, subdivisions 12 and 15, is less than the filing requirements for a single individual who is a full-year resident of Minnesota.

(b) The decedent's final income tax return, and other income tax returns for prior years where the decedent had gross income in excess of the minimum amount at which an individual is required to file and did not file, must be filed by the decedent's personal representative, if any. If there is no personal representative, the return or returns must be filed by the transferees, as defined in section 270C.58, subdivision 3, who receive property of the decedent.
(c) The term "gross income," as it is used in this section, has the same meaning given it in section 290.01, subdivision 20.

Sec. 3. Minnesota Statutes 2014, section 289A.08, subdivision 7, is amended to read:

Subd. 7. Composite income tax returns for nonresident partners, shareholders, and beneficiaries. (a) The commissioner may allow a partnership with nonresident partners to file a composite return and to pay the tax on behalf of nonresident partners who have no other Minnesota source income. This composite return must include the names, addresses, Social Security numbers, income allocation, and tax liability for the nonresident partners electing to be covered by the composite return.

(b) The computation of a partner's tax liability must be determined by multiplying the income allocated to that partner by the highest rate used to determine the tax liability for individuals under section 290.06, subdivision 2c. Nonbusiness deductions, standard deductions, or personal exemptions are not allowed.

(c) The partnership must submit a request to use this composite return filing method for nonresident partners. The requesting partnership must file a composite return in the form prescribed by the commissioner of revenue. The filing of a composite return is considered a request to use the composite return filing method.

(d) The electing partner must not have any Minnesota source income other than the income from the partnership and other electing partnerships. If it is determined that the electing partner has other Minnesota source income, the inclusion of the income and tax liability for that partner under this provision will not constitute a return to satisfy the requirements of subdivision 1. The tax paid for the individual as part of the composite return is allowed as a payment of the tax by the individual on the date on which the composite return payment was made. If the electing nonresident partner has no other Minnesota source income, filing of the composite return is a return for purposes of subdivision 1.

(e) This subdivision does not negate the requirement that an individual pay estimated tax if the individual's liability would exceed the requirements set forth in section 289A.25. The individual's liability to pay estimated tax is, however, satisfied when the partnership pays composite estimated tax in the manner prescribed in section 289A.25.

(f) If an electing partner's share of the partnership's gross income from Minnesota sources is less than the filing requirements for a nonresident under this subdivision, the tax liability is zero. However, a statement showing the partner's share of gross income must be included as part of the composite return.

(g) The election provided in this subdivision is only available to a partner who has no other Minnesota source income and who is either (1) a full-year nonresident individual

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or (2) a trust or estate that does not claim a deduction under either section 651 or 661 of
the Internal Revenue Code.

(h) A corporation defined in section 290.9725 and its nonresident shareholders may
make an election under this paragraph. The provisions covering the partnership apply to
the corporation and the provisions applying to the partner apply to the shareholder.

(i) Estates and trusts distributing current income only and the nonresident individual
beneficiaries of the estates or trusts may make an election under this paragraph. The
provisions covering the partnership apply to the estate or trust. The provisions applying to
the partner apply to the beneficiary.

(j) For the purposes of this subdivision, "income" means the partner's share of
federal adjusted gross income from the partnership modified by the additions provided in
section 290.01, subdivision 19a, clauses (6) to (9) 290.0131, subdivisions 8 to 11, and
the subtractions provided in: (i) section 290.01, subdivision 19b, clause (8) 290.0132,
subdivision 9, to the extent the amount is assignible or allocable to Minnesota under
section 290.17; and (ii) section 290.01, subdivision 19b, clause (13) 290.0132, subdivision
14. The subtraction allowed under section 290.01, subdivision 19b, clause (8) 290.0132,
subdivision 9, is only allowed on the composite tax computation to the extent the electing
partner would have been allowed the subtraction.

Sec. 4. Minnesota Statutes 2014, section 289A.12, subdivision 14, is amended to read:

Subd. 14. Regulated investment companies; reporting exempt-interest
dividends. (a) A regulated investment company paying $10 or more in exempt-interest
dividends to an individual who is a resident of Minnesota must make a return indicating
the amount of the exempt-interest dividends, the name, address, and Social Security
number of the recipient, and any other information that the commissioner specifies. The
return must be provided to the shareholder by February 15 of the year following the year
of the payment. The return provided to the shareholder must include a clear statement,
in the form prescribed by the commissioner, that the exempt-interest dividends must be
included in the computation of Minnesota taxable income. By June 1 of each year, the
regulated investment company must file a copy of the return with the commissioner.

(b) For purposes of this subdivision, the following definitions apply.

(1) "Exempt-interest dividends" mean exempt-interest dividends as defined in
section 852(b)(5) of the Internal Revenue Code, but does not include the portion of
exempt-interest dividends that are not required to be added to federal taxable income under
section 290.01, subdivision 19a, clause (1)(ii) 290.0131, subdivision 2, paragraph (b).
(2) "Regulated investment company" means regulated investment company as defined in section 851(a) of the Internal Revenue Code or a fund of the regulated investment company as defined in section 851(g) of the Internal Revenue Code.

Sec. 5. Minnesota Statutes 2014, section 289A.50, subdivision 10, is amended to read:

Subd. 10. **Limitation on refund.** (a) If an addition to federal taxable income under section 290.01, subdivision 19a, clause (1) 290.0131, subdivision 2, is judicially determined to discriminate against interstate commerce with respect to obligations of a certain character or type, the legislature intends that the discrimination be remedied by adding to federal taxable income interest on comparable obligations of Minnesota governmental units and Indian tribes. For purposes of this subdivision, "comparable obligation" means obligations of the character or type that the court found to be unconstitutionally favored by section 290.01, subdivision 19a, clause (1) 290.0131, subdivision 2, whether based on the security for payment, use of the proceeds, or any other factor identified as determinative by the court.

(b) This subdivision applies beginning with the taxable years that begin during the calendar year in which the court's decision is final. Other remedies apply for previous taxable years.

Sec. 6. Minnesota Statutes 2015 Supplement, section 290.01, subdivision 19, is amended to read:

Subd. 19. **Net income.** The term "net income" means the federal taxable income, as defined in section 63 of the Internal Revenue Code of 1986, as amended through the date named in this subdivision, incorporating the federal effective dates of changes to the Internal Revenue Code and any elections made by the taxpayer in accordance with the Internal Revenue Code in determining federal taxable income for federal income tax purposes, and with the modifications provided in subdivisions 19a to 19f sections 290.0131 to 290.0136.

In the case of a regulated investment company or a fund thereof, as defined in section 851(a) or 851(g) of the Internal Revenue Code, federal taxable income means investment company taxable income as defined in section 852(b)(2) of the Internal Revenue Code, except that:

1. the exclusion of net capital gain provided in section 852(b)(2)(A) of the Internal Revenue Code does not apply;
2. the deduction for dividends paid under section 852(b)(2)(D) of the Internal Revenue Code must be applied by allowing a deduction for capital gain dividends and
exempt-interest dividends as defined in sections 852(b)(3)(C) and 852(b)(5) of the Internal
Revenue Code; and

(3) the deduction for dividends paid must also be applied in the amount of any
undistributed capital gains which the regulated investment company elects to have treated
as provided in section 852(b)(3)(D) of the Internal Revenue Code.

The net income of a real estate investment trust as defined and limited by section
856(a), (b), and (c) of the Internal Revenue Code means the real estate investment trust
taxable income as defined in section 857(b)(2) of the Internal Revenue Code.

The net income of a designated settlement fund as defined in section 468B(d) of the
Internal Revenue Code means the gross income as defined in section 468B(b) of the
Internal Revenue Code.

The Internal Revenue Code of 1986, as amended through December 31, 2014, shall
be in effect for taxable years beginning after December 31, 1996.

Except as otherwise provided, references to the Internal Revenue Code in subdivisions 10 to 19 of sections 290.0131 to 290.0136 mean the code in effect for purposes
of determining net income for the applicable year.

Sec. 7. Minnesota Statutes 2014, section 290.01, subdivision 29a, is amended to read:

Subd. 29a. **State itemized deduction.** "State itemized deduction" means federal
itemized deductions, as defined in section 63(d) of the Internal Revenue Code, disregarding
any limitation under section 68 of the Internal Revenue Code, and reduced by the amount of
the addition required under subdivision 19a, clause (15) section 290.0131, subdivision 13.

Sec. 8. [290.0131] **INDIVIDUALS; ADDITIONS TO FEDERAL TAXABLE
INCOME.**

Subdivision 1. **Definition; scope.** (a) For the purposes of this section, "addition"
means an amount that must be added to federal taxable income in computing net income
for the taxable year to which the amounts relate.

(b) The additions in this section apply to individuals, estates, and trusts.

(c) Unless specifically indicated or unless the context clearly indicates otherwise,
only amounts that were deducted or excluded in computing federal taxable income are an
addition under this section.

Subd. 2. **Federally exempt interest income.** (a) Interest income on obligations of
any state other than Minnesota or a political or governmental subdivision, municipality,
or governmental agency or instrumentality of any state other than Minnesota exempt

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from federal income taxes under the Internal Revenue Code or any other federal statute
is an addition.

(b) Exempt-interest dividends as defined in section 852(b)(5) of the Internal Revenue
Code, are an addition, except the portion of the exempt-interest dividends:

(1) exempt from state taxation under the laws of the United States; or

(2) derived from interest income on obligations of the state of Minnesota or its
political or governmental subdivisions, municipalities, or governmental agencies or
instrumentalities, but only if the portion of the exempt-interest dividends from those
Minnesota sources paid to all shareholders represents 95 percent or more of the
exempt-interest dividends, including any dividends exempt under clause (1), that are paid
by the regulated investment company as defined in section 851(a) of the Internal Revenue
Code, or the fund of the regulated investment company as defined in section 851(g) of the
Internal Revenue Code, making the payment.

(c) For the purposes of paragraphs (a) and (b), interest on obligations of an Indian
tribal government described in section 7871(c) of the Internal Revenue Code is treated as
interest income on obligations of the state in which the tribe is located.

Subd. 3. Income, sales and use, motor vehicle sales, or excise taxes paid. (a)
The amount of income, sales and use, motor vehicle sales, or excise taxes paid or accrued
within the taxable year under this chapter and the amount of taxes based on net income,
sales and use, motor vehicle sales, or excise taxes paid to any other state or to any province
or territory of Canada is an addition to the extent deducted under section 63(d) of the
Internal Revenue Code.

(b) The addition under paragraph (a) may not be more than the amount by which
the state itemized deduction exceeds the amount of the standard deduction as defined
in section 63(c) of the Internal Revenue Code. For the purpose of this subdivision,
income, sales and use, motor vehicle sales, or excise taxes are the last itemized deductions
disallowed under subdivision 12.

Subd. 4. Capital gain on lump-sum distribution. The capital gain amount of a
lump-sum distribution to which the special tax under section 1122(b)(3)(B)(ii) of the Tax
Reform Act of 1986, Public Law 99-514, applies is an addition.

Subd. 5. Income taxes deducted in computing federal adjusted gross income. (a)
The amount of income taxes paid or accrued within the taxable year under this chapter and
taxes based on net income paid to any other state or any province or territory of Canada is an
addition to the extent allowed as a deduction in determining federal adjusted gross income.

(b) For the purpose of this subdivision, income taxes do not include the taxes imposed
by sections 290.0922, subdivision 1, paragraph (b); 290.9727; 290.9728; and 290.9729.
Subd. 6. **Disallowed expense, interest, or taxes.** The amount of expense, interest, or taxes disallowed under section 290.10, subdivision 1, other than expenses or interest used in computing net interest income for the subtraction allowed under section 290.0132, subdivision 2, is an addition.

Subd. 7. **Fines, fees, and penalties.** The amount of expenses disallowed under section 290.10, subdivision 2, is an addition.

Subd. 8. **Partner's pro rata share of net income.** The amount of a partner's pro rata share of net income which does not flow through to the partner because the partnership elected to pay the tax on the income under section 6242(a)(2) of the Internal Revenue Code is an addition.

Subd. 9. **Bonus depreciation.** (a) Eighty percent of the depreciation deduction allowed under section 168(k) of the Internal Revenue Code is an addition.

(b) For the purposes of this subdivision, if the taxpayer has an activity that in the taxable year generates a deduction for depreciation under section 168(k) of the Internal Revenue Code and the activity generates a loss for the taxable year that the taxpayer is not allowed to claim for the taxable year, "the depreciation deduction allowed under section 168(k)" for the taxable year is limited to excess of the depreciation claimed by the activity under section 168(k) over the amount of the loss from the activity that is not allowed in the taxable year. In succeeding taxable years when the losses not allowed in the taxable year are allowed, the depreciation under section 168(k) is allowed.

Subd. 10. **Section 179 expensing.** Eighty percent of the amount by which the deduction allowed by section 179 of the Internal Revenue Code exceeds the deduction allowable by section 179 of the Internal Revenue Code, as amended through December 31, 2003, is an addition.

Subd. 11. **Income attributable to domestic production activities.** The amount of the deduction allowable under section 199 of the Internal Revenue Code is an addition.

Subd. 12. **Disallowed itemized deductions.** (a) The amount of disallowed itemized deductions is an addition. The amount of disallowed itemized deductions, plus the addition required under subdivision 3, may not be more than the amount by which the itemized deductions, as allowed under section 63(d) of the Internal Revenue Code, exceeds the amount of the standard deduction as defined in section 63(c) of the Internal Revenue Code.

(b) The amount of disallowed itemized deductions is equal to the lesser of:

(1) three percent of the excess of the taxpayer's federal adjusted gross income over the applicable amount; or

(2) 80 percent of the amount of the itemized deductions otherwise allowable to the taxpayer under the Internal Revenue Code for the taxable year.
(c) "Applicable amount" means $100,000, or $50,000 for a married individual filing a separate return. Each dollar amount is increased by an amount equal to:

(1) that dollar amount, multiplied by

(2) the cost-of-living adjustment determined under section 1(f)(3) of the Internal Revenue Code for the calendar year in which the taxable year begins, by substituting "calendar year 1990" for "calendar year 1992" in subparagraph (B) of section 1(f)(3).

(d) "Itemized deductions" excludes:

(1) the deduction for medical expenses under section 213 of the Internal Revenue Code;

(2) any deduction for investment interest as defined in section 163(d) of the Internal Revenue Code; and

(3) the deduction under section 165(a) of the Internal Revenue Code for casualty or theft losses described in paragraph (2) or (3) of section 165(c) of the Internal Revenue Code or for losses described in section 165(d) of the Internal Revenue Code.

Subd. 13. Disallowed personal exemption amount. (a) The amount of disallowed personal exemptions for taxpayers with federal adjusted gross income over the threshold amount is an addition.

(b) The disallowed personal exemption amount is equal to the number of personal exemptions allowed under section 151(b) and (c) of the Internal Revenue Code multiplied by the dollar amount for personal exemptions under section 151(d)(1) and (2) of the Internal Revenue Code, as adjusted for inflation by section 151(d)(4) of the Internal Revenue Code, and by the applicable percentage.

(c) For a married individual filing a separate return, "applicable percentage" means two percentage points for each $1,250, or fraction of that amount, by which the taxpayer's federal adjusted gross income for the taxable year exceeds the threshold amount. For all other filers, applicable percentage means two percentage points for each $2,500, or fraction of that amount, by which the taxpayer's federal adjusted gross income for the taxable year exceeds the threshold amount. The applicable percentage must not exceed 100 percent.

(d) "Threshold amount" means:

(1) $150,000 for a joint return or a surviving spouse;

(2) $125,000 for a head of a household;

(3) $100,000 for an individual who is not married and who is not a surviving spouse or head of a household; and

(4) $75,000 for a married individual filing a separate return.

(e) The thresholds must be increased by an amount equal to:

(1) the threshold dollar amount, multiplied by
Sec. 9. [290.0132] INDIVIDUALS; SUBTRACTIONS FROM FEDERAL
TAXABLE INCOME.

Subdivision 1. Definition; scope. (a) For the purposes of this section, "subtraction"
means an amount that shall be subtracted from federal taxable income in computing net
income for the taxable year to which the amounts relate.

(b) The subtractions in this section apply to individuals, estates, and trusts.

(c) Unless specifically indicated or unless the context clearly indicates otherwise,
no amount deducted, subtracted, or otherwise excluded in computing federal taxable
income is a subtraction under this section.

Subd. 2. Exempt interest. Net interest income on obligations of any authority,
commission, or instrumentality of the United States to the extent includable in taxable
income for federal income tax purposes, but exempt from state income tax under the
laws of the United States, is a subtraction.

Subd. 3. Overpayment of income tax. The amount of any overpayment of income
tax to Minnesota or to any other state, for any previous taxable year, is a subtraction,
whether the amount is received as a refund or as a credit to another taxable year's income
tax liability.

Subd. 4. Education expenses. (a) Subject to the limits in paragraph (b), the
following amounts paid to others for each qualifying child are a subtraction:

(1) education-related expenses; plus

(2) tuition and fees paid to attend a school described in section 290.0674, subdivision
1, clause (4), that are not included in education-related expenses; less

(3) any amount used to claim the credit under section 290.0674.

(b) The maximum subtraction allowed under this subdivision is:

(1) $1,625 for each qualifying child in kindergarten through grade 6; and

(2) $2,500 for each qualifying child in grades 7 through 12.

(c) The definitions in section 290.0674, subdivision 1, apply to this subdivision.

Subd. 5. Elderly and disabled. The subtraction base amount allowed under section
290.0802 is a subtraction.

Subd. 6. Gain on forced sale of farm property; foreclosure. Income realized on
disposition of property exempt from tax under section 290.491 is a subtraction.
Subd. 7. Charitable contributions for taxpayers who do not itemize. To the extent not deducted or not deductible under section 408(d)(8)(E) of the Internal Revenue Code in determining federal taxable income by an individual who does not itemize deductions for federal income tax purposes for the taxable year, an amount equal to 50 percent of the excess of charitable contributions over $500 allowable as a deduction for the taxable year under section 170(a) of the Internal Revenue Code is a subtraction.

Subd. 8. Subnational foreign taxes. (a) For individuals who are allowed a federal foreign tax credit for taxes that do not qualify for a credit under section 290.06, subdivision 22, an amount equal to the carryover of subnational foreign taxes for the taxable year is a subtraction, but not to exceed the total subnational foreign taxes reported in claiming the foreign tax credit.

(b) For purposes of this subdivision, "federal foreign tax credit" means the credit allowed under section 27 of the Internal Revenue Code, and "carryover of subnational foreign taxes" equals the carryover allowed under section 904(c) of the Internal Revenue Code minus national level foreign taxes to the extent they exceed the federal foreign tax credit.

Subd. 9. Delayed bonus depreciation. (a) In each of the five taxable years immediately following the taxable year in which an addition is required under section 290.0131, subdivision 9, or 290.0133, subdivision 11, for a shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the delayed depreciation is a subtraction.

(b) For purposes of this subdivision, "delayed depreciation" means the amount of the addition made by the taxpayer under section 290.0131, subdivision 9, or 290.0133, subdivision 11, for a shareholder of an S corporation, minus the positive value of any net operating loss under section 172 of the Internal Revenue Code generated for the taxable year of the addition. The resulting delayed depreciation cannot be less than zero.

Subd. 10. Job opportunity building zone income. (a) Job opportunity building zone income as provided under section 469.316 is a subtraction.

(b) This subdivision expires beginning with taxable years beginning after December 31, 2020.

Subd. 11. National Guard and reserve compensation. (a) Compensation paid to members of the Minnesota National Guard or other reserve components of the United States military for active service, including compensation for services performed under the Active Guard Reserve (AGR) program, is a subtraction.

(b) For purposes of this subdivision, "active service" means:

(1) state active service as defined in section 190.05, subdivision 5a, clause (1); or
(2) federally funded state active service as defined in section 190.05, subdivision 5b, and includes service performed under section 190.08, subdivision 3.

Subd. 12. Armed forces active duty compensation paid to Minnesota residents. Compensation paid to Minnesota residents who are members of the armed forces of the United States or United Nations for active duty performed under United States Code, title 10, or the authority of the United Nations, is a subtraction.

Subd. 13. Organ donation expenses. (a) An amount, not to exceed $10,000, equal to qualified expenses related to a qualified donor's donation, while living, of one or more of the qualified donor's organs to another person for human organ transplantation, is a subtraction.

(b) For purposes of this subdivision:

(1) "organ" means all or part of an individual's liver, pancreas, kidney, intestine, lung, or bone marrow;

(2) "human organ transplantation" means the medical procedure by which transfer of a human organ is made from the body of one person to the body of another person;

(3) "qualified expenses" means unreimbursed expenses for both the individual and the qualified donor for (i) travel, (ii) lodging, and (iii) lost wages net of sick pay, except that the expenses may be subtracted under this subdivision only once; and

(4) "qualified donor" means the individual or the individual's dependent, as defined in section 152 of the Internal Revenue Code;

(c) An individual may claim the subtraction in this subdivision for each instance of organ donation for transplantation during the taxable year in which the qualified expenses occur.

Subd. 14. Section 179 expensing. In each of the five taxable years immediately following the taxable year in which an addition is required under section 290.0131, subdivision 10, or 290.0133, subdivision 12, for a shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the addition made by the taxpayer under section 290.0131, subdivision 10, or 290.0133, subdivision 12, for a shareholder of a corporation that is an S corporation, minus the positive value of any net operating loss under section 172 of the Internal Revenue Code generated for the taxable year of the addition, is a subtraction. If the net operating loss exceeds the addition for the taxable year, a subtraction is not allowed under this subdivision.

Subd. 15. Nonresident military service compensation. For nonresidents of Minnesota, compensation paid to a service member as defined in United States Code, title 10, section 101(a)(5), for military service as defined in United States Code, Appendix, title 50, section 511(2), is a subtraction.
Subd. 16. **National service educational awards.** National service educational awards received from the National Service Trust under United States Code, title 42, sections 12601 to 12604, for service in an approved Americorps National Service program are a subtraction.

Subd. 17. **Discharge of indebtedness income; reacquisition of business indebtedness.** (a) Discharge of indebtedness income resulting from reacquisition of business indebtedness included in federal taxable income under section 108(i) of the Internal Revenue Code is a subtraction. This subtraction applies only to the extent that the income was included in net income in a prior year as a result of the addition under Minnesota Statutes 2014, section 290.01, subdivision 19a, clause (13), and is recognized for the taxable year under the federal income tax.

(b) This subdivision expires beginning with taxable years beginning after December 31, 2019.

Subd. 18. **Net operating losses.** The amount of the net operating loss allowed under section 290.095, subdivision 11, paragraph (c), is a subtraction.

Subd. 19. **Disallowed itemized deductions.** The amount of the limitation on itemized deductions under section 68(b) of the Internal Revenue Code is a subtraction.

Subd. 20. **Disallowed personal exemption.** The amount of the phaseout of personal exemptions under section 151(d) of the Internal Revenue Code is a subtraction.

Subd. 21. **Transportation fringe benefits.** (a) To the extent included in federal taxable income, the amount of qualified transportation fringe benefits described in section 132(f)(1)(A) and (B) of the Internal Revenue Code is a subtraction.

(b) The subtraction is limited to the lesser of the amount of qualified transportation fringe benefits received in excess of the limitations under section 132(f)(2)(A) of the Internal Revenue Code for the year or the difference between the maximum qualified parking benefits excludable under section 132(f)(2)(B) of the Internal Revenue Code minus the amount of transit benefits excludable under section 132(f)(2)(A) of the Internal Revenue Code.

Subd. 22. **Railroad track maintenance expenses.** The amount of expenses not allowed for federal income tax purposes due to claiming the railroad track maintenance credit under section 45G(a) of the Internal Revenue Code is a subtraction.

Sec. 10. **[290.0133] CORPORATIONS; ADDITIONS TO FEDERAL TAXABLE INCOME.**
Subdivision 1. **Definition; scope.** (a) For the purposes of this section, "addition" means an amount that must be added to federal taxable income in computing net income for the taxable year to which the amount relates.

(b) The additions in this section apply to corporations other than S corporations.

(c) Unless specifically indicated or unless the context clearly indicates otherwise, only amounts that were deducted or excluded in computing federal taxable income are an addition under this section.

Subd. 2. **Taxes paid.** The amount of any deduction taken for income, excise, or franchise taxes based on net income or related minimum taxes, including but not limited to the tax imposed under section 290.0922, paid by the corporation to Minnesota, another state, a political subdivision of another state, the District of Columbia, or any foreign country or possession of the United States, is an addition.

Subd. 3. **Nontaxable interest.** Interest upon obligations of: the United States, its possessions, its agencies, or its instrumentalities; the state of Minnesota or any other state, any of its political or governmental subdivisions, any of its municipalities, or any of its governmental agencies or instrumentalities; the District of Columbia; or Indian tribal governments is an addition.

Subd. 4. **Exempt-interest dividends.** Exempt-interest dividends received as defined in section 852(b)(5) of the Internal Revenue Code are an addition.

Subd. 5. **Net operating losses.** The amount of any net operating loss deduction under section 172 or 832(c)(10) of the Internal Revenue Code or operations loss deduction under section 810 of the Internal Revenue Code is an addition.

Subd. 6. **Special deductions.** The amount of any special deductions under sections 241 to 247 and 965 of the Internal Revenue Code is an addition.

Subd. 7. **Nontaxable mining losses.** Losses from the business of mining, as defined in section 290.05, subdivision 1, clause (a), that are not subject to Minnesota franchise tax are an addition.

Subd. 8. **Capital losses.** The amount of any capital losses under sections 1211 and 1212 of the Internal Revenue Code is an addition.

Subd. 9. **Percentage depletion.** The amount of percentage depletion under sections 611 through 614 and 291 of the Internal Revenue Code is an addition.

Subd. 10. **Partner's pro rata share of net income.** The amount of a partner's pro rata share of net income which does not flow through to the partner because the partnership elected to pay the tax on the income under section 6242(a)(2) of the Internal Revenue Code is an addition.
Subd. 11. **Bonus depreciation.** Eighty percent of the depreciation deduction allowed under section 168(k)(1)(A) and (k)(4)(A) of the Internal Revenue Code is an addition.

For purposes of this subdivision, if the taxpayer has an activity that in the taxable year generates a deduction for depreciation under section 168(k)(1)(A) and (k)(4)(A) and the activity generates a loss for the taxable year that the taxpayer is not allowed to claim for the taxable year, "the depreciation allowed under section 168(k)(1)(A) and (k)(4)(A)" for the taxable year is limited to excess of the depreciation claimed by the activity under section 168(k)(1)(A) and (k)(4)(A) over the amount of the loss from the activity that is not allowed in the taxable year. In succeeding taxable years when the losses not allowed in the taxable year are allowed, the depreciation under section 168(k)(1)(A) and (k)(4)(A) is allowed.

Subd. 12. **Section 179 expensing.** Eighty percent of the amount by which the deduction allowed by section 179 of the Internal Revenue Code exceeds the deduction allowable by section 179 of the Internal Revenue Code, as amended through December 31, 2003, is an addition.

Subd. 13. **Income attributable to domestic production activities.** The amount of the deduction allowable under section 199 of the Internal Revenue Code is an addition.

Subd. 14. **Fines, fees, and penalties.** The amount of expenses disallowed under section 290.10, subdivision 2, is an addition.

Sec. 11. **[290.0134]** CORPORATIONS; SUBTRACTIONS FROM FEDERAL TAXABLE INCOME.

Subdivision 1. **Definition; scope.** (a) For the purposes of this section, "subtraction" means an amount that shall be subtracted from federal taxable income in computing net income for the taxable year to which the amount relates.

(b) The subtractions in this section apply to corporations, other than S corporations, after the additions provided in section 290.0133.

(c) Unless specifically indicated or unless the context clearly indicates otherwise, no amount deducted, subtracted, or otherwise excluded in computing federal taxable income is a subtraction under this section.

Subd. 2. **Foreign dividends.** The amount of foreign dividend gross-up under section 78 of the Internal Revenue Code is a subtraction.

Subd. 3. **Disallowed salary expense.** The amount of salary expense not allowed for federal income tax purposes due to claiming the work opportunity credit under section 51 of the Internal Revenue Code is a subtraction.

Subd. 4. **Exempt dividends.** Any dividend, not including any distribution in liquidation, paid within the taxable year by a national or state bank to the United States, or to...
any instrumentality of the United States exempt from federal income taxes, on the preferred
stock of the bank owned by the United States or the instrumentality is a subtraction.

Subd. 5. **Capital losses.** The deduction for capital losses under sections 1211 and
1212 of the Internal Revenue Code is a subtraction, except that:
(1) capital loss carrybacks are not allowed; and
(2) a capital loss carryover to each of the 15 taxable years succeeding the loss year is
allowed.

Subd. 6. **Interest and expenses relating to federally nontaxable income.**
Interest and expenses relating to income not taxable for federal income tax purposes is a
subtraction if (1) the income is taxable under this chapter, and (2) the interest and expenses
were disallowed as deductions under the provisions of section 171(a)(2), 265, or 291 of
the Internal Revenue Code in computing federal taxable income.

Subd. 7. **Percentage depletion.** For mines, oil and gas wells, other natural deposits,
and timber for which percentage depletion was disallowed under section 290.0133,
subdivision 9, a reasonable allowance for depletion based on actual cost is a subtraction.

For leases, the deduction must be apportioned between the lessor and lessee under rules
prescribed by the commissioner. For property held in trust, the allowable deduction must
be apportioned between the income beneficiaries and the trustee under the pertinent
provisions of the trust instrument, or if there is no provision in the trust instrument, on the
basis of the trust's income allocable to each.

Subd. 8. **Refunds.** Refunds of income, excise, or franchise taxes based on net
income or related minimum taxes paid by the corporation to Minnesota, another state, a
political subdivision of another state, the District of Columbia, or a foreign country or
possession of the United States to the extent that the taxes were added to federal taxable
income under section 290.0133, subdivision 2, in a prior taxable year are a subtraction.

Subd. 9. **Exempt mining income.** Income or gains from the business of mining
as defined in section 290.05, subdivision 1, clause (a), that are not subject to Minnesota
franchise tax is a subtraction.

Subd. 10. **Disallowed disability access expenditures.** The amount of disability
access expenditures in the taxable year which are not allowed to be deducted or capitalized
under section 44(d)(7) of the Internal Revenue Code is a subtraction.

Subd. 11. **Disallowed qualified research expenses.** The amount of qualified
research expenses not allowed for federal income tax purposes under section 280C(c) of
the Internal Revenue Code is a subtraction, but only to the extent that the amount exceeds
the amount of the credit allowed under section 290.068.
Subd. 12. **Disallowed salary expenses; Indian employment credit.** The amount of salary expenses not allowed for federal income tax purposes due to claiming the Indian employment credit under section 45A(a) of the Internal Revenue Code is a subtraction.

Subd. 13. **Bonus depreciation.** (a) In each of the five taxable years immediately following the taxable year in which an addition is required under section 290.0133, subdivision 11, an amount equal to one-fifth of the delayed depreciation is a subtraction.

(b) For purposes of this subdivision, "delayed depreciation" means the amount of the addition made by the taxpayer under section 290.0133, subdivision 11, provided that delayed depreciation cannot be less than zero.

Subd. 14. **Section 179 expensing.** In each of the five taxable years immediately following the taxable year in which an addition is required under section 290.0133, subdivision 12, an amount equal to one-fifth of the amount of the addition is a subtraction.

Subd. 15. **Discharge of indebtedness income; reacquisition of business indebtedness.** (a) Discharge of indebtedness income resulting from reacquisition of business indebtedness included in federal taxable income under section 108(i) of the Internal Revenue Code is a subtraction. This subtraction applies only to the extent that the income was included in net income in a prior year as a result of the addition under Minnesota Statutes 2014, section 290.01, subdivision 19c, clause (16).

(b) This subdivision expires beginning with taxable years beginning after December 31, 2019.

Subd. 16. **Railroad track maintenance expenses.** The amount of expenses not allowed for federal income tax purposes due to claiming the railroad track maintenance credit under section 45G(a) of the Internal Revenue Code is a subtraction.

Sec. 12. Minnesota Statutes 2014, section 290.06, subdivision 2c, is amended to read:

Subd. 2c. **Schedules of rates for individuals, estates, and trusts.** (a) The income taxes imposed by this chapter upon married individuals filing joint returns and surviving spouses as defined in section 2(a) of the Internal Revenue Code must be computed by applying to their taxable net income the following schedule of rates:

1. On the first $35,480, 5.35 percent;
2. On all over $35,480, but not over $140,960, 7.05 percent;
3. On all over $140,960, but not over $250,000, 7.85 percent;
4. On all over $250,000, 9.85 percent.

Married individuals filing separate returns, estates, and trusts must compute their income tax by applying the above rates to their taxable income, except that the income brackets will be one-half of the above amounts.
(b) The income taxes imposed by this chapter upon unmarried individuals must be computed by applying to taxable net income the following schedule of rates:

1. On the first $24,270, 5.35 percent;
2. On all over $24,270, but not over $79,730, 7.05 percent;
3. On all over $79,730, but not over $150,000, 7.85 percent;
4. On all over $150,000, 9.85 percent.

(c) The income taxes imposed by this chapter upon unmarried individuals qualifying as a head of household as defined in section 2(b) of the Internal Revenue Code must be computed by applying to taxable net income the following schedule of rates:

1. On the first $29,880, 5.35 percent;
2. On all over $29,880, but not over $120,070, 7.05 percent;
3. On all over $120,070, but not over $200,000, 7.85 percent;
4. On all over $200,000, 9.85 percent.

(d) In lieu of a tax computed according to the rates set forth in this subdivision, the tax of any individual taxpayer whose taxable net income for the taxable year is less than an amount determined by the commissioner must be computed in accordance with tables prepared and issued by the commissioner of revenue based on income brackets of not more than $100. The amount of tax for each bracket shall be computed at the rates set forth in this subdivision, provided that the commissioner may disregard a fractional part of a dollar unless it amounts to 50 cents or more, in which case it may be increased to $1.

(e) An individual who is not a Minnesota resident for the entire year must compute the individual's Minnesota income tax as provided in this subdivision. After the application of the nonrefundable credits provided in this chapter, the tax liability must then be multiplied by a fraction in which:

1. the numerator is the individual's Minnesota source federal adjusted gross income as defined in section 62 of the Internal Revenue Code and increased by the additions required under section 290.01, subdivision 19a, clauses (1), (5), (6), (7), (8), (9), and (11) to (14), subdivisions 2 and 6 to 11, and reduced by the Minnesota assignable portion of the subtraction for United States government interest under section 290.01, subdivision 19b, clause (1), 290.0132, subdivision 2, and the subtractions under section 290.01, subdivision 19b, clauses (8), (9), (13), (14), (16), and (17), 290.0132, subdivisions 9, 10, 14, 15, 17, and 18, after applying the allocation and assignability provisions of section 290.081, clause (a), or 290.17; and
2. the denominator is the individual's federal adjusted gross income as defined in section 62 of the Internal Revenue Code of 1986, increased by the amounts specified in section 290.01, subdivision 19a, clauses (1), (5), (6), (7), (8), (9), and (11) to (14)
281.1 290.0131, subdivisions 2 and 6 to 11, and reduced by the amounts specified in section
281.2 290.01, subdivision 19b, clauses (1), (8), (9), (12), (14), (16), and (17) 290.0132,
281.3 subdivisions 2, 9, 10, 14, 15, 17, and 18.

281.4 Sec. 13. Minnesota Statutes 2014, section 290.06, subdivision 22, is amended to read:
281.5 Subd. 22. Credit for taxes paid to another state. (a) A taxpayer who is liable for
taxes based on net income to another state, as provided in paragraphs (b) through (f), upon
income allocated or apportioned to Minnesota, is entitled to a credit for the tax paid to
another state if the tax is actually paid in the taxable year or a subsequent taxable year. A
taxpayer who is a resident of this state pursuant to section 290.01, subdivision 7, paragraph
(b), and who is subject to income tax as a resident in the state of the individual's domicile
is not allowed this credit unless the state of domicile does not allow a similar credit.

281.12 (b) For an individual, estate, or trust, the credit is determined by multiplying the tax
payable under this chapter by the ratio derived by dividing the income subject to tax in the
other state that is also subject to tax in Minnesota while a resident of Minnesota by the
taxpayer's federal adjusted gross income, as defined in section 62 of the Internal Revenue
Code, modified by the addition required by section 290.01, subdivision 19a, clause (1)
290.0131, subdivision 2, and the subtraction allowed by section 290.01, subdivision 19b,
clause (1) 290.0132, subdivision 2, to the extent the income is allocated or assigned to
Minnesota under sections 290.081 and 290.17.

281.19 (c) If the taxpayer is an athletic team that apportions all of its income under section
290.17, subdivision 5, the credit is determined by multiplying the tax payable under this
chapter by the ratio derived from dividing the total net income subject to tax in the other
state by the taxpayer's Minnesota taxable income.

281.24 (d) The credit determined under paragraph (b) or (c) shall not exceed the amount of
tax so paid to the other state on the gross income earned within the other state subject to
tax under this chapter, nor shall the allowance of the credit reduce the taxes paid under
this chapter to an amount less than what would be assessed if such income amount was
excluded from taxable net income.

281.29 (e) In the case of the tax assessed on a lump-sum distribution under section
281.30 290.032, the credit allowed under paragraph (a) is the tax assessed by the other state on
281.31 the lump-sum distribution that is also subject to tax under section 290.032, and shall
281.32 not exceed the tax assessed under section 290.032. To the extent the total lump-sum
281.33 distribution defined in section 290.032, subdivision 1, includes lump-sum distributions
281.34 received in prior years or is all or in part an annuity contract, the reduction to the tax on
the lump-sum distribution allowed under section 290.032, subdivision 2, includes tax paid
to another state that is properly apportioned to that distribution.

(f) If a Minnesota resident reported an item of income to Minnesota and is assessed
tax in such other state on that same income after the Minnesota statute of limitations
has expired, the taxpayer shall receive a credit for that year under paragraph (a),
notwithstanding any statute of limitations to the contrary. The claim for the credit must
be submitted within one year from the date the taxes were paid to the other state. The
taxpayer must submit sufficient proof to show entitlement to a credit.

(g) For the purposes of this subdivision, a resident shareholder of a corporation
treated as an "S" corporation under section 290.9725, must be considered to have paid
a tax imposed on the shareholder in an amount equal to the shareholder's pro rata share
of any net income tax paid by the S corporation to another state. For the purposes of the
preceding sentence, the term "net income tax" means any tax imposed on or measured by
a corporation's net income.

(h) For the purposes of this subdivision, a resident partner of an entity taxed as a
partnership under the Internal Revenue Code must be considered to have paid a tax imposed
on the partner in an amount equal to the partner's pro rata share of any net income tax paid
by the partnership to another state. For purposes of the preceding sentence, the term "net
income" tax means any tax imposed on or measured by a partnership's net income.

(i) For the purposes of this subdivision, "another state":

(1) includes:

(i) the District of Columbia; and

(ii) a province or territory of Canada; but

(2) excludes Puerto Rico and the several territories organized by Congress.

(j) The limitations on the credit in paragraphs (b), (c), and (d), are imposed on a
state by state basis.

(k) For a tax imposed by a province or territory of Canada, the tax for purposes of
this subdivision is the excess of the tax over the amount of the foreign tax credit allowed
under section 27 of the Internal Revenue Code. In determining the amount of the foreign
tax credit allowed, the net income taxes imposed by Canada on the income are deducted
first. Any remaining amount of the allowable foreign tax credit reduces the provincial or
territorial tax that qualifies for the credit under this subdivision.

Sec. 14. Minnesota Statutes 2014, section 290.067, subdivision 1, is amended to read:

Subdivision 1. Amount of credit. (a) A taxpayer may take as a credit against the
tax due from the taxpayer and a spouse, if any, under this chapter an amount equal to the
dependent care credit for which the taxpayer is eligible pursuant to the provisions of
section 21 of the Internal Revenue Code subject to the limitations provided in subdivision
2 except that in determining whether the child qualified as a dependent, income received
as a Minnesota family investment program grant or allowance to or on behalf of the child
must not be taken into account in determining whether the child received more than half
of the child's support from the taxpayer, and the provisions of section 32(b)(1)(D) of
the Internal Revenue Code do not apply.

(b) If a child who has not attained the age of six years at the close of the taxable year
is cared for at a licensed family day care home operated by the child's parent, the taxpayer
is deemed to have paid employment-related expenses. If the child is 16 months old or
younger at the close of the taxable year, the amount of expenses deemed to have been paid
equals the maximum limit for one qualified individual under section 21(c) and (d) of the
Internal Revenue Code. If the child is older than 16 months of age but has not attained the
age of six years at the close of the taxable year, the amount of expenses deemed to have
been paid equals the amount the licensee would charge for the care of a child of the same
age for the same number of hours of care.

(c) If a married couple:
(1) has a child who has not attained the age of one year at the close of the taxable year;
(2) files a joint tax return for the taxable year; and
(3) does not participate in a dependent care assistance program as defined in section
129 of the Internal Revenue Code, in lieu of the actual employment related expenses paid
for that child under paragraph (a) or the deemed amount under paragraph (b), the lesser of
(i) the combined earned income of the couple or (ii) the amount of the maximum limit for
one qualified individual under section 21(c) and (d) of the Internal Revenue Code will
be deemed to be the employment related expense paid for that child. The earned income
limitation of section 21(d) of the Internal Revenue Code shall not apply to this deemed
amount. These deemed amounts apply regardless of whether any employment-related
expenses have been paid.

(d) If the taxpayer is not required and does not file a federal individual income tax
return for the tax year, no credit is allowed for any amount paid to any person unless:
(1) the name, address, and taxpayer identification number of the person are included
on the return claiming the credit; or
(2) if the person is an organization described in section 501(c)(3) of the Internal
Revenue Code and exempt from tax under section 501(a) of the Internal Revenue Code,
the name and address of the person are included on the return claiming the credit.
In the case of a failure to provide the information required under the preceding sentence,
the preceding sentence does not apply if it is shown that the taxpayer exercised due
diligence in attempting to provide the information required.

(e) In the case of a nonresident, part-year resident, or a person who has earned
income not subject to tax under this chapter including earned income excluded pursuant to
section 290.01, subdivision 10b, clause (f), 290.0132, subdivision 10, the credit determined
under section 21 of the Internal Revenue Code must be allocated based on the ratio by
which the earned income of the claimant and the claimant's spouse from Minnesota
sources bears to the total earned income of the claimant and the claimant's spouse.

(f) For residents of Minnesota, the subtractions for military pay under section
290.01, subdivision 10b, clauses (10) and (11), 290.0132, subdivisions 11 and 12, are not
considered "earned income not subject to tax under this chapter."

(g) For residents of Minnesota, the exclusion of combat pay under section 112 of
the Internal Revenue Code is not considered "earned income not subject to tax under
this chapter."

Sec. 15. Minnesota Statutes 2015 Supplement, section 290.0671, subdivision 1,
is amended to read:

Subdivision 1. **Credit allowed.** (a) An individual who is a resident of Minnesota is
allowed a credit against the tax imposed by this chapter equal to a percentage of earned
income. To receive a credit, a taxpayer must be eligible for a credit under section 32 of the
Internal Revenue Code.

(b) For individuals with no qualifying children, the credit equals 2.10 percent of the
first $6,180 of earned income. The credit is reduced by 2.01 percent of earned income
or adjusted gross income, whichever is greater, in excess of $8,130, but in no case is
the credit less than zero.

(c) For individuals with one qualifying child, the credit equals 9.35 percent of the
first $11,120 of earned income. The credit is reduced by 6.02 percent of earned income
or adjusted gross income, whichever is greater, in excess of $21,190, but in no case is
the credit less than zero.

(d) For individuals with two or more qualifying children, the credit equals 11 percent
of the first $18,240 of earned income. The credit is reduced by 10.82 percent of earned
income or adjusted gross income, whichever is greater, in excess of $25,130, but in no
case is the credit less than zero.

(e) For a part-year resident, the credit must be allocated based on the percentage
calculated under section 290.06, subdivision 2c, paragraph (e).
(f) For a person who was a resident for the entire tax year and has earned income not subject to tax under this chapter, including income excluded under section 290.01, subdivision 10b, clause (9) 290.0132, subdivision 10, the credit must be allocated based on the ratio of federal adjusted gross income reduced by the earned income not subject to tax under this chapter over federal adjusted gross income. For purposes of this paragraph, the subtractions for military pay under section 290.01, subdivision 10b, clauses (10) and (11) 290.0132, subdivisions 11 and 12, are not considered "earned income not subject to tax under this chapter."

For the purposes of this paragraph, the exclusion of combat pay under section 112 of the Internal Revenue Code is not considered "earned income not subject to tax under this chapter."

(g) For tax years beginning after December 31, 2007, and before December 31, 2010, and for tax years beginning after December 31, 2017, the $8,130 in paragraph (b), the $21,190 in paragraph (c), and the $25,130 in paragraph (d), after being adjusted for inflation under subdivision 7, are each increased by $3,000 for married taxpayers filing joint returns. For tax years beginning after December 31, 2008, the commissioner shall annually adjust the $3,000 by the percentage determined pursuant to the provisions of section 1(f) of the Internal Revenue Code, except that in section 1(f)(3)(B), the word "2007" shall be substituted for the word "1992." For 2009, the commissioner shall then determine the percent change from the 12 months ending on August 31, 2007, to the 12 months ending on August 31, 2008, and in each subsequent year, from the 12 months ending on August 31, 2007, to the 12 months ending on August 31 of the year preceding the taxable year. The earned income thresholds as adjusted for inflation must be rounded to the nearest $10. If the amount ends in $5, the amount is rounded up to the nearest $10. The determination of the commissioner under this subdivision is not a rule under the Administrative Procedure Act.

(h)(1) For tax years beginning after December 31, 2012, and before January 1, 2014, the $5,770 in paragraph (b), the $15,080 in paragraph (c), and the $17,890 in paragraph (d), after being adjusted for inflation under subdivision 7, are increased by $5,340 for married taxpayers filing joint returns; and (2) for tax years beginning after December 31, 2013, and before January 1, 2018, the $8,130 in paragraph (b), the $21,190 in paragraph (c), and the $25,130 in paragraph (d), after being adjusted for inflation under subdivision 7, are each increased by $5,000 for married taxpayers filing joint returns. For tax years beginning after December 31, 2010, and before January 1, 2012, and for tax years beginning after December 31, 2013, and before January 1, 2018, the commissioner shall annually adjust the $5,000 by the percentage determined pursuant to the provisions of section 1(f) of the Internal Revenue Code, except that in section 1(f)(3)(B), the word "2008" shall be
substituted for the word "1992." For 2011, the commissioner shall then determine the
percent change from the 12 months ending on August 31, 2008, to the 12 months ending on
August 31, 2010, and in each subsequent year, from the 12 months ending on August 31,
2008, to the 12 months ending on August 31 of the year preceding the taxable year. The
earned income thresholds as adjusted for inflation must be rounded to the nearest $10. If the
amount ends in $5, the amount is rounded up to the nearest $10. The determination of the
commissioner under this subdivision is not a rule under the Administrative Procedure Act.

(i) The commissioner shall construct tables showing the amount of the credit at
various income levels and make them available to taxpayers. The tables shall follow
the schedule contained in this subdivision, except that the commissioner may graduate
the transition between income brackets.

Sec. 16. Minnesota Statutes 2014, section 290.0674, subdivision 1, is amended to read:

Subdivision 1. Credit allowed. An individual is allowed a credit against the
tax imposed by this chapter in an amount equal to 75 percent of the amount paid for
education-related expenses for a qualifying child in kindergarten through grade 12. For
purposes of this section, "education-related expenses" means:

(1) fees or tuition for instruction by an instructor under section 120A.22, subdivision
10, clause (1), (2), (3), (4), or (5), or a member of the Minnesota Music Teachers
Association, and who is not a lineal ancestor or sibling of the dependent for instruction
outside the regular school day or school year, including tutoring, driver's education
offered as part of school curriculum, regardless of whether it is taken from a public or
private entity or summer camps, in grade or age appropriate curricula that supplement
curricula and instruction available during the regular school year, that assists a dependent
to improve knowledge of core curriculum areas or to expand knowledge and skills under
the required academic standards under section 120B.021, subdivision 1, and the elective
standard under section 120B.022, subdivision 1, clause (2), and that do not include the
teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such
tenets, doctrines, or worship;

(2) expenses for textbooks, including books and other instructional materials and
equipment purchased or leased for use in elementary and secondary schools in teaching
only those subjects legally and commonly taught in public elementary and secondary
schools in this state. "Textbooks" does not include instructional books and materials
used in the teaching of religious tenets, doctrines, or worship, the purpose of which is
to instill such tenets, doctrines, or worship, nor does it include books or materials for
extracurricular activities including sporting events, musical or dramatic events, speech
activities, driver's education, or similar programs;

(3) a maximum expense of $200 per family for personal computer hardware,
excluding single purpose processors, and educational software that assists a dependent to
improve knowledge of core curriculum areas or to expand knowledge and skills under
the required academic standards under section 120B.021, subdivision 1, and the elective
standard under section 120B.022, subdivision 1, clause (2), purchased for use in the
taxpayer's home and not used in a trade or business regardless of whether the computer is
required by the dependent's school; and

(4) the amount paid to others for transportation of a qualifying child attending an
elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa,
or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory
attendance laws, which is not operated for profit, and which adheres to the provisions of
the Civil Rights Act of 1964 and chapter 363A. Amounts under this clause exclude any
expense the taxpayer incurred in using the taxpayer's or the qualifying child's vehicle.

For purposes of this section, "qualifying child" has the meaning given in section
32(c)(3) of the Internal Revenue Code.

Sec. 17. Minnesota Statutes 2014, section 290.0675, subdivision 1, is amended to read:

Subdivision 1. Definitions. (a) For purposes of this section the following terms
have the meanings given.
(b) "Earned income" means the sum of the following, to the extent included in
Minnesota taxable income:

(1) earned income as defined in section 32(c)(2) of the Internal Revenue Code;
(2) income received from a retirement pension, profit-sharing, stock bonus, or
annuity plan; and

(3) Social Security benefits as defined in section 86(d)(1) of the Internal Revenue
Code.

c) "Taxable income" means net income as defined in section 290.01, subdivision 19.

d) "Earned income of lesser-earning spouse" means the earned income of the
spouse with the lesser amount of earned income as defined in paragraph (b) for the taxable
year minus the sum of (i) the amount for one exemption under section 151(d) of the
Internal Revenue Code and (ii) one-half the amount of the standard deduction under
section 63(c)(2)(A) and (4) of the Internal Revenue Code minus one-half of any addition
required under section 290.01, subdivision 19a, clause (17), and one-half of the addition
that would have been required under section 290.01, subdivision 19a, clause (17), if the taxpayer had claimed the standard deduction.

Sec. 18. Minnesota Statutes 2014, section 290.0802, subdivision 1, is amended to read:

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

(a) "Adjusted gross income" means federal adjusted gross income as used in section 22(d) of the Internal Revenue Code for the taxable year, plus a lump-sum distribution as defined in section 402(e)(3) of the Internal Revenue Code, and less any pension, annuity, or disability benefits included in federal gross income but not subject to state taxation other than the subtraction allowed under section 290.01, subdivision 19b, clause (4) 290.0132, subdivision 5.

(b) "Disability income" means disability income as defined in section 22(c)(2)(B)(iii) of the Internal Revenue Code.

(c) "Nontaxable retirement and disability benefits" means the amount of pension, annuity, or disability benefits that would be included in the reduction under section 22(c)(3) of the Internal Revenue Code and pension, annuity, or disability benefits included in federal gross income but not subject to state taxation.

(d) "Qualified individual" means a qualified individual as defined in section 22(b) of the Internal Revenue Code.

Sec. 19. Minnesota Statutes 2014, section 290.0802, subdivision 2, is amended to read:

Subd. 2. Subtraction. (a) A qualified individual is allowed a subtraction from federal taxable income of the individual's subtraction base amount. The excess of the subtraction base amount over the taxable net income computed without regard to the subtraction for the elderly or disabled under section 290.01, subdivision 19b, clause (4) 290.0132, subdivision 5, may be used to reduce the amount of a lump sum distribution subject to tax under section 290.032.

(b)(1) The initial subtraction base amount equals (i) $12,000 for a married taxpayer filing a joint return if a spouse is a qualified individual,

(ii) $9,600 for a single taxpayer, and

(iii) $6,000 for a married taxpayer filing a separate federal return.

(2) The qualified individual's initial subtraction base amount, then, must be reduced by the sum of nontaxable retirement and disability benefits and one-half of the amount of 

adjusted gross income in excess of the following thresholds:
(i) $18,000 for a married taxpayer filing a joint return if both spouses are qualified

individuals,

(ii) $14,500 for a single taxpayer or for a married couple filing a joint return if only

one spouse is a qualified individual, and

(iii) $9,000 for a married taxpayer filing a separate federal return.

(3) In the case of a qualified individual who is under the age of 65, the maximum

amount of the subtraction base may not exceed the taxpayer's disability income.

(4) The resulting amount is the subtraction base amount.

Sec. 20. Minnesota Statutes 2014, section 290.091, subdivision 2, is amended to read:

Subd. 2. Definitions. For purposes of the tax imposed by this section, the following

terms have the meanings given:

(a) "Alternative minimum taxable income" means the sum of the following for

the taxable year:

(1) the taxpayer's federal alternative minimum taxable income as defined in section

55(b)(2) of the Internal Revenue Code;

(2) the taxpayer's itemized deductions allowed in computing federal alternative

minimum taxable income, but excluding:

(i) the charitable contribution deduction under section 170 of the Internal Revenue

Code;

(ii) the medical expense deduction;

(iii) the casualty, theft, and disaster loss deduction; and

(iv) the impairment-related work expenses of a disabled person;

(3) for depletion allowances computed under section 613A(c) of the Internal

Revenue Code, with respect to each property (as defined in section 614 of the Internal

Revenue Code), to the extent not included in federal alternative minimum taxable income,

the excess of the deduction for depletion allowable under section 611 of the Internal

Revenue Code for the taxable year over the adjusted basis of the property at the end of the

taxable year (determined without regard to the depletion deduction for the taxable year);

(4) to the extent not included in federal alternative minimum taxable income, the

amount of the tax preference for intangible drilling cost under section 57(a)(2) of the

Internal Revenue Code determined without regard to subparagraph (E);

(5) to the extent not included in federal alternative minimum taxable income, the

amount of interest income as provided by section 290.01, subdivision 19a, clause (1)

290.0131, subdivision 2; and
(6) the amount of addition required by section 290.01, subdivision 19a, clauses (7) to (9), and (11) to (14) 290.0131, subdivisions 9 to 11;

less the sum of the amounts determined under the following:

(1) interest income as defined in section 290.01, subdivision 19b, clause (1)

290.0132, subdivision 2;

(2) an overpayment of state income tax as provided by section 290.01, subdivision 19b, clause (2) 290.0132, subdivision 3, to the extent included in federal alternative minimum taxable income;

(3) the amount of investment interest paid or accrued within the taxable year on indebtedness to the extent that the amount does not exceed net investment income, as defined in section 163(d)(4) of the Internal Revenue Code. Interest does not include amounts deducted in computing federal adjusted gross income;

(4) amounts subtracted from federal taxable income as provided by section 290.01, subdivision 19b, clauses (6), (8) to (14), (16), and (21) 290.0132, subdivisions 7, 9 to 15, 17, and 21; and

(5) the amount of the net operating loss allowed under section 290.095, subdivision 11, paragraph (c).

In the case of an estate or trust, alternative minimum taxable income must be computed as provided in section 59(c) of the Internal Revenue Code.

(b) "Investment interest" means investment interest as defined in section 163(d)(3) of the Internal Revenue Code.

(c) "Net minimum tax" means the minimum tax imposed by this section.

(d) "Regular tax" means the tax that would be imposed under this chapter (without regard to this section and section 290.032), reduced by the sum of the nonrefundable credits allowed under this chapter.

(e) "Tentative minimum tax" equals 6.75 percent of alternative minimum taxable income after subtracting the exemption amount determined under subdivision 3.

Sec. 21. Minnesota Statutes 2014, section 290.091, subdivision 6, is amended to read:

Subd. 6. Credit for prior years' liability. (a) A credit is allowed against the tax imposed by this chapter on individuals, trusts, and estates equal to the minimum tax credit for the taxable year. The minimum tax credit equals the adjusted net minimum tax for taxable years beginning after December 31, 1988, reduced by the minimum tax credits allowed in a prior taxable year. The credit may not exceed the excess (if any) for the taxable year of

(1) the regular tax, over
291.1 (2) the greater of (i) the tentative alternative minimum tax, or (ii) zero.
291.2 (b) The adjusted net minimum tax for a taxable year equals the lesser of the net
291.3 minimum tax or the excess (if any) of
291.4 (1) the tentative minimum tax, over
291.5 (2) 6.75 percent of the sum of
291.6 (i) adjusted gross income as defined in section 62 of the Internal Revenue Code,
291.7 (ii) interest income as defined in section 290.01, subdivision 19a, clause (1)
291.8 Subd. 2.
291.9 (iii) interest on specified private activity bonds, as defined in section 57(a)(5) of the
291.10 Internal Revenue Code, to the extent not included under clause (ii),
291.11 (iv) depletion as defined in section 57(a)(1), determined without regard to the last
291.12 sentence of paragraph (1), of the Internal Revenue Code, less
291.13 (v) the deductions allowed in computing alternative minimum taxable income
291.14 provided in subdivision 2, paragraph (a), clause (2) of the first series of clauses and clauses
291.15 (1), (2), and (3) of the second series of clauses, and
291.16 (vi) the exemption amount determined under subdivision 3.
291.17 In the case of an individual who is not a Minnesota resident for the entire year,
291.18 adjusted net minimum tax must be multiplied by the fraction defined in section 290.06,
291.19 subdivision 2c, paragraph (e). In the case of a trust or estate, adjusted net minimum tax
291.20 must be multiplied by the fraction defined under subdivision 4, paragraph (b).

Sec. 22. Minnesota Statutes 2014, section 290.0921, subdivision 3, is amended to read:

Subd. 3. **Alternative minimum taxable income.** "Alternative minimum taxable
income" is Minnesota net income as defined in section 290.01, subdivision 19, and
includes the adjustments and tax preference items in sections 56, 57, 58, and 59(d), (e),
(f), and (h) of the Internal Revenue Code. If a corporation files a separate company
Minnesota tax return, the minimum tax must be computed on a separate company basis.
If a corporation is part of a tax group filing a unitary return, the minimum tax must be
computed on a unitary basis. The following adjustments must be made.

(1) The portion of the depreciation deduction allowed for federal income tax
purposes under section 168(k) of the Internal Revenue Code that is required as an addition
under section 290.01, subdivision 19c, clause (12) 290.0133, subdivision 11, is disallowed
in determining alternative minimum taxable income.

(2) The subtraction for depreciation allowed under section 290.01, subdivision
19d, clause (14) 290.0134, subdivision 13, is allowed as a depreciation deduction in
determining alternative minimum taxable income.
(3) The alternative tax net operating loss deduction under sections 56(a)(4) and 56(d) of the Internal Revenue Code does not apply.

(4) The special rule for certain dividends under section 56(g)(4)(C)(ii) of the Internal Revenue Code does not apply.

(5) The tax preference for depletion under section 57(a)(1) of the Internal Revenue Code does not apply.

(6) The tax preference for tax exempt interest under section 57(a)(5) of the Internal Revenue Code does not apply.

(7) The tax preference for charitable contributions of appreciated property under section 57(a)(6) of the Internal Revenue Code does not apply.

(8) For purposes of calculating the adjustment for adjusted current earnings in section 56(g) of the Internal Revenue Code, the term "alternative minimum taxable income" as it is used in section 56(g) of the Internal Revenue Code, means alternative minimum taxable income as defined in this subdivision, determined without regard to the adjustment for adjusted current earnings in section 56(g) of the Internal Revenue Code.

(9) For purposes of determining the amount of adjusted current earnings under section 56(g)(3) of the Internal Revenue Code, no adjustment shall be made under section 56(g)(4) of the Internal Revenue Code with respect to (i) the amount of foreign dividend gross-up subtracted as provided in section 290.01, subdivision 19d, clause (1) 290.0134, subdivision 2, or (ii) the amount of refunds of income, excise, or franchise taxes subtracted as provided in section 290.01, subdivision 19d, clause (8) 290.0134, subdivision 8.

(10) Alternative minimum taxable income excludes the income from operating in a job opportunity building zone as provided under section 469.317.

Items of tax preference must not be reduced below zero as a result of the modifications in this subdivision.

Sec. 23. Minnesota Statutes 2014, section 290.311, subdivision 1, is amended to read:

Subdivision 1. **Partners.** (a) Partner's modifications. In determining gross income and Minnesota taxable income of a partner, any modification described in section 290.01, subdivisions 19 to 19f, sections 290.0131 to 290.0135, which relates to an item of partnership income, gain, loss or deduction shall be made in accordance with the partner's distributive share, for federal income tax purposes, of the item to which the modification relates.

(b) Character of items. Each item of partnership income, gain, loss, or deduction shall have the same character for a partner under this section which it has for federal income tax purposes. Where an item is not characterized for federal income tax purposes, it shall have
the same character for a partner as if realized directly from the source from which realized
by the partnership, or incurred in the same manner as incurred by the partnership.

(c) Minnesota tax avoidance or evasion. Where a partner's distributive share of an
item of partnership income, gain, loss or deduction is determined for federal income tax
purposes by special provision in the partnership agreement with respect to such item, and
where the effect of such provision is the avoidance or evasion of tax under this section,
the partner's distributive share of such item, and any modifications required with respect
thereto shall be determined as if the partnership agreement made no special provision
with respect to such item.

Sec. 24. Minnesota Statutes 2014, section 290.9727, subdivision 3, is amended to read:

Subd. 3. **Taxable net income.** For purposes of this section, taxable net income
means the lesser of:

(1) the recognized built-in gains of the S corporation for the taxable year, as
determined under section 1374 of the Internal Revenue Code, subject to the modifications
provided in section 290.01, subdivision 19f, that are allocable to this state
under section 290.17, 290.191, or 290.20; or

(2) the amount of the S corporation's federal taxable income, as determined under
section 1374(d)(4) of the Internal Revenue Code, subject to the provisions of sections
290.01, subdivisions 19e to 19f, that is allocable to this state under section 290.17, 290.191, or 290.20.

Sec. 25. Minnesota Statutes 2014, section 290.9728, subdivision 2, is amended to read:

Subd. 2. **Taxable income.** For purposes of this section, taxable income means
the lesser of:

(1) the amount of the net capital gain of the S corporation for the taxable year, as
determined under sections 1222 and 1374 of the Internal Revenue Code, and subject to the
modifications provided in section 290.01, subdivision 19f, in excess of $25,000
that is allocable to this state under section 290.17, 290.191, or 290.20; or

(2) the amount of the S corporation's federal taxable income, subject to the
provisions of sections 290.01, subdivisions 19e to 19f, that is allocable to this state under section 290.17, 290.191, or 290.20.

Sec. 26. Minnesota Statutes 2014, section 290.9729, subdivision 2, is amended to read:

Subd. 2. **Taxable income.** For the purposes of this section, taxable income means
the lesser of:
(1) the amount of the S corporation's excess net passive income, as determined under section 1375 of the Internal Revenue Code, subject to the provisions of section 290.01, subdivisions 19c to 19f, sections 290.0133 to 290.0135, that is allocable to this state under section 290.17, 290.191, or 290.20; or

(2) the amount of the S corporation's federal taxable income, as determined under section 1374(d)(4) of the Internal Revenue Code, subject to the provisions of section 290.01, subdivisions 19c to 19f, sections 290.0133 to 290.0135, that is allocable to this state under section 290.17, 290.191, or 290.20.

Sec. 27. Minnesota Statutes 2014, section 298.01, subdivision 3b, is amended to read:

Subd. 3b. Deductions. (a) For purposes of determining taxable income under subdivision 3, the deductions from gross income include only those expenses necessary to convert raw ores to marketable quality. Such expenses include costs associated with refinement but do not include expenses such as transportation, stockpiling, marketing, or marine insurance that are incurred after marketable ores are produced, unless the expenses are included in gross income. The allowable deductions from a mine or plant that mines and produces more than one mineral, metal, or energy resource must be determined separately for the purposes of computing the deduction in section 290.01, subdivision 19e, clause (8) 290.0133, subdivision 9. These deductions may be combined on one occupation tax return to arrive at the deduction from gross income for all production.

(b) The provisions of section 290.01, subdivisions 19e, clauses (6) and (8) sections 290.0133, subdivisions 7 and 9, and 19f, clauses (6) and (9) 290.0134, subdivisions 7 and 9, are not used to determine taxable income.

Sec. 28. Minnesota Statutes 2014, section 298.01, subdivision 4b, is amended to read:

Subd. 4b. Deductions. For purposes of determining taxable income under subdivision 4, the deductions from gross income include only those expenses necessary to convert raw iron ore or taconite concentrates to marketable quality. Such expenses include costs associated with beneficiation and refinement but do not include expenses such as transportation, stockpiling, marketing, or marine insurance that are incurred after marketable iron ore or taconite pellets are produced. The allowable deductions from a mine or plant that mines and produces iron ore or taconite and one or more mineral or metal referred to in section 298.016 must be determined separately for the purposes of computing the deduction in section 290.01, subdivision 19e, clause (8) 290.0133, subdivision 9. These deductions may be combined on one occupation tax return to arrive at the deduction from gross income for all production.
Sec. 29. Minnesota Statutes 2014, section 298.01, subdivision 4c, is amended to read:

Subd. 4c. Special deductions; net operating loss. (a) For purposes of determining taxable income under subdivision 4, the provisions of section 290.01, subdivisions 19c, clauses (6) and (8), and 19d, clauses (6) and (9) sections 290.0133, subdivisions 7 and 9, and 290.0134, subdivisions 7 and 9, are not used to determine taxable income.

(b) The amount of net operating loss incurred in a taxable year beginning before January 1, 1990, that may be carried over to a taxable year beginning after December 31, 1989, is the amount of net operating loss carryover determined in the calculation of the hypothetical corporate franchise tax under Minnesota Statutes 1988, sections 298.40 and 298.402.

Sec. 30. EFFECT OF REPEAL AND REENACTMENT; INSTRUCTION TO THE COMMISSIONER.

(a) Pursuant to Minnesota Statutes, section 645.37, the repeal of income tax provisions and concurrent reenactment of the same provisions in the same or substantially the same terms in this article must be construed so that the earlier law is continued in active operation. All rights and liabilities incurred under such earlier law are preserved and may be enforced. All cross-references in new statutory sections incorporate their respective predecessor provisions.

(b) To the extent reasonable, the commissioner of revenue, in all communications with taxpayers regarding taxable years beginning before January 1, 2017, may refer to the recodified and renumbered provisions in this article by referencing the statutory section, subdivision, clause, item, and subitem numbers as codified prior to the effective date of this article, rather than the statutory section, subdivision, clause, item, and subitem numbers effective for taxable years beginning after December 31, 2016.

Sec. 31. REVISOR'S INSTRUCTION.

(a) The revisor of statutes shall renumber the provisions of Minnesota Statutes listed in column A to the references listed in column B.

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(b) The revisor of statutes shall make necessary cross-reference changes in Minnesota Statutes and Minnesota Rules consistent with the repeal and reenactment of Minnesota Statutes, section 290.01, subdivisions 19a to 19d, and the renumbering of Minnesota Statutes, section 290.01, subdivisions 19f and 19h, in this act, and if Minnesota
Statutes, section 290.01, subdivisions 19a to 19d, 19f, or 19h, are further amended in the 2016 legislative session, shall codify the amendments in a manner consistent with this act. The revisor may make necessary changes to sentence structure to preserve the meaning of the text.

Sec. 32. REPEALER.

Minnesota Statutes 2014, section 290.01, subdivisions 19a, 19b, 19c, and 19d, are repealed.

Sec. 33. EFFECTIVE DATE.

This article is effective for taxable years beginning after December 31, 2016.

ARTICLE 4

DATA PRACTICES CROSS-REFERENCES

Section 1. Minnesota Statutes 2014, section 13.3806, is amended by adding a subdivision to read:

Subd. 1c. Health information exchange data. Data practices provisions regarding the health information exchange are contained in section 62J.498, subdivision 2.

Subd. 16. Child mortality review panel. (a) Data practices of the commissioner of human services as part of the child mortality review panel are governed by section 256.01, subdivision 12.

(b) For American Indian tribes with established child mortality review panels, access to data in section 256.01, subdivision 12, is governed by section 256.01, subdivision 14b, paragraph (g).

Sec. 2. Minnesota Statutes 2014, section 13.461, subdivision 16, is amended to read:

Subd. 23a. Opioid prescribing improvement program data. Data practices provisions relating to the opioid prescribing improvement program are contained in section 256B.0638, subdivision 6.

Sec. 3. Minnesota Statutes 2014, section 13.461, is amended by adding a subdivision to read:

Subd. 23b. Opioid prescribing improvement program data. Data practices provisions relating to the opioid prescribing improvement program are contained in section 256B.0638, subdivision 6.

Sec. 4. Minnesota Statutes 2014, section 13.6435, is amended by adding a subdivision to read:
Subd. 4a. Industrial hemp background check data. Criminal history records provided to the commissioner by a first-time applicant for a license to grow industrial hemp for commercial purposes are classified under section 18K.04, subdivision 2.

Sec. 5. REPEALER.


Subd. 3. Obsolete subdivision. Minnesota Statutes 2014, section 13.598, subdivision 4, is repealed.

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13.319 EDUCATION DATA CODED ELSEWHERE.
Subd. 6. Lead abatement program; testing and evaluation. Treatment of data relating to testing under the lead abatement program is governed by section 144.9512, subdivision 8.

13.3806 PUBLIC HEALTH DATA CODED ELSEWHERE.
Subd. 18. Terminated pregnancies. Disclosure of reports of terminated pregnancies made to the commissioner of health is governed by section 145.413, subdivision 1.

13.598 EMPLOYMENT AND ECONOMIC DEVELOPMENT DATA CODED ELSEWHERE.
Subd. 4. Aircraft facilities. Specified data about an airline submitted in connection with state financing of certain aircraft maintenance facilities are classified under section 116R.02, subdivision 3.

13.6905 PUBLIC SAFETY DATA CODED ELSEWHERE.
Subd. 23. Arson investigative data system. Data in the arson investigative data system are classified in section 299F.04, subdivision 3a.

40A.03 PILOT COUNTY AGRICULTURAL LAND PRESERVATION.
Subdivision 1. Pilot counties; selection. By January 1, 1985, the commissioner, in consultation with counties and regional development commissions, where they exist, shall select not more than seven counties located outside of the metropolitan area that request to participate in a pilot program for county agricultural land preservation. If possible, counties shall include:
   (1) a county that currently has official controls for agricultural land preservation and an adjacent county that does not have official controls;
   (2) a county that is experiencing problems with forest land preservation;
   (3) a county where a high level of development is likely to occur in the next ten years; and
   (4) other counties representing a cross-section of agricultural uses and land management problems in the state.
Subd. 2. Plans and official controls. By December 31, 1987, each pilot county selected under subdivision 1 shall submit to the commissioner and to the regional development commission in which it is located, if one exists, a proposed agricultural land preservation plan and proposed official controls implementing the plan. The commissioner, in consultation with the regional development commission, shall review the plan and controls for consistency with the elements in this chapter and shall submit written comments to the county within 90 days of receipt of the proposal. The comments must include a determination of whether the plan and controls are consistent with the elements in this chapter. The commissioner shall notify the county of its determination. If the commissioner determines that the plan and controls are consistent, the county shall adopt the controls within 60 days of completion of the commissioner's review.

93.223 MINERAL LEASE SUSPENSE ACCOUNTS.
Subd. 2. University fund mineral lease suspense account. The university fund mineral lease suspense account is created as an account in the state treasury for mineral lease money deposited according to section 93.22, subdivision 2, clause (2). Interest earned on money in the account accrues to the account. After money is annually deposited in the account under section 93.22, subdivision 2, clause (2), the commissioner of management and budget shall certify 20 percent of the payments made during the preceding fiscal year as costs for the administration and management of mineral leases on permanent university fund lands. The commissioner of management and budget shall transfer the certified amount from the university fund mineral lease account to the general fund. The balance remaining in the account is annually transferred to the permanent university fund.

127A.48 ADJUSTMENT OF NET TAX CAPACITY.
Subd. 9. Captured tax capacity adjustment. In calculating adjusted net tax capacity, the commissioner of revenue shall increase the adjusted net tax capacity of a district containing a tax increment financing district for which an election is made under section 469.1782, subdivision 1,
clause (1). The amount of the increase equals the captured net tax capacity of the tax increment financing district in the year preceding the first taxes payable year in which the special law permits collection beyond that permitted by the general law duration limit that otherwise would apply. The addition applies beginning for aid and levy for the first taxes payable year in which the special law permits collection of increment beyond that permitted by the general law duration limit that otherwise would apply. The addition continues to apply for each taxes payable year the district remains in effect.

147.031 EXAMINATIONS AND LICENSES OF OSTEOPATHS.
Subdivision 1. Generally. Any doctor of osteopathy licensed by the state Board of Osteopathy under Minnesota Statutes 1961, Sections 148.11 to 148.16, desiring to obtain a license to practice medicine shall apply to the secretary of the board and pay a fee of $50 for the use of the board, which in no case shall be refunded. The applicant shall be examined in the subjects that the board then examines applicants under section 147.02 in which the applicant was not examined by the state Board of Osteopathy prior to the issuance of a license under Minnesota Statutes 1961, sections 148.11 to 148.16, prior to May 1, 1963. All applicants shall be known to the board members or examiners only by number, without names, or other methods of identification on examination papers by which board members or examiners may be able to identify such applicants, until the final grades of all the examination papers have been determined, and the licenses granted or refused. After such examination, the board, if eight members thereof consent, shall grant such doctor of osteopathy a license to practice medicine. The board may refuse to grant such a license to any person guilty of immoral, dishonorable, or unprofessional conduct, as defined in Minnesota Statutes 1961, chapter 147, but subject to the right of the applicant to appeal to the district court in the county in which the principal office of the board is located on the questions of law and fact.

Subd. 2. Authorization to practice. Any such doctor of osteopathy may, until so granted a license to practice medicine, continue to practice osteopathy as taught in reputable colleges of osteopathy, including the use and administration, in connection with the practice of obstetrics, minor surgery, and toxicology only, of anesthetics, narcotics, antidotes, and antiseptics subject to the same state and federal restrictions and limitations as are by law applicable to physicians licensed to practice medicine and shall have the same rights and powers and be subject to the same duties as physicians licensed to practice medicine with reference to matters pertaining to the public health, including the reporting of births and deaths. The board shall by rule determine what constitutes minor surgery, anesthetics, narcotics, antidotes, and antiseptics.

Subd. 3. Prohibition. No person who is not on May 1, 1963, licensed by the state Board of Osteopathy under Minnesota Statutes 1961, sections 148.11 to 148.16, shall engage in the practice of osteopathy or by use of titles or initials indicating degrees, or in any other way, hold out as being so engaged.

Subd. 4. Penalty. Every person who shall violate any provisions of this section shall be guilty of a gross misdemeanor.

Subd. 5. Investigation. The board shall investigate suspected violations of this section and institute proceedings thereunder.

148.232 REGISTRATION OF PUBLIC HEALTH NURSES.
A public health nurse certified for public health duties by the commissioner of health under section 145A.06, subdivision 3, or previous authority must be deemed to be registered as a public health nurse under the provisions of sections 148.171 to 148.285.

245.482 REPORTING AND EVALUATION.
Subd. 5. Commissioner's consolidated reporting recommendations. The commissioner's reports of February 15, 1990, required under section 245.487, subdivision 4, shall include recommended measures to provide coordinated, interdepartmental efforts to ensure early identification and intervention for children with, or at risk of developing, emotional disturbance, to improve the efficiency of the mental health funding mechanisms, and to standardize and consolidate fiscal and program reporting. The recommended measures must provide that client needs are met in an effective and accountable manner and that state and county resources are used as efficiently as possible. The commissioner shall consider the advice of the state advisory council and the children's subcommittee in developing these recommendations.

256.966 MEDICAL CARE PAYMENTS; COST PER SERVICE UNIT.
Subdivision 1. In general. For the biennium ending June 30, 1985, the annual increase in the cost per service unit paid to any vendor under medical assistance and general assistance medical care shall not exceed five percent, except that the five percent annual increase limitation applied to vendors under this subdivision does not apply to nursing homes licensed under chapter 144A or boarding care homes licensed under sections 144.50 to 144.56. The estimated acquisition cost of prescription drug ingredients is not subject to the five percent increase limit, any general state payment reduction, or cost limitation described in this section, except as required under federal law or regulation. For vendors enrolled in the general assistance medical care program, the annual increase in cost per service unit allowable during state fiscal year 1984 shall not exceed five percent. The basis for measuring growth shall be the cost per service unit that would have been reimbursable in state fiscal year 1983 if payments had not been ratably reduced and if payments had been based on the 50th percentile of usual and customary billings for medical assistance in 1978. The increase in cost per service unit allowable for vendors in the general assistance medical care program during state fiscal year 1985 shall not exceed five percent. The basis for measuring growth shall be state fiscal year 1984.

256B.0645 PROVIDER PAYMENTS; RETROACTIVE CHANGES IN ELIGIBILITY.

Payment to a provider for a health care service provided to a general assistance medical care recipient who is later determined eligible for medical assistance or MinnesotaCare according to section 256L.03, subdivision 1a, for the period in which the health care service was provided, may be adjusted due to the change in eligibility. This section does not apply to payments made to health plans on a prepaid capitated basis.

259.24 CONSENTS.

Subd. 8. Adoptive parents defined. For the purposes of subdivision 6, and section 259.25, subdivision 2, the term "adoptive parents" shall mean parents who have received a child into their home with the intent to adopt the child.

290.01 DEFINITIONS.

Subd. 19a. Additions to federal taxable income. For individuals, estates, and trusts, there shall be added to federal taxable income:

(i) interest income on obligations of any state other than Minnesota or a political or governmental subdivision, municipality, or governmental agency or instrumentality of any state other than Minnesota exempt from federal income taxes under the Internal Revenue Code or any other federal statute; and

(ii) exempt-interest dividends as defined in section 852(b)(5) of the Internal Revenue Code, except:

(A) the portion of the exempt-interest dividends exempt from state taxation under the laws of the United States; and

(B) the portion of the exempt-interest dividends derived from interest income on obligations of the state of Minnesota or its political or governmental subdivisions, municipalities, governmental agencies or instrumentalties, but only if the portion of the exempt-interest dividends from such Minnesota sources paid to all shareholders represents 95 percent or more of the exempt-interest dividends, including any dividends exempt under subitem (A), that are paid by the regulated investment company as defined in section 851(a) of the Internal Revenue Code, or the fund of the regulated investment company as defined in section 851(g) of the Internal Revenue Code, making the payment; and

(iii) for the purposes of items (i) and (ii), interest on obligations of an Indian tribal government described in section 7871(c) of the Internal Revenue Code shall be treated as interest income on obligations of the state in which the tribe is located;

(2) the amount of income, sales and use, motor vehicle sales, or excise taxes paid or accrued within the taxable year under this chapter and the amount of taxes based on net income paid, sales and use, motor vehicle sales, or excise taxes paid to any other state or to any province or territory of Canada, to the extent allowed as a deduction under section 63(d) of the Internal Revenue Code, but the addition may not be more than the amount by which the state itemized deduction exceeds the amount of the standard deduction as defined in section 63(c) of the Internal Revenue Code, minus any addition that would have been required under clause (17) if the taxpayer had claimed the standard deduction. For the purpose of this clause, income, sales and use, motor vehicle sales, or excise taxes are the last itemized deductions disallowed under clause (15);
(3) the capital gain amount of a lump-sum distribution to which the special tax under section 1122(h)(3)(B)(ii) of the Tax Reform Act of 1986, Public Law 99-514, applies;

(4) the amount of income taxes paid or accrued within the taxable year under this chapter and taxes based on net income paid to any other state or any province or territory of Canada, to the extent allowed as a deduction in determining federal adjusted gross income. For the purpose of this paragraph, income taxes do not include the taxes imposed by sections 290.0922, subdivision 1, paragraph (b), 290.9727, 290.9728, and 290.9729;

(5) the amount of expense, interest, or taxes disallowed pursuant to section 290.10 other than expenses or interest used in computing net interest income for the subtraction allowed under subdivision 19b, clause (1);

(6) the amount of a partner's pro rata share of net income which does not flow through to the partner because the partnership elected to pay the tax on the income under section 6242(a)(2) of the Internal Revenue Code;

(7) 80 percent of the depreciation deduction allowed under section 168(k) of the Internal Revenue Code. For purposes of this clause, if the taxpayer has an activity that in the taxable year generates a deduction for depreciation under section 168(k) and the activity generates a loss for the taxable year that the taxpayer is not allowed to claim for the taxable year, "the depreciation allowed under section 168(k)" for the taxable year is limited to excess of the depreciation claimed by the activity under section 168(k) over the amount of the loss from the activity that is not allowed in the taxable year. In succeeding taxable years when the losses not allowed in the taxable year are allowed, the depreciation under section 168(k) is allowed;

(8) 80 percent of the amount by which the deduction allowed by section 179 of the Internal Revenue Code exceeds the deduction allowable by section 179 of the Internal Revenue Code of 1986, as amended through December 31, 2003;

(9) to the extent deducted in computing federal taxable income, the amount of the deduction allowable under section 199 of the Internal Revenue Code;

(10) the amount of expenses disallowed under section 290.10, subdivision 2;

(11) for taxable years beginning before January 1, 2010, the amount deducted for qualified tuition and related expenses under section 222 of the Internal Revenue Code, to the extent deducted from gross income;

(12) for taxable years beginning before January 1, 2010, the amount deducted for certain expenses of elementary and secondary school teachers under section 62(a)(2)(D) of the Internal Revenue Code, to the extent deducted from gross income;

(13) discharge of indebtedness income resulting from reacquisition of business indebtedness and deferred under section 108(i) of the Internal Revenue Code;

(14) changes to federal taxable income attributable to a net operating loss that the taxpayer elected to carry back for more than two years for federal purposes but for which the losses can be carried back for only two years under section 290.095, subdivision 11, paragraph (c);

(15) the amount of disallowed itemized deductions, but the amount of disallowed itemized deductions plus the addition required under clause (2) may not be more than the amount by which the itemized deductions as allowed under section 63(d) of the Internal Revenue Code exceeds the amount of the standard deduction as defined in section 63(c) of the Internal Revenue Code, and reduced by any addition that would have been required under clause (17) if the taxpayer had claimed the standard deduction:

(i) the amount of disallowed itemized deductions is equal to the lesser of:

(A) three percent of the excess of the taxpayer's federal adjusted gross income over the applicable amount; or

(B) 80 percent of the amount of the itemized deductions otherwise allowable to the taxpayer under the Internal Revenue Code for the taxable year;

(ii) the term "applicable amount" means $100,000, or $50,000 in the case of a married individual filing a separate return. Each dollar amount shall be increased by an amount equal to:

(A) such dollar amount, multiplied by

(B) the cost-of-living adjustment determined under section 1(f)(3) of the Internal Revenue Code for the calendar year in which the taxable year begins, by substituting "calendar year 1990" for "calendar year 1992" in subparagraph (B) thereof;

(iii) the term "itemized deductions" does not include:

(A) the deduction for medical expenses under section 213 of the Internal Revenue Code;

(B) any deduction for investment interest as defined in section 163(d) of the Internal Revenue Code; and

(C) the deduction under section 165(a) of the Internal Revenue Code for casualty or theft losses described in paragraph (2) or (3) of section 165(c) of the Internal Revenue Code or for losses described in section 165(d) of the Internal Revenue Code;
(16) the amount of disallowed personal exemptions for taxpayers with federal adjusted gross income over the threshold amount:

(i) the disallowed personal exemption amount is equal to the number of personal exemptions allowed under section 151(b) and (c) of the Internal Revenue Code multiplied by the dollar amount for personal exemptions under section 151(d)(1) and (2) of the Internal Revenue Code, as adjusted for inflation by section 151(d)(4) of the Internal Revenue Code, and by the applicable percentage;

(ii) "applicable percentage" means two percentage points for each $2,500 (or fraction thereof) by which the taxpayer's federal adjusted gross income for the taxable year exceeds the threshold amount. In the case of a married individual filing a separate return, the preceding sentence shall be applied by substituting "$1,250" for "$2,500." In no event shall the applicable percentage exceed 100 percent;

(iii) the term "threshold amount" means:

(A) $150,000 in the case of a joint return or a surviving spouse;
(B) $125,000 in the case of a head of a household;
(C) $100,000 in the case of an individual who is not married and who is not a surviving spouse or head of a household; and

(D) $75,000 in the case of a married individual filing a separate return; and

(iv) the thresholds shall be increased by an amount equal to:

(A) such dollar amount, multiplied by

(B) the cost-of-living adjustment determined under section 1(f)(3) of the Internal Revenue Code for the calendar year in which the taxable year begins, by substituting "calendar year 1990" for "calendar year 1992" in subparagraph (B) thereof; and

(17) to the extent deducted in the computation of federal taxable income, for taxable years beginning after December 31, 2010, and before January 1, 2014, the difference between the standard deduction allowed under section 63(c) of the Internal Revenue Code and the standard deduction allowed for 2011, 2012, and 2013 under the Internal Revenue Code as amended through December 1, 2010.

Subd. 19b. _Subtractions from federal taxable income._ For individuals, estates, and trusts, there shall be subtracted from federal taxable income:

(1) net interest income on obligations of any authority, commission, or instrumentality of the United States to the extent includable in taxable income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) if included in federal taxable income, the amount of any overpayment of income tax to Minnesota or to any other state, for any previous taxable year, whether the amount is received as a refund or as a credit to another taxable year's income tax liability;

(3) the amount paid to others, less the amount used to claim the credit allowed under section 290.0674, not to exceed $1,625 for each qualifying child in grades kindergarten to 6 and $2,500 for each qualifying child in grades 7 to 12, for tuition, textbooks, and transportation of each qualifying child in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363A. For the purposes of this clause, "tuition" includes fees or tuition as defined in section 290.0674, subdivision 1, clause (1). As used in this clause, "textbooks" includes books and other instructional materials and equipment purchased or leased for use in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. Equipment expenses qualifying for deduction includes expenses as defined and limited in section 290.0674, subdivision 1, clause (3). "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs. No deduction is permitted for any expense the taxpayer incurred in using the taxpayer's or the qualifying child's vehicle to provide such transportation for a qualifying child. For purposes of the subtraction provided by this clause, "qualifying child" has the meaning given in section 32(c)(3) of the Internal Revenue Code;

(4) income as provided under section 290.0802;

(5) to the extent included in federal adjusted gross income, income realized on disposition of property exempt from tax under section 290.491;

(6) to the extent not deducted or not deductible pursuant to section 408(d)(8)(E) of the Internal Revenue Code in determining federal taxable income by an individual who does not itemize deductions for federal income tax purposes for the taxable year, an amount equal to 50
percent of the excess of charitable contributions over $500 allowable as a deduction for the taxable year under section 170(a) of the Internal Revenue Code, under the provisions of Public Law 109-1 and Public Law 111-126;

(7) for individuals who are allowed a federal foreign tax credit for taxes that do not qualify for a credit under section 290.06, subdivision 22, an amount equal to the carryover of subnational foreign taxes for the taxable year, but not to exceed the total subnational foreign taxes reported in claiming the foreign tax credit. For purposes of this clause, "federal foreign tax credit" means the credit allowed under section 27 of the Internal Revenue Code, and "carryover of subnational foreign taxes" equals the carryover allowed under section 904(c) of the Internal Revenue Code minus national level foreign taxes to the extent they exceed the federal foreign tax credit;

(8) in each of the five tax years immediately following the tax year in which an addition is required under subdivision 19a, clause (7), or 19c, clause (12), in the case of a shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the delayed depreciation. For purposes of this clause, "delayed depreciation" means the amount of the addition made by the taxpayer under subdivision 19a, clause (7), or subdivision 19c, clause (12), in the case of a shareholder of an S corporation, minus the positive value of any net operating loss under section 172 of the Internal Revenue Code generated for the tax year of the addition. The resulting delayed depreciation cannot be less than zero;

(9) job opportunity building zone income as provided under section 469.316;

(10) to the extent included in federal taxable income, the amount of compensation paid to members of the Minnesota National Guard or other reserve components of the United States military for active service, including compensation for services performed under the Active Guard Reserve (AGR) program. For purposes of this clause, "active service" means (i) state active service as defined in section 190.05, subdivision 5a, clause (1); or (ii) federally funded state active service as defined in section 190.05, subdivision 5b, and "active service" includes service performed in accordance with section 190.08, subdivision 3;

(11) to the extent included in federal taxable income, the amount of compensation paid to Minnesota residents who are members of the armed forces of the United States or United Nations for active duty performed under United States Code, title 10, or the authority of the United Nations;

(12) an amount, not to exceed $10,000, equal to qualified expenses related to a qualified donor's donation, while living, of one or more of the qualified donor's organs to another person for human organ transplantation. For purposes of this clause, "organ" means all or part of an individual's liver, pancreas, kidney, intestine, lung, or bone marrow; "human organ transplantation" means the medical procedure by which transfer of a human organ is made from the body of one person to the body of another person; "qualified expenses" means unreimbursed expenses for both the individual and the qualified donor for (i) travel, (ii) lodging, and (iii) lost wages net of sick pay, except that such expenses may be subtracted under this clause only once; and "qualified donor" means the individual or the individual's dependent, as defined in section 152 of the Internal Revenue Code. An individual may claim the subtraction in this clause for each instance of organ donation for transplantation during the taxable year in which the qualified expenses occur;

(13) in each of the five tax years immediately following the tax year in which an addition is required under subdivision 19a, clause (8), or 19c, clause (13), in the case of a shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the addition made by the taxpayer under subdivision 19a, clause (8), or 19c, clause (13), in the case of a shareholder of a corporation that is an S corporation, minus the positive value of any net operating loss under section 172 of the Internal Revenue Code generated for the tax year of the addition. If the net operating loss exceeds the addition for the tax year, a subtraction is not allowed under this clause;

(14) to the extent included in the federal taxable income of a nonresident of Minnesota, compensation paid to a service member as defined in United States Code, title 10, section 101(a)(5), for military service as defined in the Servicemembers Civil Relief Act, Public Law 108-189, section 101(2);

(15) to the extent included in federal taxable income, the amount of national service educational awards received from the National Service Trust under United States Code, title 42, sections 12601 to 12604, for service in an approved Americorps National Service program;

(16) to the extent included in federal taxable income, discharge of indebtedness income resulting from reacquisition of business indebtedness included in federal taxable income under section 108(i) of the Internal Revenue Code. This subtraction applies only to the extent that the income was included in net income in a prior year as a result of the addition under subdivision 19a, clause (13);
(17) the amount of the net operating loss allowed under section 290.095, subdivision 11, paragraph (c);
(18) the amount of expenses not allowed for federal income tax purposes due to claiming the railroad track maintenance credit under section 45G(a) of the Internal Revenue Code;
(19) the amount of the limitation on itemized deductions under section 68(b) of the Internal Revenue Code;
(20) the amount of the phaseout of personal exemptions under section 151(b) of the Internal Revenue Code; and
(21) to the extent included in federal taxable income, the amount of qualified transportation fringe benefits described in section 132(f)(1)(A) and (B) of the Internal Revenue Code. The subtraction is limited to the lesser of the amount of qualified transportation fringe benefits received in excess of the limitations under section 132(f)(2)(A) of the Internal Revenue Code for the year or the difference between the maximum qualified parking benefits excludable under section 132(f)(2)(B) of the Internal Revenue Code minus the amount of transit benefits excludable under section 132(f)(2)(A) of the Internal Revenue Code.

Subd. 19e. Corporations; additions to federal taxable income. For corporations, there shall be added to federal taxable income:
(1) the amount of any deduction taken for federal income tax purposes for income, excise, or franchise taxes based on net income or related minimum taxes, including but not limited to the tax imposed under section 290.0922, paid by the corporation to Minnesota, another state, a political subdivision of another state, the District of Columbia, or any foreign country or possession of the United States;
(2) interest not subject to federal tax upon obligations of: the United States, its possessions, its agencies, or its instrumentalities; the state of Minnesota or any other state, any of its political or governmental subdivisions, any of its municipalities, or any of its governmental agencies or instrumentalities; the District of Columbia; or Indian tribal governments;
(3) exempt-interest dividends received as defined in section 852(b)(5) of the Internal Revenue Code;
(4) the amount of any net operating loss deduction taken for federal income tax purposes under section 172 or 832(c)(10) of the Internal Revenue Code or operations loss deduction under section 810 of the Internal Revenue Code;
(5) the amount of any special deductions taken for federal income tax purposes under sections 241 to 247 and 965 of the Internal Revenue Code;
(6) losses from the business of mining, as defined in section 290.05, subdivision 1, clause (a), that are not subject to Minnesota income tax;
(7) the amount of any capital losses deducted for federal income tax purposes under sections 1211 and 1212 of the Internal Revenue Code;
(8) the amount of percentage depletion deducted under sections 611 through 614 and 291 of the Internal Revenue Code;
(9) for certified pollution control facilities placed in service in a taxable year beginning before December 31, 1986, and for which amortization deductions were elected under section 169 of the Internal Revenue Code of 1954, as amended through December 31, 1985, the amount of the amortization deduction allowed in computing federal taxable income for those facilities;
(10) the amount of a partner's pro rata share of net income which does not flow through to the partner because the partnership elected to pay the tax on the income under section 6242(a)(2) of the Internal Revenue Code;
(11) any increase in subpart F income, as defined in section 952(a) of the Internal Revenue Code, for the taxable year when subpart F income is calculated without regard to the provisions of Division C, title III, section 303(b) of Public Law 110-343;
(12) 80 percent of the depreciation deduction allowed under section 168(k)(1)(A) and (k)(4)(A) of the Internal Revenue Code. For purposes of this clause, if the taxpayer has an activity that in the taxable year generates a deduction for depreciation under section 168(k)(1)(A) and (k)(4)(A) and the activity generates a loss for the taxable year that the taxpayer is not allowed to claim for the taxable year, "the depreciation allowed under section 168(k)(1)(A) and (k)(4)(A)" for the taxable year is limited to excess of the depreciation claimed by the activity under section 168(k)(1)(A) and (k)(4)(A) over the amount of the loss from the activity that is not allowed in the taxable year. In succeeding taxable years when the losses not allowed in the taxable year are allowed, the depreciation under section 168(k)(1)(A) and (k)(4)(A) is allowed;
(13) 80 percent of the amount by which the deduction allowed by section 179 of the Internal Revenue Code exceeds the deduction allowable by section 179 of the Internal Revenue Code of 1986, as amended through December 31, 2003;
(14) to the extent deducted in computing federal taxable income, the amount of the deduction allowable under section 199 of the Internal Revenue Code; 
(15) the amount of expenses disallowed under section 290.10, subdivision 2; and 
(16) discharge of indebtedness income resulting from reacquisition of business indebtedness and deferred under section 108(i) of the Internal Revenue Code.

Subd. 19d. Corporations; modifications decreasing federal taxable income. For corporations, there shall be subtracted from federal taxable income after the increases provided in subdivision 19c:

(1) the amount of foreign dividend gross-up added to gross income for federal income tax purposes under section 78 of the Internal Revenue Code;
(2) the amount of salary expense not allowed for federal income tax purposes due to claiming the work opportunity credit under section 51 of the Internal Revenue Code;
(3) any dividend (not including any distribution in liquidation) paid within the taxable year by a national or state bank to the United States, or to any instrumentality of the United States exempt from federal income taxes, on the preferred stock of the bank owned by the United States or the instrumentality;
(4) the deduction for capital losses pursuant to sections 1211 and 1212 of the Internal Revenue Code, except that:

(i) for capital losses incurred in taxable years beginning after December 31, 1986, capital loss carrybacks shall not be allowed;
(ii) for capital losses incurred in taxable years beginning after December 31, 1986, a capital loss carryover to each of the 15 taxable years succeeding the loss year shall be allowed;
(iii) for capital losses incurred in taxable years beginning before January 1, 1987, a capital loss carryback to each of the three taxable years preceding the loss year, subject to the provisions of Minnesota Statutes 1986, section 290.16, shall be allowed; and
(iv) for capital losses incurred in taxable years beginning before January 1, 1987, a capital loss carryover to each of the five taxable years succeeding the loss year to the extent such loss was not used in a prior taxable year and subject to the provisions of Minnesota Statutes 1986, section 290.16, shall be allowed;
(5) an amount for interest and expenses relating to income not taxable for federal income tax purposes, if (i) the income is taxable under this chapter and (ii) the interest and expenses were disallowed as deductions under the provisions of section 171(a)(2), 265 or 291 of the Internal Revenue Code in computing federal taxable income;
(6) in the case of mines, oil and gas wells, other natural deposits, and timber for which percentage depletion was disallowed pursuant to subdivision 19c, clause (8), a reasonable allowance for depletion based on actual cost. In the case of leases the deduction must be apportioned between the lessor and lessee in accordance with rules prescribed by the commissioner. In the case of property held in trust, the allowable deduction must be apportioned between the income beneficiaries and the trustee in accordance with the pertinent provisions of the trust, or if there is no provision in the instrument, on the basis of the trust's income allocable to each;
(7) for certified pollution control facilities placed in service in a taxable year beginning before December 31, 1986, and for which amortization deductions were elected under section 169 of the Internal Revenue Code of 1954, as amended through December 31, 1985, an amount equal to the allowance for depreciation under Minnesota Statutes 1986, section 290.09, subdivision 7;
(8) amounts included in federal taxable income that are due to refunds of income, excise, or franchise taxes based on net income or related minimum taxes paid by the corporation to Minnesota, another state, a political subdivision of another state, the District of Columbia, or a foreign country or possession of the United States to the extent that the taxes were added to federal taxable income under subdivision 19c, clause (1), in a prior taxable year;
(9) income or gains from the business of mining as defined in section 290.05, subdivision 1, clause (a), that are not subject to Minnesota franchise tax;
(10) the amount of disability access expenditures in the taxable year which are not allowed to be deducted or capitalized under section 44(d)(7) of the Internal Revenue Code;
(11) the amount of qualified research expenses not allowed for federal income tax purposes under section 280C(c) of the Internal Revenue Code, but only to the extent that the amount exceeds the amount of the credit allowed under section 290.068;
(12) the amount of salary expenses not allowed for federal income tax purposes due to claiming the Indian employment credit under section 45A(a) of the Internal Revenue Code;
(13) any decrease in subpart F income, as defined in section 952(a) of the Internal Revenue Code, for the taxable year when subpart F income is calculated without regard to the provisions of Division C, title III, section 303(b) of Public Law 110-343;
(14) in each of the five tax years immediately following the tax year in which an addition is required under subdivision 19c, clause (12), an amount equal to one-fifth of the delayed depreciation. For purposes of this clause, "delayed depreciation" means the amount of the addition made by the taxpayer under subdivision 19c, clause (12). The resulting delayed depreciation cannot be less than zero;

(15) in each of the five tax years immediately following the tax year in which an addition is required under subdivision 19c, clause (13), an amount equal to one-fifth of the amount of the addition;

(16) to the extent included in federal taxable income, discharge of indebtedness income resulting from reacquisition of business indebtedness included in federal taxable income under section 108(i) of the Internal Revenue Code. This subtraction applies only to the extent that the income was included in net income in a prior year as a result of the addition under subdivision 19c, clause (16); and

(17) the amount of expenses not allowed for federal income tax purposes due to claiming the railroad track maintenance credit under section 45G(a) of the Internal Revenue Code.

290.0692 SMALL BUSINESS INVESTMENT CREDIT.
Subdivision 1. Definitions. For purposes of this section, terms defined in section 116J.8737 have the meaning given in that section.
Subd. 2. Credit allowed. A qualified investor is allowed a credit against the tax imposed under this chapter for qualified investments made in a qualified small business for the taxable year. The credit equals the amount and applies to the taxable year indicated on the certificate provided to the qualified investor under section 116J.8737, but the maximum credit in any taxable year is $250,000 for a married couple filing a joint return, and $125,000 for all other claimants.
Subd. 3. Proportional credits. Each pass-through entity must provide each investor a statement indicating the investor's share of the credit amount certified to the pass-through entity based on its share of the pass-through entity's capital assets at the time of the qualified investment.
Subd. 4. Credit refundable. If the amount of the credit under this section for any taxable year exceeds the claimant's liability for tax under this chapter, the commissioner shall refund the excess to the claimant. An amount sufficient to pay the refunds required by this section is appropriated to the commissioner from the general fund.
Subd. 5. Audit powers. Notwithstanding the certification eligibility issued by the commissioner of employment and economic development under section 116J.8737, the commissioner may utilize any audit and examination powers under chapter 270C or 289A to the extent necessary to verify that the taxpayer is eligible for the credit and to assess for the amount of any improperly claimed credit.

290.191 APPORTIONMENT OF NET INCOME.
Subd. 9. Determination of property factor: general rules. For all taxpayers, the property factor includes tangible property, real, personal, and mixed, owned or rented, and used by the taxpayer in connection with the trade or business, as set forth in subdivision 10. For financial institutions only, the property factor also includes intangible property, as set forth in subdivision 11. For both tangible and intangible property, the property included in the property factor is the average of the total property used by the taxpayer in connection with its business during the tax period. Such averages must be on a commensurate basis for property within and without the state.
Subd. 10. Property factor: tangible property. (a) Tangible property includes land, buildings, machinery and equipment, inventories, and other tangible personal property actually used by the taxpayer during the taxable year in carrying on the business activities of the taxpayer. Tangible property which is separately allocated under section 290.17 is not includable in the property factor.
(b) Cash on hand or in banks, shares of stock, notes, bonds, accounts receivable, or other evidences of indebtedness, special privileges, franchises, and goodwill, are specifically excluded from the property factor, except as otherwise provided for financial institutions in subdivision 11.
(c) The value of tangible property that is owned by the taxpayer and that is to be used in the apportionment fraction is the original cost adjusted for any later capital additions or improvements and partial disposition by reason of sale, exchange, or abandonment.
(d) For purposes of computing the property factor, United States government property that is used by the taxpayer must be considered owned by the taxpayer.
(e) Property that is rented by the taxpayer is valued at eight times the net annual rental. Net annual rental is the annual rental paid by the taxpayer less any annual rental received by the
taxpayer from subrentals. If the subrents taken into account in determining the net annual rental produce a negative or clearly inaccurate value for any item of property, another method that will properly reflect the value of rented property may be required by the commissioner or requested by the taxpayer. In no case, however, shall the value be less than an amount which bears the same ratio to the annual rental paid by the taxpayer for such property as the fair market value of that portion of the property used by the taxpayer bears to the total fair market value of the rented property. Rents paid during the year cannot be averaged.

(f) A person filing a combined report shall use this method of calculating the property factor for all members of the group.

Subd. 11. **Financial institutions; property factor.** (a) For financial institutions, the property factor includes, as well as tangible property, intangible property as set forth in this subdivision.

(b) Intangible personal property must be included at its tax basis for federal income tax purposes.

(c) Goodwill must not be included in the property factor.

(d) Money and currency located in this state must be attributed to this state.

(e) Lease financing receivables must be attributed to this state if and to the extent that the property is located within this state.

(f) Assets in the nature of loans that are secured by real or tangible personal property must be attributed to this state if and to the extent that the security property is located within this state.

(g) Assets in the nature of consumer loans and installment obligations that are unsecured or secured by intangible property must be attributed to this state if the loan was made to a resident of this state.

(h) Assets in the nature of commercial loan and installment obligations that are unsecured by real or tangible personal property or secured by intangible property must be attributed to this state if the proceeds of the loan are to be applied in this state. If it cannot be determined where the funds are to be applied, the assets must be attributed to the state in which there is located the office of the borrower from which the application would be made in the regular course of business. If this cannot be determined, the transaction is disregarded in the apportionment formula.

(i) A participating financial institution's portion of participation and syndication loans must be attributed under paragraphs (e) to (h).

(j) Financial institution credit card and travel and entertainment credit card receivables must be attributed to the state to which the credit card charges and fees are regularly billed.

(k) Receivables arising from merchant discount income derived from financial institution credit card holder transactions with a merchant are attributed to the state in which the merchant is located. In the case of merchants located within and without the state, only receivables from merchant discounts attributable to sales made from locations within the state are attributed to this state. It is presumed, subject to rebuttal, that the location of a merchant is the address shown on the invoice submitted by the merchant to the taxpayer.

(l) Assets in the nature of securities and money market instruments are apportioned to this state based upon the ratio that total deposits from this state, its residents, its political subdivisions, agencies and instrumentalities bear to the total deposits from all states, their residents, their political subdivisions, agencies and instrumentalities. In the case of an unregulated financial institution, the assets are apportioned to this state based upon the ratio that its gross business income earned from sources within this state bears to gross business income earned from sources within all states. For purposes of this paragraph, deposits made by this state, its residents, its political subdivisions, agencies, and instrumentalities are attributed to this state, whether or not the deposits are accepted or maintained by the taxpayer at locations within this state.

(m) A financial institution's interest in any property described in section 290.015, subdivision 3, paragraph (b), is included in the property factor in the same manner as assets in the nature of securities or money market instruments are included under paragraph (1).

Subd. 12. **Determination of payroll factor.** (a) The payroll factor must be determined in the same way for all taxpayers.

(b) Wages or salaries must be determined to be paid or incurred in this state if the individual with respect to whom the wages or salaries are paid is either employed within this state or is actually engaged in work in the territorial confines of this state, or if working without this state, is identified with or accountable to an office within this state.

(c) The wages or salaries paid to officers and employees working from offices within this state are considered payroll within this state even though the officer's and employee's employment requires them to spend working time without this state. Officers and employees whose employment requires them to work without the state entirely and who are assigned to an office
without the state, are not considered employees within the state for the purpose of apportionment even though their salaries are paid from the taxpayer's general offices within the state.

297A.71 CONSTRUCTION EXEMPTIONS.

Subd. 42. Aerospace defense manufacturing facility. (a) Materials and supplies used or consumed in, capital equipment incorporated into, and privately owned infrastructure in support of the construction, improvement, or expansion of an aerospace defense manufacturing facility are exempt if:

(1) the facility is used for the manufacturing of aerospace or defense-related sensors and the production of micro-electro-mechanical systems; and

(2) the total capital investment made at the facility is at least $59,000,000.

(b) The tax must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied, and refunded in the manner provided in section 297A.75, only after the following criteria have been met:

(1) a refund may not be issued until the owner of the aerospace defense manufacturing facility has received certification from the Department of Employment and Economic Development that the aerospace defense manufacturing facility employs no less than 1,653 full-time equivalent workers within the state, and has made a total capital investment of at least $59,000,000;

(2) for each year that the owner of the aerospace defense manufacturing facility receives certification from the Department of Employment and Economic Development that no less than 1,653 full-time equivalent worker residents are employed workers within the state, the refund may be issued to the owner of the aerospace defense manufacturing facility at a rate of 25 percent of the total allowable refund payable to date, provided that the Department of Employment and Economic Development continues to certify that no less than 1,653 full-time equivalent workers are employed workers within the state, the commissioner of revenue may make annual payments of the remaining refund until all of the refund has been paid; and

(3) to receive the refund, the owner of the aerospace defense manufacturing facility must initially apply to the Department of Employment and Economic Development for certification no later than one year from the final completion date of construction of the expansion of the aerospace defense manufacturing facility.

Subd. 46. Research and development facility. Materials and supplies used or consumed in, and equipment incorporated into, the construction or improvement of a research and development facility that has laboratory space of at least 400,000 square feet and utilizes both high-intensity and low-intensity laboratories, provided that the project has a total construction cost of at least $140,000,000 within a 24-month period. The tax on purchases imposed under this subdivision must be imposed and collected as if the rate under section 297A.62 applied and then refunded in the manner provided in section 297A.75.

Subd. 47. Industrial measurement manufacturing and controls facility. (a) Materials and supplies used or consumed in, capital equipment incorporated into, fixtures installed in, and privately owned infrastructure in support of the construction, improvement, or expansion of an industrial measurement manufacturing and controls facility are exempt if:

(1) the total capital investment made at the facility is at least $60,000,000; and

(2) the facility employs at least 250 full-time equivalent employees that are not employees currently employed by the company in the state; and

(3) the Department of Employment and Economic Development determines that the expansion, remodeling, or improvement of the facility has a significant impact on the state economy.

(b) The tax must be imposed and collected as if the rate under section 297A.62 applied and refunded in the manner provided in section 297A.75, only after the following criteria are met:

(1) a refund may not be issued until the owner of the facility has received certification from the Department of Employment and Economic Development that the company meets the requirements in paragraph (a); and

(2) to receive the refund, the owner of the industrial measurement manufacturing and controls facility must initially apply to the Department of Employment and Economic Development for certification no later than one year from the final completion date of construction, improvement, or expansion of the industrial measurement manufacturing and controls facility.

298.2961 PRODUCER GRANTS.
Subd. 5. Public works and local economic development fund. For distributions in 2007 only, a special fund is established to receive 38.4 cents per ton that otherwise would be allocated under section 298.28, subdivision 6. The following amounts are allocated to St. Louis County acting as the fiscal agent for the recipients for the specific purposes:

(1) 13.4 cents per ton for the Central Iron Range Sanitary Sewer District for construction of a combined wastewater facility and notwithstanding section 298.28, subdivision 11, paragraph (a), or any other law, interest accrued on this money while held by St. Louis County shall also be distributed to the recipient;

(2) six cents per ton to the city of Eveleth to redesign and design and construct improvements to renovate its water treatment facility;

(3) one cent per ton for the East Range Joint Powers Board to acquire land for and to design a central wastewater collection and treatment system;

(4) 0.5 cents per ton to the city of Hoyt Lakes to repair Leeds Road;

(5) 0.7 cents per ton to the city of Virginia to extend Eighth Street South;

(6) 0.7 cents per ton to the city of Mountain Iron to repair Hoover Road;

(7) 0.9 cents per ton to the city of Gilbert for alley repairs between Michigan and Indiana Avenues and for repayment of a loan to the Minnesota Department of Employment and Economic Development;

(8) 0.4 cents per ton to the city of Kooenat for a new city well;

(9) 0.3 cents per ton to the city of Grand Rapids for planning for a fire and hazardous materials center;

(10) 0.9 cents per ton to Aitkin County Growth for an economic development project for peat harvesting;

(11) 0.4 cents per ton to the city of Nashwauk to develop a comprehensive city plan;

(12) 0.4 cents per ton to the city of Taconite for development of a city comprehensive plan;

(13) 0.3 cents per ton to the city of Marble for water and sewer infrastructure;

(14) 0.8 cents per ton to Aitkin County for improvements to the Long Lake Environmental Learning Center;

(15) 0.3 cents per ton to the city of Coleraine for the Coleraine Technology Center;

(16) 0.5 cents per ton to the Economic Development Authority of the city of Grand Rapids for planning for the North Central Research and Technology Laboratory;

(17) 0.6 cents per ton to the city of Bovey for sewer and water extension;

(18) 0.3 cents per ton to the city of Calumet for infrastructure improvements; and

(19) ten cents per ton to the commissioner of Iron Range Resources and Rehabilitation for deposit in a Highway 1 Corridor Account established by the commissioner, to be distributed by the commissioner to any of the cities of Babbitt, Cook, Ely, or Tower, for economic development projects approved by the board; notwithstanding section 298.28, subdivision 11, paragraph (a), or any other law, interest accrued on this money while held by St. Louis County or the commissioner shall also be distributed to the recipient.

Subd. 6. Renewable energy. For distributions in 2009 only, a special account is established in the taconite environmental protection fund to receive 15.5 cents per ton that otherwise would be allocated under section 298.28, subdivision 6. The funds are available for cooperative projects between the Iron Range Resources and Rehabilitation Board and local governments for renewable energy initiatives.

Subd. 7. 2010 distributions only. For distributions in 2010 only, a special fund is established to receive the sum of the following amounts that otherwise would be allocated under section 298.28, subdivision 6. The following amounts are allocated to St. Louis County acting as the fiscal agent for the recipients for the specific purposes:

(1) 0.764 cent per ton must be paid to Northern Minnesota Dental to provide incentives for at least two dentists to establish dental practices in high-need areas of the taconite tax relief area;

(2) 0.955 cent per ton must be paid to the city of Virginia for repairs and geothermal heat at the Olcott Park Greenhouse/Virginia Commons project;

(3) 0.796 cent per ton must be paid to the city of Virginia for health and safety repairs at the Miners Memorial;

(4) 1.114 cents per ton must be paid to the city of Eveleth for the reconstruction of Highway 142/Grant and Park Avenues;

(5) 0.478 cent per ton must be paid to the Greenway Joint Recreation Board for upgrades and capital improvements to the public arena in Coleraine;

(6) 0.796 cent per ton must be paid to the city of Calumet for water treatment and pumphouse modifications;

(7) 0.159 cent per ton must be paid to the city of Bovey for residential and commercial claims for water damage due to water and flood-related damage caused by the Canisteo Pit;
(8) 0.637 cent per ton must be paid to the city of Nashwauk for a community and child care center;
(9) 0.637 cent per ton must be paid to the city of Kewatin for water and sewer upgrades;
(10) 0.637 cent per ton must be paid to the city of Marble for the city hall and library project;
(11) 0.955 cent per ton must be paid to the city of Grand Rapids for extension of water and sewer services for Lakewood Housing;
(12) 0.159 cent per ton must be paid to the city of Grand Rapids for exhibits at the Children's Museum;
(13) 0.637 cent per ton must be paid to the city of Grand Rapids for Block 20/21 soil corrections. This amount must be matched by local sources;
(14) 0.605 cent per ton must be paid to the city of Aitkin for three water loops;
(15) 0.048 cent per ton must be paid to the city of Aitkin for signage;
(16) 0.159 cent per ton must be paid to Aitkin County for a trail;
(17) 0.637 cent per ton must be paid to the city of Cohasset for the Beiers Road railroad crossing;
(18) 0.088 cent per ton must be paid to the town of Clinton for expansion and striping of the community center parking lot;
(19) 0.398 cent per ton must be paid to the city of Kinney for water line replacement;
(20) 0.796 cent per ton must be paid to the city of Gilbert for infrastructure improvements, milling, and overlay for Summit Street between Alaska Avenue and Highway 135;
(21) 0.318 cent per ton must be paid to the city of Gilbert for sanitary sewer main replacements and improvements in the Northeast Lower Alley area;
(22) 0.637 cent per ton must be paid to the town of White for replacement of the Stepetz Road culvert;
(23) 0.796 cent per ton must be paid to the city of Buhl for reconstruction of Sharon Street and associated infrastructure;
(24) 0.796 cent per ton must be paid to the city of Mountain Iron for site improvements at the Park Ridge development;
(25) 0.796 cent per ton must be paid to the city of Mountain Iron for infrastructure and site preparation for its renewable and sustainable energy park;
(26) 0.637 cent per ton must be paid to the city of Biwabik for sanitary sewer improvements;
(27) 0.796 cent per ton must be paid to the city of Aurora for alley and road rebuilding for the Summit Addition;
(28) 0.955 cent per ton must be paid to the city of Silver Bay for bioenergy facility improvements;
(29) 0.318 cent per ton must be paid to the city of Grand Marais for water and sewer infrastructure improvements;
(30) 0.318 cent per ton must be paid to the city of Orr for airport, water, and sewer improvements;
(31) 0.716 cent per ton must be paid to the city of Cook for street and bridge improvements and land purchase, provided that if the city sells or otherwise disposes of any of the land purchased with the money provided under this clause within a period of ten years after it was purchased, the city must transfer a portion of the proceeds of the sale equal to the amount of the purchase price paid from the money provided under this clause to the commissioner of Iron Range Resources and Rehabilitation for deposit in the taconite environmental protection fund to be used for the purposes of the fund under section 298.223;
(32) 0.955 cent per ton must be paid to the city of Ely for street, water, and sewer improvements;
(33) 0.318 cent per ton must be paid to the city of Tower for water and sewer improvements;
(34) 0.955 cent per ton must be paid to the city of Two Harbors for water and sewer improvements;
(35) 0.637 cent per ton must be paid to the city of Babbitt for water and sewer improvements;
(36) 0.096 cent per ton must be paid to the township of Duluth for infrastructure improvements;
(37) 0.096 cent per ton must be paid to the township of Tofte for infrastructure improvements;
(38) 3.184 cents per ton must be paid to the city of Hibbing for sewer improvements;
(39) 1.273 cents per ton must be paid to the city of Chisholm for NW Area Project infrastructure improvements;
  (40) 0.318 cent per ton must be paid to the city of Chisholm for health and safety improvements at the athletic facility;
  (41) 0.796 cent per ton must be paid to the city of Hoyt Lakes for residential street improvements;
  (42) 0.796 cent per ton must be paid to the Bois Forte Indian Reservation for infrastructure related to a housing development;
  (43) 0.159 cent per ton must be paid to Balkan Township for building improvements;
  (44) 0.159 cent per ton must be paid to the city of Grand Rapids for a grant to a nonprofit for a signage kiosk;
  (45) 0.318 cent per ton must be paid to the city of Crane Lake for sanitary sewer lines and adjacent development near County State-Aid Highway 24; and
  (46) 0.159 cent per ton must be paid to the city of Chisholm to rehabilitate historic wall infrastructure around the athletic complex.

383B.926 PREPAID HEALTH PLAN.
  The corporation is a county-affiliated public teaching hospital for purposes of section 256D.03, subdivision 4.

386.23 PRE-1862 SHERIFF'S CERTIFICATES, TRANSCRIBING.
  Subdivision 1. Must be transcribed. The county recorder in any county is hereby authorized and directed to transcribe, in appropriate records or electronic media to be provided for such purpose, all certificates now on file in the recorder's office, which were filed prior to May 10, 1862, made by sheriffs upon sales of real estate on mortgage foreclosures, judgments, and executions.
  Subd. 2. Compensation. The county recorder shall receive compensation for transcribing each of such certificates, and for comparing and certifying all such certificates, filed prior to May 10, 1862, and not heretofore compared and certified, to be paid out of the county funds, and shall be allowed by the board of county commissioners of such county upon the completion of the work.
  Subd. 3. Prima facie; as of time filed. The recording of such certificates shall have the effect of a record of the same from time to time when they were filed in such county recorder office and shall be prima facie evidence of the facts therein set forth.

507.30 ACTION TO TEST NEW COUNTY; CONVEYANCES, WHERE RECORDED.
  During the pendency of any action or proceeding to test the validity of the organization of a new county, all instruments affecting real estate within such county may be recorded in the original county with the same effect as if recorded in such new county.

507.37 RECORD OF CONVEYANCE OF LAND IN UNORGANIZED COUNTY.
  The record of every conveyance or other instrument affecting real estate in any unorganized county heretofore recorded in the county to which such unorganized county was then attached for judicial purposes, shall have the same force and effect as if recorded in the county where the real estate is situated.

557.07 SETTLER; ACTION FOR POSSESSION.
  Any person who has settled on not more than 160 acres, consisting of not more than two distinct tracts, of the lands belonging to the United States, on which settlement is not prohibited by the general government, may maintain an action for injuries done thereto, or to recover the possession thereof, provided the settler has made improvements thereon of the value of $50 and has actually occupied or cultivated the same. A neglect to occupy or cultivate such land, continued for six months, shall be deemed an abandonment, and preclude such person from maintaining such action.
Laws 2014, chapter 286, article 6, section 2
Sec. 2. Minnesota Statutes 2012, section 299A.63, subdivision 2, is amended to read:
Subd. 2. Awarding grant. The commissioner of public safety shall act as fiscal agent for the grant program and shall be responsible for receiving applications for grants and awarding grants under this section. At least 50 percent of the grants awarded under this section must be awarded to the cities of Minneapolis and St. Paul.

Laws 2015, chapter 45, section 17
Sec. 17. Minnesota Statutes 2014, section 349.181, subdivision 3, is amended to read:
Subd. 3. Organization and lessor employees and volunteers. (a) For purposes of this section, "volunteer" means a person who is not compensated by an organization but who performs activities in the conduct of lawful gambling for that organization.
(b) For purposes of this section, "conduct of pull-tabs, tipboards, and paddlewheels" includes selling tickets, redeeming tickets, auditing games, making deposits, spinning the paddlewheel, and conducting inventory.
(c) For purposes of this section, "conduct of bingo" includes selling bingo hard cards, bingo paper sheets, or facsimiles of bingo paper sheets; completing bingo occasion records; selecting or announcing bingo numbers; making deposits; and conducting inventory.
(d) An organization or lessor employee or volunteer who is involved in the conduct of pull-tabs, tipboards, or paddlewheels at a permitted premises may not participate directly or indirectly as a player in a pull-tab, tipboard, or paddlewheel game at that same premises. This restriction is in effect until six weeks after the employee or volunteer is no longer involved in the conduct of pull-tab, tipboard, or paddlewheel games at that same premises.
(e) A volunteer involved in the conduct of a tipboard or paddlewheel game that has no more than 32 chances per game may participate as a player in pull-tab, tipboard, or paddlewheel games at the same premises, except on the same business day that the volunteer was involved in the conduct of the games.
(f) An employee or volunteer who is involved in the conduct of any lawful gambling during a bingo occasion may not participate directly or indirectly as a player in any lawful gambling during that bingo occasion.

Laws 2015, chapter 68, article 14, section 8
Sec. 8. Minnesota Statutes 2014, section 353.27, subdivision 3b, is amended to read:
Subd. 3b. Change in employee and employer contributions in certain instances. (a) For purposes of this section:
(1) a contribution deficiency exists if the total of the employee contribution under subdivision 2, the employer contribution under subdivision 3, the additional employer contribution under subdivision 3a, and any additional contribution previously imposed under this subdivision exceeds the total of the normal cost, the administrative expenses, and the amortization contribution of the general employees retirement plan as reported in the most recent actuarial valuation of the retirement plan prepared by the actuary retained under section 356.214 and prepared under section 356.215 and the standards for actuarial work of the Legislative Commission on Pensions and Retirement; and
(2) a contribution deficiency exists if the total of the employee contributions under subdivision 2, the employer contributions under subdivision 3, the additional employer contribution under subdivision 3a, and any additional contribution previously imposed under this subdivision is less than the total of the normal cost, the administrative expenses, and the amortization contribution of the general employees retirement plan as reported in the most recent actuarial valuation of the retirement plan prepared by the actuary retained under section 356.214 and prepared under section 356.215 and the standards for actuarial work of the Legislative Commission on Pensions and Retirement.
(b) Employee and employer contributions to the general employees retirement plan under subdivisions 2 and 3 must be adjusted:
(1) if the regular actuarial valuation of the general employees retirement plan of the Public Employees Retirement Association under section 356.215 indicates that there is a contribution deficiency under paragraph (a) greater than one percent of covered payroll and that the deficiency has existed for at least two consecutive years, the coordinated program employee and employer contribution rates must be decreased as determined under paragraph (c) to a level such that the
sufficiency is no greater than one percent of covered payroll based on the most recent actuarial valuation; or

(2) if the regular actuarial valuation of the general employees retirement plan of the Public Employees Retirement Association under section 356.215 indicates that there is a contribution deficiency equal to or greater than 0.5 percent of covered payroll and that the deficiency has existed for at least two consecutive years, the coordinated program employee and employer contribution rates must be increased as determined under paragraph (d) to a level such that no deficiency exists based on the most recent actuarial valuation.

(c) If the actuarially required contribution of the general employees retirement plan is less than the total support provided by the combined employee and employer contribution rates under subdivisions 2, 3, and 3a, by more than one percent of covered payroll, the general employees retirement plan coordinated program employee and employer contribution rates under subdivisions 2 and 3 must be decreased incrementally over one or more years by no more than 0.25 percent of pay each for employee and employer matching contribution rates to a level such that there remains a contribution sufficiency of at least one percent of covered payroll. No contribution rate decrease may be made until at least two years have elapsed since any adjustment under this subdivision has been fully implemented.

(d) If the actuarially required contribution exceeds the total support provided by the combined employee and employer contribution rates under subdivisions 2, 3, and 3a, the employee and matching employer contribution rates must be increased equally to eliminate that contribution deficiency. If the contribution deficiency is:

(1) less than two percent, the incremental increase may be up to 0.25 percent for the general employees retirement plan employee and matching employer contribution rates;

(2) greater than 1.99 percent and less than 4.01 percent, the incremental increase may be up to 0.5 percent for the employee and matching employer contribution rates; or

(3) greater than four percent, the incremental increase may be up to 0.75 percent for the employee and matching employer contribution.

(e) The general employees retirement plan contribution sufficiency or deficiency determination under paragraphs (a) to (d) must be made including the contributions credited under section 353.27, subdivision 3c, and state aid under section 353.505.

(f) Any recommended adjustment to the contribution rates must be reported to the chair and the executive director of the Legislative Commission on Pensions and Retirement by January 15 following the receipt of the most recent annual actuarial valuation prepared under section 356.215. If the Legislative Commission on Pensions and Retirement does not recommend against the rate change or does not recommend a modification in the rate change, the recommended adjustment becomes effective for any salary paid on or after the January 1 next following the legislative session in which the Legislative Commission on Pensions and Retirement did not take any action to disapprove or modify the Public Employees Retirement Association Board of Trustees’ recommendation to adjust the employee and employer rates.

(g) A contribution sufficiency of up to one percent of covered payroll must be held in reserve to be used to offset any future actuarially required contributions that are more than the total combined employee and employer contributions under subdivisions 2, 3, and 3a.

(h) Before any reduction in contributions to eliminate a sufficiency in excess of one percent of covered payroll may be recommended, the executive director must review any need for a change in actuarial assumptions, as recommended by the actuary retained under section 356.214 in the most recent experience study of the general employees retirement plan prepared under section 356.215 and the standards for actuarial work promulgated by the Legislative Commission on Pensions and Retirement that may result in an increase in the actuarially required contribution and must report to the Legislative Commission on Pensions and Retirement any recommendation by the board to use the sufficiency exceeding one percent of covered payroll to offset the impact of an actuarial assumption change recommended by the actuary retained under section 356.214, subdivision 1, and reviewed by the actuary retained by the commission under section 356.214, subdivision 4.

(i) No contribution sufficiency in excess of one percent of covered payroll may be proposed to be used to increase benefits, and no benefit increase may be proposed that would initiate an automatic adjustment to increase contributions under this subdivision. Any proposed benefit improvement must include a recommendation, prepared by the actuary retained under section 356.214, subdivision 1, and reviewed by the actuary retained by the Legislative Commission on Pensions and Retirement as provided under section 356.214, subdivision 4, on how the benefit modification will be funded.